

Tata Tea Limited

**Annual General Meeting on
Tuesday, 1st September, 2009
at The Oberoi Grand,
15, Jawaharlal Nehru Road,
Kolkata 700 013**

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Odd Lot Holdings

Having regard to the difficulties experienced by the shareholders in selling their holding of odd lot shares in the stock market, a scheme for the purchase of odd lot equity share of Tata Tea Limited has been framed by TSR Darashaw Limited.

Any shareholder wishing to know the details of the scheme may kindly write to TSR Darashaw Limited, 6-10 Haji Moosa Patrawala Ind. Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011 superscribing the envelope with the words **"Odd Lot Scheme"**.

Tata Tea Limited
Board of Directors

R. N. Tata (*Chairman*)
R. K. Krishna Kumar (*Vice Chairman*)
Y. H. Malegam
D.B. Engineer
F.K. Kavarana
U.M. Rao
A.R. Gandhi
M. Srinivasan (Ms.) (*Joined from 22.10.2008*)
A. Singh (*Joined from 22.10.2008*)
J.S. Bilimoria (*Joined from 25.3.2009*)
V. Leeladhar (*Joined from 24.4.2009*)
P. D. Unsworth
P.T. Siganporia (*Managing Director*)
S. Talwar (Ms.) (*Whole-time Director*)

D.K. Sen (*Vice President & Secretary*)

Registered Office

1, Bishop Lefroy Road, Kolkata - 700 020.
 Telephone : 22811807/3709/3779/3891/4422
 Fax : 22811199
 Website : www.tatatea.com

Registrars

Equity Shares & Fixed Deposits
 TSR Darashaw Limited,
 (Formerly Tata Share Registry Limited)
 (Unit : Tata Tea Ltd.)
 6-10 Haji Moosa Patrawala Ind. Estate,
 20, Dr. E. Moses Road, Mahalaxmi,
 Mumbai 400 011.
 Telephone : 022-66568484 Fax : 022-66568494
 Website : www.tsrdarashaw.com

 Kolkata Office :
 1st Floor, Tata Centre,
 43, Chowringhee Road,
 Kolkata 700 071
 Telephone : 033-22883037
 Fax : 033-22883087

Solicitors and Legal Advisors

Khaitan & Co.
 Orr, Dignam & Co.

Auditors

N.M. Rajji & Co.
 Lovelock & Lewes

Bankers

ABN Amro Bank N.V.
 Bank of America
 Citibank N.A.
 Deutsche Bank
 HDFC Bank Limited
 ICICI Bank Limited
 Standard Chartered Bank
 State Bank of India
 State Bank of Travancore
 The Hongkong and Shanghai Banking Corporation Limited

Board Committees (*from 10.6.2009*)

Audit Committee

1. Mr. Y.H. Malegam - Chairman
2. Mr. R.K. Krishna Kumar
3. Mr. U.M. Rao
4. Mr. A.R. Gandhi
5. Mr. J.S. Bilimoria
6. Mr. V. Leeladhar

Shareholders' / Investors' Grievance Committee

1. Mr. F.K. Kavarana - Chairman
2. Mr. D.B. Engineer
3. Mr. U.M. Rao

Remuneration Committee

1. Mr. D.B. Engineer - Chairman
2. Mr. R.K. Krishna Kumar
3. Mr. U.M. Rao
4. Mr. A.R. Gandhi
5. Mr. J.S. Bilimoria
6. Mr. V. Leeladhar

Executive Committee

1. Mr. R.N. Tata - Chairman
2. Mr. R.K. Krishna Kumar
3. Mr. U.M. Rao
4. Mr. P.D. Unsworth
5. Managing Director, Executive Directors & Group CFO
6. Managing Director/Executive Directors of Indian Subsidiaries

Nomination Committee

1. Mr. R.N. Tata - Chairman
2. Mr. R.K. Krishna Kumar
3. Mr. Y.H. Malegam
4. Mr. F.K. Kavarana
5. Mr. A.R. Gandhi

Ethics & Compliance Committee

1. Mr. F.K. Kavarana - Chairman
2. Mr. P.T. Siganporia

Corporate Sustainability Reporting Committee

1. Mr. U.M. Rao - Chairman
2. Prof. S. Parasuraman - Expert Member
3. Mr. P.T. Siganporia

NOTICE

Notice is hereby given that the Forty-sixth Annual General Meeting of the Members of Tata Tea Limited will be held at The Oberoi Grand, 15, Jawaharlal Nehru Road, Kolkata 700 013 on Tuesday, 1st September, 2009, at 10.30 a.m. to transact the following businesses :-

1. To receive and adopt the Profit and Loss Account for the year ended 31st March, 2009, and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Y. H. Malegam who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. D. B. Engineer who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. A. R. Gandhi who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and fix their remuneration.
7. **Appointment of Additional Director**

To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution:

“Resolved that Ms. Mallika Srinivasan who was appointed by the Board of Directors as an Additional Director of the Company with effect from 22nd October, 2008, and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing her candidature for the office of a Director of the Company, be and she is hereby appointed a Director of the Company.”

8. **Appointment of Additional Director**

To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution:

“Resolved that Mr. Analjit Singh who was appointed by the Board of Directors as an Additional Director of the Company with effect from 22nd October, 2008, and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of a Director of the Company, be and he is hereby appointed a Director of the Company.”

9. **Appointment of Additional Director**

To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution:

“Resolved that Mr. Jimmy S. Bilimoria who was appointed by the Board of Directors as an Additional Director of the Company with effect from 25th March, 2009, and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of a Director of the Company, be and he is hereby appointed a Director of the Company.”

10. **Appointment of Additional Director**

To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution:

Tata Tea Limited

"Resolved that Mr.Vittaldas Leeladhar who was appointed by the Board of Directors as an Additional Director of the Company with effect from 24th April, 2009, and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of a Director of the Company, be and he is hereby appointed a Director of the Company."

11. Approval of payment of remuneration to Mr.P.T.Siganporia during 1.2.2009 to 30.6.2009 by an overseas subsidiary of the Company

To consider and if thought fit to pass with or without modification, the following Resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby consents to Mr. P. T. Siganporia, Managing Director of the Company holding and continuing to hold an office or place of profit under an overseas subsidiary of the Company, namely Tata Tea(GB) Ltd. from 1st February, 2009 to 30th June, 2009 as a Director on a basic salary in the region of £200,000 to £300,000 per annum plus perquisites, allowances, bonuses, benefits, amenities and facilities as set out in the Explanatory statement annexed hereto as are applicable to an employee in his grade with such increases in salary, perquisites, allowances, bonuses, benefits, amenities and facilities as may be decided by the Board of Directors of Tata Tea(GB) Ltd. from time to time."

12. Re-appointment and Remuneration of Managing Director

To consider and if thought fit to pass with or without modification, the following Resolution as an Ordinary Resolution:

"Resolved that, subject to the approval of Central Government and in accordance with the provisions of Sections 269, 309, 310 and 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the Company hereby approves the re-appointment and remuneration payable to Mr. P. T. Siganporia who was re-appointed by the Board of Directors as Managing Director of the Company for a period of two years with effect from 1st July, 2009, upon the terms and conditions set out in the draft Agreement between the Company and Mr. Siganporia, submitted to this meeting and for the purpose of identification initialled by a Director which Agreement is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and remuneration in such manner and to such extent as may be agreed between the Board of Directors and Mr. Siganporia so as not to exceed the limits set out in Schedule XIII of the Companies Act, 1956 including any amendments thereto."

13. Approval of payment of remuneration to Mr.P.T.Siganporia during 1.7.2009 to 30.6.2011 by an overseas subsidiary of the Company

To consider and if thought fit to pass with or without modification, the following Resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby consents to Mr. P.T.Siganporia, Managing Director of the Company holding and continuing to hold an office or place of profit under an overseas subsidiary of the Company, namely Tata Tea (GB) Ltd. from 1st July, 2009 to 30th June, 2011 as a Director on a basic salary in the region of £200,000 to £400,000 per annum as reduced by the remuneration payable to Mr. Siganporia by Tata Tea Ltd. in accordance with resolution at Item No. 12 above plus perquisites, allowances, bonuses, benefits, amenities and facilities as set out in the Explanatory statement annexed hereto as are applicable to an employee in his grade with such increases in salary, perquisites, allowances, bonuses, benefits, amenities and facilities as may be decided by the Board of Directors of Tata Tea (GB) Ltd. from time to time."

14. Appointment and Remuneration of Wholetime Executive Director

To consider and if thought fit to pass with or without modification, the following Resolution as an Ordinary Resolution:

“Resolved that in accordance with the provisions of Sections 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the Company hereby approves the re-appointment and terms of Remuneration of Mrs. Sangeeta Talwar who was re-appointed by the Board of Directors as a Wholetime Executive Director of the Company for a period of five years with effect from 1st July, 2009, upon the terms and conditions set out in the Agreement between the Company and Mrs. Talwar, submitted to this meeting and for the purpose of identification initialled by a Director which Agreement is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner and to such extent as may be agreed between the Board of Directors and Mrs. Talwar so as not to exceed the limits set out in Schedule XIII of the Companies Act, 1956 including any amendments thereto.”

15. Payment of Commission to Non-Wholetime Directors

To consider and if thought fit to pass with or without modification, the following Resolution as a Special Resolution:

“Resolved that pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, a sum not exceeding 1% of the net profits of the Company per annum computed in the manner prescribed in Section 309 (5) of the Companies Act, 1956, in respect of the profits of the Company for each of the five financial years commencing from 1st April, 2009 be determined and distributed as commission amongst the Directors of the Company or some of them (other than the Managing Director and the Wholetime Directors) in such manner as may be decided and directed by the Board of Directors of the Company.”

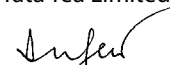
16. Notice received from a shareholder under Section 257 of the Companies Act, 1956.

To consider and if thought fit to pass with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956, Mr. Ramji Lal Choudhary be and he is hereby appointed a Director of the Company.”

The Register of Members shall remain closed during 15th August, 2009 to 1st September, 2009, both days inclusive.

By Order of the Board
For Tata Tea Limited


(D. K. Sen)

Vice President & Secretary

Registered Office :
1, Bishop Lefroy Road
Kolkata - 700 020
Date : 20th July, 2009

Tata Tea Limited**Notes :**

1. The dividend that may be declared by the Company will be paid on or after 4th September, 2009, to those members of the Company holding shares in physical form whose names appear on the Register of Members as on 15th August, 2009. In respect of shares held in electronic form, the dividend will be paid to the beneficial owners of the shares as on beginning of 15th August, 2009, as per details that may be provided by the Depositories for this purpose.
2. A Member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a Member of the Company. Proxies, in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be accompanied by appropriate resolution/authority as applicable, issued on behalf of the nominating organisation.
3. Shareholders are requested to immediately notify their bank particulars giving the name of the bank and the branch, the nature of account and account number to the Company's Registrar and Share Transfer Agent, TSR Darashaw Limited. Shareholders are hereby informed that instances of fraudulent encashment of dividend warrants issued to shareholders who did not furnish their bank particulars have come to the notice of the Company and it is extremely important and in the interest of the shareholders to furnish to the Company immediately their bank particulars. The shareholders may please note that under instructions from the Securities and Exchange Board of India, furnishing of bank particulars by the shareholders has become mandatory.
4. Pursuant to Section 205C of the Companies Act, 1956 all unclaimed/unpaid dividend, debenture interest and interest on deposits as well as principal amount of deposits upto 31.3.2009 remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, have been transferred to the Investors Education & Protection Fund (IEPF) established by the Central Government. Shareholders/debentureholders/depositors may kindly note that the Company is statutorily required to transfer to IEPF all unclaimed/unpaid dividend, debenture interest and principal and interest on deposits remaining unpaid/unclaimed for a period of seven years from the date they became due for payment and once such amounts are transferred to IEPF, no claim of the shareholder/ debentureholder/ depositor shall lie against the Company or the IEPF. For the information of the shareholders it is hereby notified that the following amounts will be due for transfer to IEPF during the financial year 2009-10:
 - a) Dividend paid on 14th June, 2002 in respect of the financial year 2001-2002
 - b) Interest on fixed deposits paid during 1.4.2002 to 31.3.2003
 - c) Principal amounts on maturity of deposits due during 1.4.2002 to 31.3.2003.Shareholders/ debentureholders/ depositors who have not yet encashed their dividend warrants/interest warrants or have not claimed the principal amount of deposit by submitting the discharged Fixed Deposit Receipts are requested to do so immediately. Further details relating to such transfers to IEPF have been given in item no. 11 of the Corporate Governance Report.
5. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for printing on the face of the dividend warrants. For the safety and interest of the shareholders, it is important that bank account details are correctly provided to the depository participants. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the depository participant of the shareholders. The bank mandate, if any, for shares held in physical form cannot be applied for shares held in electronic form.
6. Shareholders holding shares in physical form are requested to advise any change of address immediately to Company's Registrar and Share Transfer Agents, TSR Darashaw Ltd. Shareholders holding shares in electronic form must advise their respective depository participants about change in address and not to the Company or the Registrars.

PARTICULARS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

| Particulars | Mr. Y. H. Malegam | Mr. D. B. Engineer | Mr. A. R. Gandhi |
|--|--|--|---|
| Date of Birth | 24.9.1933 | 2.5.1933 | 15.3.1943 |
| Date of Appointment | 8.2.1977 | 9.8.1988 | 1.6.2007 |
| Qualifications | B.Com., FCA | B.A. (Hons.) LL.B. | B.Com, FCA (Eng & Wales), FCA |
| Number of Shares of the Company held | 3196 | Nil | Nil |
| Expertise in specific functional area | Mr. Malegam till recently was the Senior Partner of S. B. Billimoria & Co., a leading firm of Chartered Accountants of India. Mr. Malegam is an expert on issues relating to Finance, Taxation, Capital Market, Securities Laws and Regulations. He is a member of the Governing Board of the Reserve Bank of India and has served many important committees set up by the Government/ SEBI as Chairperson/Member. He is the Chairman of the National Advisory Committee on Accounting Standards set up by the Government of India. He was the Chairman of the SEBI Committee on Disclosure Requirements in Offer Documents. Mr. Malegam is a member of the Indian Institute of Bankers. | Mr. Engineer is a Senior Advocate and Solicitor of the Bombay High Court and a Senior Partner in Crawford Bayley & Co., a leading firm of Solicitors. He specializes in indirect taxation, Arbitration, Litigation and various facets of Corporate Law. He is the former President of the Bombay Incorporated Law Society and has served on the Governing Council of the Bar Association of India. His expertise are in the areas of laws, regulations, taxation, etc. A practising solicitor for several decades, Mr. Engineer has been associated with various Chambers of Commerce. | Till recently Mr. Gandhi was Executive Director of Tata Sons Ltd. assisting the Tata Group in acquiring diverse assets and companies across the globe. Mr. Gandhi is a reputed Chartered Accountant and also a member of the Chartered Institute of Taxation, London. Mr. Gandhi's professional career spans nearly 40 years and he has handled numerous mergers and acquisitions in India and abroad. He is currently a non-executive director of Tata Sons Ltd. |
| Chairman/Director of other companies (excluding foreign companies) As on 31.3.2009 | ABC Bearings Ltd. Hindustan Construction Co. Ltd. National Stock Exchange of India Ltd. National Securities Clearing Corporation Ltd. Piramal Healthcare Ltd. Siemens Ltd. The Clearing Corporation of India Ltd. Firstsource Solutions Ltd. Bharatiya Reserve Bank-Note Mudran (P) Ltd. | Flora Services Ltd. Forvol International Services Ltd. Zuari Industries Ltd. Atlas Copco Ltd. PCS Technology Ltd. Welspun India Ltd. Foods & Inns Ltd. Forbes & Co. Ltd. Nilkamal Ltd. S.P. Sanghi Airconditioning Pvt. Ltd. Protos Engineering Co. Pvt. Ltd. Zoroastrian Investment Corporation Pvt. Ltd. | Tata Sons Ltd. Tata Asset Management Ltd. Tata Business Support Services Ltd. Benares Hotels Ltd. The Paper Products Ltd. Tata Communications Ltd. Wireless-TT Info Services Ltd. |
| Chairman/Member of Committees* of the Boards of Companies of which he is a Director As on 31.3.2009 | Firstsource Solutions Ltd. <i>Audit – Chairman</i> Siemens Ltd. <i>Audit- Chairman</i> Bharatiya Reserve Bank - Note Mudran (P) Ltd. <i>Audit - Chairman</i> Piramal Healthcare Ltd. <i>Audit – Member</i> National Stock Exchange of India Ltd. <i>Audit – Member</i> National Securities Clearing Corporation Ltd. <i>Audit – Chairman</i> | Zuari Industries Ltd. <i>Audit – Chairman</i> <i>Shareholders'/Investors' Grievance - Member</i> Atlas Copco Ltd. <i>Shareholders' Investors' Grievance – Chairman</i> <i>Audit – Member</i> Forbes & Co. Ltd. <i>Audit- Member</i> Welspun India Ltd. <i>Audit – Member</i> | The Paper Products Ltd. <i>Audit – Member</i> |

Tata Tea Limited

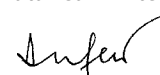
| Particulars | Mr. P. T. Siganporia | Ms. Mallika Srinivasan | Mr. Analjit Singh |
|---|--|--|---|
| Date of Birth | 25.2.1951 | 19.11.1959 | 11.1.1954 |
| Date of Appointment | 16.6.2000 | 22.10.2008 | 22.10.2008 |
| Qualifications | B.Sc., PGDBM | M.A (Econometrics), MBA (Wharton) | BA, BS, MBA (Boston) |
| Number of Shares of the Company held | 264 | Nil | Nil |
| Expertise in specific functional area | Mr.Siganporia joined the Company in 1974 and has worked in various locations specializing in marketing, sales and overall business management and administration. He has long experience in all facets of Company's business particularly in marketing and sales. He has over 35 years of experience of working in the tea industry. | Mrs. Srinivasan is a Director of Tractors and Farm Equipment Ltd., a company in the Amalgamations Group. She is actively interested in education, particularly management education and is a member of the Executive Board of Indian School of Business, Hyderabad. As a business leader she has been at the helm of affairs of industry bodies and trade associations such as Tractors Manufacturers' Association, Madras Management Association, Madras Chamber of Commerce & Industry, Southern Regional Council of CII, etc. She has been chosen for the Business Woman of the Year award for several years and has been recognized by Business Today as one of the 25 most powerful women in Indian business. | Mr. Singh is the founder of Max India Ltd. and is its Chairman and Managing Director. He is also Chairman and Managing Director of Max Healthcare Institute Ltd. He has been the driving force behind the Max Group's sustained growth and success since its inception. He is also on the Board of Hero Honda Motors Ltd., IDBI Ltd. and several other companies. He is also a member of the Governing Board of Indian School of Business. |
| Chairman/Director of other companies (excluding foreign companies) As on 31.3.2009 | Tata Coffee Ltd. Amalgamated Plantations Pvt. Ltd. @ Mount Everest Mineral Water Ltd. Tata Tea Holdings Pvt. Ltd. | Tractors and Farm Equipment Ltd. TAFE Access Ltd. TAFE Reach Ltd. TAFE Motors and Tractors Ltd. | Max India Ltd. Max New York Life Insurance Co. Ltd. Max Healthcare Institute Ltd. Malsi Holdings Ltd. Max Neeman Medical International Ltd. Mohair Investments and Trading Co. (P) Ltd. Boom Investments (P) Ltd. Dynavest India (P) Ltd. Trophy Holdings Pvt. Ltd. Trophy Estates (P) Ltd. Liquid Investment and Trading Company IDBI Ltd. Hero Honda Motors Ltd. Vodafone Essar Ltd. Malsi Estates Ltd. Max Bupa Health Insurance Ltd. Delhi Guest Houses Pvt. Ltd. Doon Holiday Resorts (P) Ltd. Scorpions Beverages Pvt. Ltd. MV Healthcare Services Pvt. Ltd. Vitasta Estates Pvt. Ltd. BAS Enterprises Pvt. Ltd. Terra Planet Estates Pvt. Ltd. Urban Space Consultants Pvt. Ltd. Capricorn Health Services Pvt. Ltd. Leo Retailing and Health Services (P) Ltd. Nurture Health Services Pvt. Ltd. Capricorn Retailing and Services (P) Ltd. Veer Health Services Pvt. Ltd. Dabur India Ltd. Grow Talent Co. Ltd. Malsi Hotels Ltd. |
| Chairman/Member of Committees* of the Boards of Companies of which he/she is a Director As on 31.3.2009 | Tata Tea (GB) Ltd. <i>Audit - Member</i> | TAFE Motors and Tractors Ltd. <i>Audit - Member</i> | Nil |

| Particulars | Mr. Jimmy S. Bilimoria | Mr. Vittaldas Leeladhar | Mrs. Sangeeta Talwar |
|--|---|---|--|
| Date of Birth | 27.1.1947 | 7.12.1946 | 5.5.1956 |
| Date of Appointment | 25.3.2009 | 24.4.2009 | 1.7.2004 |
| Qualifications | B. Com., FCA (Eng. & Wales) | B.Sc. (Engg.) | B.A. (Hons.), MBA |
| Number of Shares of the Company held | Nil | Nil | 500 |
| Expertise in specific functional area | Mr. Bilimoria was the Managing Director and Country Head for all CIBA undertakings in India including its subsidiaries and joint ventures since 2001. He is currently the Non-Executive Chairman of CIBA India Ltd. His expertise relates to business management and finance including management and administration of overseas subsidiaries and joint ventures. | Mr. Leeladhar served as the Executive Director of Bank of Maharashtra, Chairman and Managing Director of Vijaya Bank and Chairman and Managing Director of Union Bank of India. He served as the Deputy Governor of the Reserve Bank of India for over four years. Mr. Leeladhar is an expert on banking and finance related issues. He was also a member of the Securities & Exchange Board of India for about three years. His expertise is in the area of banking and finance. | Mrs. Talwar's expertise is in the area of Marketing, Sales, Distribution and overall business management and administration. She had earlier served Nestle India Ltd. for over 20 years rising to the position of Executive Vice President. Before joining the Company she had worked as CEO of Mattel Toys India Ltd. |
| Chairman/Director of other companies (excluding foreign companies) As on 31.3.2009 | Ciba India Ltd. ING Investment Management (India) Pvt. Ltd. Dai-Ichi Karkaria Ltd. eClerx Services Ltd. Taddco Promotions Ltd. @ Kingston Properties Pvt. Ltd. Voltas Ltd. Godrej Industries Ltd. | Nil | Tata Coffee Ltd. |
| Chairman/Member of Committees* of the Boards of Companies of which he/she is a Director As on 31.3.2009 | Ciba India Ltd. <i>Shareholders'/Investors' Grievance – Chairman</i> <i>Audit – Member</i> ING Investment Management (India) Pvt. Ltd. <i>Audit – Chairman</i> Dai-Ichi Karkaria Ltd. <i>Audit – Member</i> eClerx Services Ltd. <i>Audit – Chairman</i> <i>Shareholders'/Investors' Grievance – Member</i> | Nil | Nil |

* Includes only Audit and Shareholders' / Investors Grievance Committees.

@ Since resigned.

For Tata Tea Limited



(D. K. Sen)

Vice President & Secretary

Kolkata
Date : 20th July, 2009

Tata Tea Limited**EXPLANATORY STATEMENT****Pursuant to Section 173(2) of the Companies Act, 1956****Item Nos. 7, 8, 9, and 10****Appointment of Additional Directors**

At the Board Meeting held on 8th October, 2008, the Board of Directors of the Company ('the Board') decided to appoint Ms. Mallika Srinivasan and Mr. Analjit Singh as Additional Directors of the Company under Section 260 of the Companies Act, 1956 with effect from 22nd October, 2008, being the date on which consent of Ms. Srinivasan and Mr. Singh were received by the Company. Both Ms. Srinivasan and Mr. Singh hold office upto the date of the forthcoming Annual General Meeting of the Company.

At the Board Meeting held on 24th March, 2009, the Board had appointed Mr. J. S. Bilimoria and Mr. V. Leeladhar as Additional Directors of the Company in terms of Section 260 of the Companies Act, 1956 with effect from 25th March, 2009. Both Mr. Bilimoria and Mr. Leeladhar hold office upto the date of the forthcoming Annual General Meeting of the Members of the Company. However, in respect of Mr. Leeladhar, since he did not possess Director Identification Number (DIN), nor had he applied for allotment of DIN on 24th March, 2009, when the Board had appointed him, it became necessary to modify the date of appointment of Mr. Leeladhar to 24th April, 2009 through a Circular Resolution of the Board after Mr. Leeladhar had obtained DIN.

The Company has received separate notices under Section 257 of the Companies Act, 1956 from the Members of the Company informing that at the next Annual General Meeting, the said Members would like to propose the appointments of Ms. Srinivasan, Mr. Singh, Mr. Bilimoria and Mr. Leeladhar as Directors of the Company.

Ms. Srinivasan, Mr. Singh, Mr. Bilimoria and Mr. Leeladhar have been appointed as Non-Executive Independent Directors of the Company. Ms. Srinivasan currently manages Tractors and Farm Equipment Limited as its Director. Mr. Singh is the Chairman and Managing Director of Max Group of companies. Mr. Bilimoria is the Non-Executive Chairman of Ciba India Limited while Mr. Leeladhar has been the Chairman and Managing Director of Vijaya Bank and Union Bank of India and recently retired as Deputy Governor of Reserve Bank of India.

Details of age, qualifications, expertise and other directorships and memberships of other Board and Board Committees of Ms. Srinivasan, Mr. Singh, Mr. Bilimoria and Mr. Leeladhar have been given in the Annexure attached to the Notice convening the Annual General Meeting. Each of these Directors has filed Form DD-A with the Company as required under the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003.

Your Directors commend the acceptance of these resolutions by the shareholders.

Ms. Srinivasan is interested in Resolution No. 7, Mr. Singh is interested in Resolution No. 8, Mr. Bilimoria is interested in Resolution No. 9 and Mr. Leeladhar is interested in Resolution No. 10. No other Director is interested or concerned in these resolutions.

Item Nos. 11, 12 and 13**Appointment and remuneration of Mr. P.T. Siganporia**

As the shareholders are aware the Company's operations have increased over the years substantially and bulk of the revenue of the Company now comes from overseas through several subsidiaries. Mr. P. T. Siganporia, as the Managing Director of the Company has been spending considerable time and energy in overseeing the operations of the subsidiaries including those located abroad. At a meeting of the Board of Directors of the Company held on 30th January, 2009, the Board had decided that Mr. P. T. Siganporia would be located at London with effect from 1st February, 2009. In addition to his responsibilities as Managing Director of the Company he is responsible for global manufacturing operations as well as buying and blending, supply chain and related activities as well as supervision of some business regions. Arising from this relocation the Board had, based on the recommendation of the Remuneration Committee also decided that his remuneration with effect from 1st February, 2009 till

30th June, 2009 will be paid in the UK by Tata Tea (GB) Ltd., UK and the cost thereof will be borne by Tata Tea (GB) Ltd. The remuneration paid/payable to Mr. Siganporia at UK by Tata Tea (GB) Ltd. during this period comprised of salary in the scale of £ 200,000 to £ 300,000 plus perquisites, allowance, bonuses, benefits, amenities and facilities including joining bonus as approved by the Board of Tata Tea (GB) Ltd. By an abstract dated 4th February, 2009 the shareholders were informed about this revision in Managing Director's remuneration and approval of shareholders is now sought for payment of remuneration to Mr. Siganporia by an overseas subsidiary company in terms of requirements of Section 314 of the Companies Act, 1956 for the period 1st February, 2009 to 30th June, 2009.

At a meeting of the Board of Directors of the Company held on 10th June, 2009 the Board had decided to re-appoint Mr. Siganporia as Managing Director of the Company for a period of two years from 1st July, 2009 subject to approval of the Shareholders and of the Central Government. Approval of Central Government is required because Mr. Siganporia may not satisfy the condition prescribed in Schedule XIII of the Companies Act, 1956 relating to residence in India. Upon re-appointment of Mr. Siganporia as Managing Director with effect from 1st July, 2009 he will receive from the Company a portion of his remuneration as set out below and will also receive remuneration from Tata Tea (GB) Ltd., UK, which is a subsidiary of your Company.

Mr. Siganporia is a graduate in Science and holds a Post Graduate diploma in business management. He has been associated with tea industry for over 35 years.

Remuneration payable by the Company to Mr. Siganporia will comprise of:

- a) **Salary** – Rs.423,500 per month in the scale of Rs. 400,000 to Rs. 600,000 with liberty to the Board to decide about the quantum of annual increment which will be effective from 1st April every year based on recommendation of the Remuneration Committee.

Company will contribute to Provident Fund, Superannuation and Gratuity Funds on account of Mr. Siganporia on the same basis as other employees. Gratuity payable and encashment of leave shall not be included in the computation of limits for remuneration or perquisites as aforesaid.

- b) The Managing Director shall not be entitled to any Perquisites or allowances or incentive remuneration or commission from the Company.
- c) **Minimum Remuneration** – notwithstanding anything herein, where in any financial year, during the currency of the tenure of the Appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration to Mr. Siganporia as specified above.

Mr. Siganporia will be entitled to leave according to Company's leave rules applicable to the Managing Director.

The agreement between the Company and Mr. Siganporia may be terminated by either party by giving six months' notice from either side or the Company paying six months' remuneration in lieu thereof.

Other Terms of Appointment:

- (i) The Managing Director (MD) shall not become interested or otherwise concerned directly or through his spouse and/or children in any selling agency of the Company.
- (ii) The employment of the MD may be terminated by the Company without notice or payment in lieu of notice:
 - a) if the MD is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or of any subsidiary or associate company to which he is required by the agreement to render services or
 - b) in the event of any serious or continuing breach (after prior warning) or non-observance by the MD of any of the stipulations in the agreement to be executed between the Company and the MD or
 - c) in the event the Board expresses its loss of confidence in the MD.

Tata Tea Limited

- (iii) Upon the termination of the employment of MD by whatever means:
 - a) the MD shall immediately tender his resignation as a Director of the Company and from such other offices held by him in the Company, in any subsidiary or associate company and other entities without claim for any compensation for loss of office, and
 - b) The MD shall not, without the consent of the Company, at any time thereafter, represent himself as connected with the Company or any of its subsidiaries or associate companies.
- (iv) If at any time Mr. Siganporia ceases to be a Director of the Company, he will forthwith cease to be the MD of the Company.
- (v) If at any time Mr. Siganporia ceases to be in the employment of the Company for any cause whatsoever, he shall also cease to be a Director of the Company.
- (vi) The MD is being appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1)(l) of the Companies Act, 1956.
- (vii) The terms and conditions of the appointment of MD also include clauses pertaining to adherence to the Tata Code of Conduct, no conflict of interest with the Company and maintenance of confidentiality.

The draft agreement between the Company and Mr. Siganporia is available for inspection by the members of the Company at the registered office of the Company on any working day upto the day preceding the date of the Annual General Meeting except Saturdays and Sundays between 10 a.m. and 12 noon and will also be available at the meeting. Resolution at item no. 12 is intended for this purpose.

Section 314 of the Companies Act requires that except with the consent of the shareholders of the Company accorded by a Special Resolution, no director of a company can hold any office or place of profit under any subsidiary of the Company. Resolutions at item numbers 11 and 13 are intended for this purpose.

Mr. Siganporia as a Director of Tata Tea (GB) Ltd., UK will be receiving with effect from 1st July, 2009 a basic salary in the scale of £200,000 to £400,000 plus perquisites, allowances, bonuses, benefits, amenities and facilities as may be approved by the Remuneration Committee and the Board of Tata Tea (GB) Ltd. Mr. Siganporia will also be eligible to receive annual increments and increases in perquisites, allowances, bonuses, benefits, amenities and facilities as and when these are revised upwards by Tata Tea (GB) Ltd. The exact amount of remuneration payable by Tata Tea (GB) Ltd. to Mr. Siganporia in the UK will be determined by the Board of Tata Tea (GB) Ltd. and will be reduced by the amount of remuneration paid/payable to him in India by the Company.

Approval of the shareholders is sought through two separate resolutions to the appointment and payment of remuneration to Mr. P. T. Siganporia by Tata Tea (GB) Ltd. which is a subsidiary of the Company for the period 1st February, 2009 till 30th June, 2009 and thereafter from 1st July, 2009 to 30th June, 2011. The reappointment of Mr. Siganporia as Managing Director from 1st July, 2009 will be subject to approval of the Central Government as he may not satisfy the condition relating to being resident in India as prescribed in Part I of Schedule XIII of the Companies Act, 1956. Mr. Siganporia has filed with the Company Form DD - A. Further details about his qualifications, years of experience, other Directorships etc. have been given in the annexure to the Notice.

This may be treated as an abstract of the terms and conditions of re-appointment of Mr. Siganporia as required under Section 302 of the Companies Act, 1956.

The resolutions set out in items 11, 12 and 13 of the Notice are to be considered accordingly and your Directors commend the same for acceptance.

No Director of the Company other than Mr. Siganporia is concerned or interested in these resolutions.

Item No. 14

Re-appointment and remuneration of Mrs. S. Talwar

At a meeting of the Board of Directors of the Company ('the Board') held on 10th June, 2009, the Board decided to re-appoint, subject to the approval of the shareholders of the Company, Mrs. Sangeeta Talwar as Wholetime Executive Director of the Company, for a period of five years with effect from 1st July, 2009.

Mrs. Talwar is a graduate with Honours in Economics and is a alumnus of the Indian Institute of Management, Kolkata. She joined the services of the Company with effect from 1st July, 2004 and prior to that, had worked with Nestle India Ltd. as Executive Vice President – Marketing and Mattle Toys India Ltd. as CEO. She has more than 25 years' experience in marketing, sales and general management. Mrs. Talwar is 53 years' old.

Details of other directorships and committee memberships of Mrs. Talwar is given in Annexure to the Notice convening the meeting. Mrs. Talwar has filed with the Company Form DD-A.

Keeping in view the qualification and experience of Mrs. Talwar, your Board is of the view that her re-appointment as Executive Director will be beneficial to the operations of the Company.

The principal terms and conditions of service of Mrs. Talwar as contained in the draft agreement to be entered into between the Company and Mrs. Talwar are as follows:

- a) Period of Appointment – from 1st July, 2009 for a period of five years.
- b) Salary – Rs.3,45,000 per month in the scale of Rs. 3,15,000 – Rs. 6,60,000 p.m. as may be decided by the Board based on the recommendations of the Remuneration Committee with liberty to the Board to decide about the annual increment which will be effective from 1st April every year.
- c) Perquisites and Allowances – within the overall ceiling of 1.40 times of the annual salary of Mrs. Talwar, she would be entitled to the following by way of perquisites and allowances in such form and manner as the Board may decide:

Furnished accommodation or House Rent Allowance and House Maintenance Allowance in lieu thereof, expenditure on gas, electricity, water and furnishings for the accommodation including maintenance and repair thereof.

Personal Allowance which will include servants' allowance and education allowance, leave travel allowance for self and family, medical expenses and medical insurance for self and family, personal accident insurance, club fees and such other perquisites and allowances in accordance with the rules of the Company as may be agreed between the Board and Mrs. Talwar.

Provision for the use of two company cars and two telephones at residence and a mobile telephone including payment for local calls and long distance calls which shall not be included in computation of perquisites for the purpose of calculating the ceiling. Personal long distance calls will be billed by the Company to Mrs. Talwar.

Company will contribute to Provident Fund, Superannuation Fund and Gratuity Fund, on account of Mrs. Talwar on the same basis as other employees. Gratuity payable and encashment of leave shall not be included in the computation of limits for remuneration or perquisites as aforesaid.

Note – family for this purpose shall mean the spouse, dependent children and dependent parents of Mrs. Talwar.

- d) Commission – such remuneration by way of commission in addition to salary and perquisites calculated with reference to the net profits of the Company in a particular financial year and based on certain performance criteria that may be prescribed and determined by the Board of the Company at the end of each financial year based on the recommendation of the Remuneration Committee subject to the overall ceiling prescribed in Sections 198 and 309 of the Companies Act, 1956.

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- e) Minimum Remuneration – notwithstanding anything herein, where in any financial year during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay to the Executive Director, remuneration by way of salary, benefits, perquisites and allowances and commission as specified above.

Mrs. Talwar will be entitled to leave according to Company's leave rules applicable to the Executive Directors.

The agreement between the Company and Mrs. Talwar may be terminated by either party by giving three months' notice from either side or the Company paying three months' remuneration in lieu thereof.

Other Terms of Appointment:

- (i) The Executive Director (ED) shall not become interested or otherwise concerned directly or through her spouse and/or children in any selling agency of the Company.
- (ii) The employment of the ED may be terminated by the Company without notice or payment in lieu of notice:
- a) if the ED is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or of any subsidiary or associate company to which she is required by the agreement to render services or
 - b) in the event of any serious or continuing breach (after prior warning) or non-observance by the ED of any of the stipulations in the agreement to be executed between the Company and the ED or
 - c) in the event the Board expresses its loss of confidence in the ED.
- (iii) Upon the termination of the employment of ED by whatever means:
- a) the ED shall immediately tender her resignation as a Director of the Company and from such other offices held by her in the Company, in any subsidiary or associate company and other entities without claim for any compensation for loss of office, and
 - b) The ED shall not, without the consent of the Company, at any time thereafter, represent herself as connected with the Company or any of its subsidiaries or associate companies.
- (iv) If at any time Mrs. Talwar ceases to be a Director of the Company she will forthwith cease to be the ED of the Company.
- (v) If at any time Mrs. Talwar ceases to be in the employment of the Company for any cause whatsoever, she shall also cease to be a Director of the Company.
- (vi) The ED is being appointed by virtue of her employment in the Company and her appointment is subject to the provisions of Section 283(1)(l) of the Companies Act, 1956.
- (vii) The terms and conditions of the appointment of ED also include clauses pertaining to adherence to the Tata Code of Conduct, no conflict of interest with the Company and maintenance of confidentiality.

This may be treated as an abstract of the terms and conditions of re-appointment of Mrs. Talwar as required under Section 302 of the Companies Act, 1956.

The draft agreement between the Company and Mrs. Talwar is available for inspection by the Members of the Company at the registered office of the Company on any working day upto the date of the Annual General Meeting except Saturdays and Sundays between 10 a.m. and 12 noon and will also be available at the meeting.

Mrs. Talwar is interested in Resolution No. 14. No other Director is interested or concerned in this resolution.

Your Directors commend this resolution for acceptance by the shareholders.

Item No. 15**Commission payable to Non-Wholetime Directors**

By a Special Resolution passed by the shareholders of the Company at the Annual General Meeting of the Members of the Company held on 8th September, 2003, approval was accorded in terms of Section 309 of the Companies Act, 1956 to the determination and distribution amongst the Directors (other than the Managing and Wholetime Directors), a sum not exceeding 1% of the net profits of the Company for each of the five financial years from 1st April, 2004 ending on 31st March, 2009. The amount to be determined by the Board as commission payable to the Non-Executive Directors is distributed amongst all or some of the Directors in accordance with the decision and direction that the Board may give in this regard.

The shareholders may please note that although approval of the shareholders was obtained for determination and distribution amongst the Directors by way of commission of a sum not exceeding 1% of the net profits of the Company for each financial year, in the last five years actual amount distributed has always been well below the maximum amount sanctioned by the shareholders in this regard.

The resolution set out in Item No. 15 proposes to continue the payment of commission to the Non-Wholetime Directors for the next five years commencing from 1st April, 2009 and is to be considered accordingly by the shareholders.

All the Directors of the Company except Mr. P.T. Siganporia and Ms. Sangeeta Talwar, are concerned or interested in the resolution to the extent of payment that they may receive by way of commission. Your Directors commend acceptance of this resolution by the Shareholders.

Item No. 16**Notice received from a Shareholder**

Mr. Ramji Lal Choudhary, a shareholder vide his letter dated July 4, 2009 has given notice to the Company that at the next AGM he would like to propose himself as a Director of the Company in terms of Section 257 of the Companies Act, 1956. The proposal of Mr. Choudhary has been included in the Notice in compliance with the requirements of the Companies Act, 1956. Mr. Choudhary has deposited Rs. 500 with the company as required under Section 257 of the Companies Act, 1956.

By Order of the Board
For Tata Tea Limited



(D. K. SEN)
Vice President & Secretary

Registered Office:

1, Bishop Lefroy Road
Kolkata – 700 020

Date : 20th July, 2009

Tata Tea Limited**Directors' Report**

Your Directors are pleased to submit their report together with the audited statement of accounts for the year ended 31st March, 2009:

1. Financial Results

| | Rs. Crores | |
|---|-------------------|----------------|
| | 2008-09 | 2007-08 |
| Total Income | 1524.64 | 1263.29 |
| Profit before interest, depreciation, exceptional items and tax | 297.90 | 286.17 |
| Deduct: | | |
| Interest (net) | 48.60 | 46.35 |
| Depreciation | 10.65 | 10.17 |
| | 59.25 | 56.52 |
| Profit before tax and exceptional items | 238.65 | 229.65 |
| Profit on transfer of North India Plantations | - | 161.69 |
| Other exceptional items | (9.59) | (5.48) |
| Profit before tax | 229.06 | 385.86 |
| Provision for tax | 70.00 | 73.00 |
| Profit after tax | 159.06 | 312.86 |
| Add: Surplus brought forward from previous year | 170.25 | 150.61 |
| Amount available for appropriation | 329.31 | 463.47 |
| Proposed Dividend | | |
| - normal | 108.22 | 92.76 |
| - one-time special | - | 123.68 |
| Income-tax on dividend | 17.11 | 36.78 |
| Transfer to General Reserve | 15.91 | 40.00 |
| Transfer to Debenture Redemption Reserve | 30.00 | - |
| | 171.24 | 293.22 |
| | 158.07 | 170.25 |

2. Operating Results**Highlights – Company Performance**

The Company recorded improved operations during 2008-09 with total income increasing by 21 % to Rs. 1524.64 crores compared with Rs. 1263.29 crores in the previous year. The growth in total income for the year was driven by strong performance in the branded tea segment and was achieved by a combination of higher unit realization and volume growth. Profit before tax and Exceptional items improved by about 4% to Rs. 238.65 crores compared with Rs. 229.65 crores in the previous year. However during the previous year the Company earned an exceptional income of Rs. 156.21 crores mainly from transfer of the North India Plantation

Division, as against an exceptional expenditure of Rs. 9.59 crores during 2008-09. Provision for taxation in the current year was lower at Rs. 70.00 crores (previous year Rs. 73.00 crores). Consequently the Profit after tax at Rs. 159.06 crores was lower than the previous year's achievement of Rs. 312.86 crores, mainly due to the Profit on sale of North India Plantation Division considered in the results of the previous year.

Your Directors are pleased to report that during 2008-09 your Company continued to maintain market leadership for branded tea in terms of volume, surpassing all competitors. The Tata Tea brand is the market leader in both Volume and Value terms in India.

Highlights – Consolidated Performance

Consolidated income in 2008-09 increased by 12% from Rs. 4375.97 crores to Rs. 4907.30 crores. Profit before Tax and exceptional items was Rs. 530.82 crores (previous year Rs. 436.90 crores) an increase of 21%. A major item of exceptional income this year was "Exchange gain" arising in the books of a subsidiary company in the UK amounting to Rs. 813.91 crores. Previous year's exceptional items were higher and included one time Profit on sale of stake in Energy Brands Inc. and Profit on transfer of North India Plantations Division amounting to Rs. 1688.38 crores. Resultantly, Profit before Tax after including exceptional income was Rs. 1256.31 crores (previous year Rs. 2059.28 crores) and the consolidated Net Profit was Rs. 700.55 crores (previous year Rs. 1542.55 crores). The basic earnings per share (EPS) for the current year was Rs. 113.28 as compared to Rs. 250.41 in the previous year. Consolidated EPS before exceptional items was however higher at Rs. 47.83 versus Rs. 41.50 in the previous year.

On a consolidated basis in 2008-09, the turnover of your Company from the domestic market was 31 % while 69% of the consolidated turnover was contributed by overseas operations, reflecting the global nature of our current operations.

The focus of the Company now is to address the streamlining of its various acquisitions and businesses with the objective of improving synergies and taking steps towards transformation into a global beverage company. To this end an Executive office has been established in the UK comprising senior executives who will have the responsibility for planning and execution of global businesses subject to the decision of the boards of respective entities.

3. Dividend

Your Directors are pleased to recommend for the approval of the shareholders a dividend of Rs. 17.50 per share on the paid-up equity share capital of the Company in respect of the financial year 2008-09. It will be recalled that last year the dividend of Rs. 35 per share paid comprised two elements, namely the dividend of Rs. 15 per share and a special one time dividend of Rs. 20 per share in view of the exceptional income during the year. The total outgo on account of dividend, inclusive of taxes, for 2008-09 is Rs. 125.33 crores which represents a pay-out of 79% of the company's stand alone profits.

4. Restructuring of Plantation Operations

In the last year's Directors' Report, the Board had informed shareholders that the scheme of arrangement of the Company's North India plantation division had been approved by the Calcutta High Court on 9th April, 2008. The scheme envisaged an equity participation by strategic investors as well as your company in the capital of Amalgamated Plantations Private Limited (APPL), a new company incorporated for this purpose. During the year APPL took steps to close financing arrangements with Banks and Equity investors and the first stage of equity subscription including first subscription from International Finance Corporation and Tata Investment Corporation was completed subsequent to the financial year end. The new company, in addition to production and marketing of tea, will develop a portfolio of non-tea based products, to supplement its current range of products. Your Directors wish to record the cooperation of the State Governments of Assam and West Bengal who, appreciating the problems facing the plantation industry, recognized the merit of participative management in plantation operations and supported the reconstruction scheme. Your Directors

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also wish to record their appreciation of the positive approach of the trade unions and employees towards partnering and developing such action.

It may be mentioned here that Kanan Devan Hills Plantation Company Private Limited (KDHP) in South India to which 17 estates were transferred in 2005 continues to perform well substantially improving profit generation during this year. In the first three years of operation KDHP had paid dividends every year and for 2008-09 due to improved performance the Directors of that Company have recommended a dividend of 25% which includes a special dividend of 10% as against 10% declared in earlier two years.

With the approval of the scheme of Arrangement for the North India estates, your company now owns only two tea estates in South India which are managed by KDHP under a management contract.

5. Review of Domestic Activities**A. Branded Tea Operations**

The Branded tea business continued to maintain the volume growth that it had recorded in the last three years. It is heartening to report that the national and regional brands of your company recorded a volume growth of nearly 6% during the year under review. According to reports of independent market survey agencies, your company is now the market leader in terms of volume market share having outperformed its nearest competitor. Growth in volume was achieved during 2008-09 across all the brands of your Company and the highest growth was achieved by Tata Tea Agni. Over the last three years the branded business has grown 32% in volume and 63% in value terms. The 'Jaago Re' campaign launched by the Company with the objective of educating Indian voters about the importance of exercising voting right and providing an easy way of registering as a voter was highly successful and well appreciated as a socially beneficial campaign.

B. Instant Tea

The Instant Tea unit at Munnar produced 40.80 lakh lbs during 2008-09 compared with 39.59 lakh lbs in the previous year. FOB value of sales of instant tea during 2008-09 improved to Rs. 48.83 crores compared with Rs. 43.19 crores in the previous year. Powders are being developed for customers as per their requirements on an ongoing and need basis. New product development such as decaffeinated instant teas and organic instant teas are being pursued. The Unit continues to comply with 100% spent tea waste disposal in an eco-friendly manner. The initial operational problems faced upon installation of the bio gasification plant are being addressed.

Zhejiang Tata Tea Extraction Company Limited, China, the joint venture project with a Chinese partner for setting up a manufacturing and marketing facility in China for Green Tea Polyphenols, tea extracts, instant tea and other value added tea beverage products, is in final stage of implementation with factory construction nearly complete. This joint venture company in China is a subsidiary of your company.

C. Exports

Total exports during the year at FOB value of Rs. 136.73 crores were lower than Rs. 144.48 crores achieved in the previous year due to decline in bulk exports. The Tea Bag unit at Kochi continued to meet the Group's requirements in Australia, Eastern Europe and Middle East and performed well during the year.

D. Community Development, Employees' Welfare and Environment Conservation

In South India your Company continued its support of welfare activities through the General Hospital, High Range School and Shristi complex even after the transfer of most of the tea estates to Kanan Devan Hills Plantation Company Private Limited and Tata Coffee Limited. The General hospital at Munnar provides medical cover not only to the employees of the Company and of KDHP but also to the local population. An integrated Counselling and Testing Centre for the awareness, education and testing of patients with HIV was established during the year. Steps have been taken to improve the quality of service

in the hospital and its strength of doctors has been strengthened by employing new doctors including specialists. The community outreach programmes in the form of medical camps including free medical camp in the Muthuvan Kudis were organized during the year. The High Range School which provides quality education to nearly 500 students had 100% passes both in 10th and 12th standards students. Welfare centres under 'Shristi' at Munnar continued to function satisfactorily providing education and vocational training to mentally and physically challenged dependants of plantation employees.

E. Industrial Relations

During the year under review, industrial relations remained generally peaceful at all our offices and establishments. Your Directors wish to record their appreciation of the positive attitude of all the plantation employees of the North India plantations towards the reconstruction agenda.

6. The Indian Tea Industry

The country produced 981 million kgs. of teas during 2008 which was about 4% higher than the previous year's production of 945 million kgs. Exports during the year at 196 million kgs. was about 9.6% higher than the previous year. Accordingly approximately an additional 19 million kgs of teas were available in the domestic market. The Packet tea market is estimated to be growing at about 4% per annum.

7. United Nations Global Compact Compliance

The Tata Group is a signatory to the Global Compact issued by the Secretary General of the United Nations in 1999 and the following describes the manner in which the company is supporting the key principles of the Compact.

The Tata Code of Conduct serves as a guide to the Company and its employees about how they are expected to govern their conduct in business dealings and sets out the standards of values, ethics and business principles that are expected from the employees at all locations. The employees can form their associations and the company treats them with dignity. The company follows a process of dialogue and discussions with the unions representing the workforce for settlement of terms and conditions of service. The company does not engage child labour and the statutory provisions in this regard are complied with at all locations. There has been no instance of violation of human rights. The company provides equal opportunities to all its existing employees as also to all applicants for employment with the company and does not make any discrimination based on caste, religion, race, colour, ancestry, marital status, sex, age, nationality, disability etc. As a measure of environment protection several environment friendly practices have been adopted by the company such as use of biomass, maintaining and protecting renewable energy sources, supporting forest management, scientific disposal of medical and packing material waste etc. The Company has commissioned a new bio-gasification plant in the Instant Tea factory at Munnar which would significantly reduce use of fossil fuel over time.

8. Corporate Governance & MD &A

A detailed report on Corporate Governance is separately attached together with a report on Management Discussion and Analysis.

9. Tata Business Excellence Model

In the last financial year, significant improvements have been made by the company in its Business Excellence journey. After having received the Award for Serious Adoption of TBEM in 2005, the company registered a further increase in the score in the last two assessments. The company successfully achieved the next milestone – the Award of Active Promotion for a first score in excess of 500.

In the last completed assessment in June 2008 the Company has moved up to the score band for 'emerging

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industry leader'. The Company was also awarded "High delta 500+ " award.

In view of the unfolding global integration and transformation agenda it has been decided that henceforth the TBEM application will be submitted for the beverage group as a whole. The new BE agenda for the beverage group is now being constructed with the involvement of all major companies within the group.

10. Directors' Responsibility Statement

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956 ('the Act') and based on the representations received from the operating management, your Directors hereby confirm that:

- (i) In the preparation of the Annual Accounts for 2008-09, the applicable Accounting Standards have been followed and there are no material departures.
- (ii) They have selected such accounting policies with the approval of the Statutory Auditors and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year.
- (iii) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) They have prepared the Annual Accounts on a going concern basis.

11. Subsidiary and Associate Companies

- (i) a) As required under the Listing Agreement with the Stock Exchanges the Audited Consolidated Financial Statements of the Company together with all its subsidiary and associate companies prepared in accordance with applicable Accounting Standards is attached.
- b) The company has been granted exemption by the Ministry of Corporate Affairs, from attaching with its accounts the individual accounts of each of its subsidiary companies subject to certain conditions. However, keeping in view the large investment of the company in Tata Tea (GB) Ltd., UK, the Directors have decided to voluntarily attach the consolidated accounts of Tata Tea (GB) Ltd. with the accounts of the Company as part of its unabridged Annual Report. The consolidated accounts of Tata Tea (GB) Ltd. attached with these accounts have been prepared on the basis of UK GAAP and is for period ended 31st March, 2009.
- c) Any shareholder may either ask for a copy or inspect at the Registered Office a copy of the audited accounts of the subsidiary companies (where required to be prepared).
- (ii) Tata Coffee Limited, a subsidiary of your Company, reported an increase of 3% in total income mainly due to better performance of plantation operations. However Profits were impacted by adverse exchange variations on hedge contracts. The Directors of Tata Coffee Limited have recommended a dividend of Rs. 6 per share of Rs. 10 each. Eight O'Clock Coffee Company, USA, a subsidiary of Tata Coffee recorded a 29% increase in turnover and improved profitability driven by higher sales volume and realization.
- (iii) The Company's wholly owned subsidiary in the USA, Tata Tea Inc. reported a 12% higher turnover in 2008-09 and profit after tax also showed satisfactory improvement compared with the previous year.
- (iv) Mount Everest Mineral Water Ltd., Company's subsidiary dealing in mineral water business in a drive to increase market share has incurred considerable expenses in launch and promotion of its products as a consequence of which it incurred a loss of Rs.27.97 crores during 2008-09 (last year Rs. 1.55 crores).

- (v) The Consolidated Accounts of Tata Tea (GB) Ltd. a copy of which is included in this Annual Report, reflects the financial performance of The Tetley Group during 2008-09 prepared in accordance with UK GAAP, wherein the turnover has recorded marginal improvement but profit has remained flat at previous year's level. This performance reflects increased investment for future growth and also performance for a slightly shorter period compared to 53 weeks in the previous year consequent to the decision to change the financial year ending to 31st March to make it consistent with the parent company. In the international markets where Tetley operates the competition is intense despite which at constant exchange rates, the Tetley Group recorded a 5% growth in turnover.
- (vi) Rallis India Ltd. (RIL) which is an Associate of your company has reported improved operating performance in 2008-09 and Directors of that company have recommended a dividend of Rs. 16 per share (previous year – Rs. 16 per share)
- (vii) Estate Management Services, Sri Lanka, where your Company holds shares and which is the holding company of Watawala Plantations Ltd (WPL) had declared a dividend of 11% in 2007-08 and was received by us during the year.

12. Directors

Dr. Amrita Patel resigned from the Board with effect from 25th August, 2008. Your Directors wish to place on record their appreciation of the rich and valuable contributions of Dr Patel during her association with the company as a Director.

At the Board meeting held on 8th October 2008 your Directors have appointed Ms Mallika Srinivasan and Mr. Analjit Singh as Additional Directors of the Company with effect from 22nd October, 2008, being the date of receiving their consent to act as directors of the Company. Both Ms Srinivasan and Mr Singh hold office upto the date of the forthcoming Annual General Meeting and the Company has received separate notices from members informing his/her intention to propose the candidature of Ms. Srinivasan and Mr. Singh as Directors of the Company at the next Annual General Meeting.

At the Board meeting held on 24th March, 2009 the Board had appointed Mr. Jimmy S. Bilimoria and Mr. Vittaldas Leeladhar as Additional Directors of the Company with effect from 25th March, 2009. However as Mr. Leeladhar did not possess a Director Identification number nor had he applied for the allotment of Director Identification number on 24th March, 2009 as required under Section 266A of the Companies Act, 1956, it became necessary for the Board to modify the date of appointment of Mr Leeladhar as a Director of the Company and his effective date of appointment became 24th April, 2009 when he was allotted a Director Identification number. Both Mr. Bilimoria and Mr. Leeladhar hold office upto the date of the forthcoming Annual General Meeting and the Company has received separate notices from members informing his/her intention to propose the candidature of Mr. Bilimoria and Mr. Leeladhar as Directors of the Company at the next Annual General Meeting.

At the Board meeting held on 10th June, 2009 the Board reappointed Mr. Siganporia as the Managing Director of the Company for a period of two years with effect from 1st July, 2009 subject to approval of the shareholders of the Company and of the Central Government. As the shareholders are aware Mr. Siganporia's tenure as the Managing Director of the Company ended on 30th June, 2009 and he is currently posted at the Executive office in the UK. Mr. Siganporia will continue to be located at London and his remuneration with effect from 1st July, 2009 will be paid partly by the company's subsidiary in the UK and partly by the Company, subject to receipt of necessary approvals. The resolutions on reappointment and remuneration of Mr. Siganporia have been put up for consideration and approval of the shareholders.

The Board at its meeting held on 10th June, 2009 reappointed Ms. Sangeeta Talwar as Executive Director for a period of five years from 1st July, 2009 subject to the approval of the shareholders of the Company. The resolution on re-appointment and remuneration of Mrs. Talwar has been put up for consideration and approval of the shareholders.

Tata Tea Limited

Mr. Y. H. Malegam, Mr. D. B. Engineer and Mr. A. R. Gandhi retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Brief particulars and expertise of these Directors and their other directorships and committee memberships have been given in the annexure to the Notice of the Annual General Meeting in accordance with the requirements of Listing agreement with Stock Exchanges.

All these directors have filed Form DD-A with the Company as required under the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003 .

13. Auditors

The Members are requested to appoint the Auditors and fix their remuneration. Messrs. N. M. Rajji & Co. and Lovelock & Lewes, the retiring Auditors have furnished certificates of their eligibility for re-appointment as required under the Companies Act, 1956.

14. Particulars of Employees

Information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, are given in the Annexure forming part of this report.

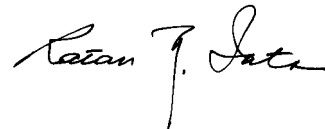
15. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to this report.

16. Concluding Remarks

Your Directors are sure that the shareholders would like to join them in conveying their appreciation to all employees of the Company for their sincere and dedicated services during 2008-09 without which such performance would not have been possible.

On behalf of the Board of Directors



(R. N. TATA)
Chairman

Mumbai, 20th July, 2009

Annexure to the Directors' Report

Particulars of Conservation of energy, Technology absorption and Foreign exchange earnings and outgo in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 forming part of the Directors' Report for the year ended 31st March, 2009.

CONSERVATION OF ENERGY

1. Energy conservation measures taken during 2008/09

- a) At Pullivasal and Periakanal estates the heat leakages were reduced by thermal insulation of the flow pipes. The oversized motors were removed from the system thus reducing the electrical consumption. The running of the fans in the troughs was monitored thereby reducing waste of electrical energy. The use of the genset was restricted as the cost of generation is twice the cost of the grid power. The genset was used 53% (PKNL) & 15% (PVSL) less as compared to last year.
- b) At Instant Tea unit 32 wind operated turbine roof ventilators were installed to improve/augment natural lighting and ventilation. The unit has also installed automatic power factor controller to improve overall power factor.

2. Additional investment and any new proposal under implementation aimed at energy conservation

The use of CFL was encouraged and the existing bulbs and other lights are being changed. So far about 1353 CFLs have been replaced. Workers are provided these CFLs at a highly subsidized rate payable in easy instalments.

3. Impact of the measures taken

Savings are in terms of about 80% for every CFL used. The saving in electrical consumption will be reflected in the coming season.

Tata Tea Limited**FORM A****DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

| | 2008-09 | 2007-08 |
|---|-----------------|----------------|
| POWER & FUEL CONSUMPTION | | |
| ELECTRICITY PURCHASED | | |
| Units (lacs kwh) | 100.03 | 99.02 |
| Total amount (Rs/Lacs) | 530.67 | 400.19 |
| Rate/Unit (Rs/kwh) | 5.31 | 4.04 |
| OWN GENERATION | | |
| Units (lakh kwh) | 11.15 | 11.67 |
| Total amount (Rs/Lakh) | 113.27 | 117.49 |
| Units/ltr of diesel | 3.70 | 3.01 |
| Rate/Unit (Rs/kwh) | 10.16 | 10.07 |
| FURNACE OIL | | |
| Quantity (kl) | 2109.40 | 1871.14 |
| Total Cost (Rs/Lakh) | 476.71 | 350.79 |
| Average Rate (Rs/kl) | 22599.30 | 18747.48 |
| FIREWOOD | | |
| Quantity (Lac/Cu.Mt) | 0.23 | 0.29 |
| Total Cost (Rs/Lakh) | 281.32 | 210.43 |
| Average Rate (Rs/Cu.Mt.) | 1227.08 | 721.45 |
| CONSUMPTION PER UNIT OF PRODUCTION | | |
| TEA | | |
| Electricity (Units/Kg. of Tea) | 0.08 | 0.08 |
| Firewood/1000 kg. of sifted tea | 5.44 | 5.42 |
| INSTANT TEA | | |
| Electricity (Units/Kg. of Tea) | 2.56 | 2.79 |
| Furnace Oil (Ltrs/Kg. of Tea) | 1.14 | 1.04 |
| Firewood (Cu.Mt's/Kg. of Tea) | 0.007 | 0.011 |

FORM B

1. Specific areas in which R & D is being carried out in the company

The R & D Programme at Bangalore is focused on new product and process development for tea and coffee based beverages, development of functional beverages using herbs and active health ingredients, the analysis of products to monitor conformance to quality parameters and the testing of packaging materials to ensure quality conformance. R & D Bangalore has also worked in close collaboration with Tetley R & D, Greenford in the areas of product development, packaging materials including teabag tissues, analytical method development the analytical support programme. This is being facilitated by a joint Head of R & D and Technical Innovation between R & D Bangalore and the Tetley Innovation Group, Greenford.

Developmental work involving identification and use of healthy ingredients to supplement the beneficial aspects of tea, coffee and use of Ayurveda based herbs to develop herbal formulations with various functionalities through discussions with global suppliers and domain experts was an important active programme during the year. Regular interactions with Universities, Research Institutions, major flavour houses, global food ingredient suppliers has helped to improve the understanding of various food ingredients and their functionalities in the context of development activities.

Collaborative research work and sponsored analytical work in institutions like CFTRI, SNTD Womens University, NIN, Shiva Analytical, SGS, TUV-SUD in India; PIRA, University of Leeds and RSSL in the UK; Institut Fuer Lebensmittelchemie, Braunschweig and Eurofins, Hamburg Germany; Guelph Food Technology Center, Guelph, Canada; and the regular suppliers of ingredients to the Company. The range of activities supported by these collaborations included: analytical development works, routine analytical support, shelf life studies to support development projects at various stages of progress, facilitate improvement in capabilities, support commercial requirements related to product development and clinical research.

2. Benefits derived as a result of R&D

Formulations for a ready-to-drink beverage formulation combining the goodness of tea, fruit juices and the added benefits of an exotic herb were developed to successfully produce a number of variants. Three variants – Mango Rush, Apple and Peach Punch were launched in Chennai City during the year, marking the entry of the Company to this competitive sector in India.

The Company through a protocol using a statistically valid sampling plan, analysed samples of tea representing all brands and its variants from all packing centres, for conformance to quality specifications. The analysis of products carried out for compliance are: PFA parameters including iron filings, residues of pesticides approved by PFA for use in tea for which maximum residue limits (MRLs) have been established (Dicofol, Ethion, Quinalphos, Glyphosate, Fenazaquin, Deltamethrin, Endosulfan, Propargite, Paraquat and Glufosinate ammonium) and heavy metals (e.g. copper and lead). All the samples analysed showed complete compliance to these specifications confirming the Company's commitment to quality and consumer safety.

R & D has undertaken an exhaustive study of tea measuring moisture in invoices, blends at Packaging Centres and packed product to fix ensure norms are satisfactory. A norm for moisture for packet tea has been developed and is being deployed to ensure safe moisture in packed tea, ensure satisfactory quality during the shelf life of the packed product in the market place and action plans in the case of deviation.

The Company continued to ensure quality of laminates purchased through in-house and external analysis of all laminate materials, and fixing ranges for specification for all the laminates taking inputs from vendors and analytical results. The Department has carried out a study to ensure the sealing integrity of packs by advising optimum conditions to operate the packing machines. A study carried to study the specification of Corrugated Fibre board Cartons (CFC) looked at improving the quality through stack height and to ensuring safe transit for packed materials. A periodic review analysing packing materials, laminates and other packing materials from all vendors ensured compliance to specifications.

Tata Tea Limited

R & D actively participates in providing timely inputs to draft legislations introduced by PFA. The department frequently liaises with Industry bodies (e.g. CII and FICCI) to identify anomalies and issues with published drafts of new legislation and has taken active initiatives in consultation with similar industries to propose changes to improve new legislations implemented. On a number of occasions this in collaboration with other beverage companies has proved successful. Personnel from the Department actively participated in BIS and ISO meetings to develop and adopt new Standards. Legislation issues concerning the new International Specification for Instant Tea is being actively followed up. The Department has also involved in data generation and collection, through Tea Board, Tea research Institutes and ITA to support various legislation processes around the world. Various regulatory requirements for tea, coffee, beverages including water were reviewed with comments forwarded through Industry participation groups during the period of consultation for the implementation of the new FSSA and its Rules.

The Department through its initiative contracted research at SNDT University, Mumbai to explore the beneficial effects of black and green tea in a demographical study. The study results have provided valuable information about the beneficial effects of tea, in the Indian context and will help the Company in supporting its marketing initiatives in promoting tea as a healthy beverage.

International issues relating to the lack of uniformity of national pesticide regulations are being addressed through involvement with the FAO Inter Governmental Group (IGG) on Tea working group, the Head of R&D is joint co-coordinator of the working group on pesticides and organized a section of the meeting in Hangzhou, China in May 2008; there has been significant discussions with the Health Canada concerning the issues following the withdrawal of the Tea Monograph (September 2007) in collaboration with the Tea Association of Canada; development of International Standards and methods of analysis have been addressed through participation in the ISO TC/34 SC/8 Tea committee work programme, chaired the meeting in Hangzhou, China April 2008.

Technical support has been provided to the Supply Chain Function on various technical issues. R & D has provided technical support to identify and validate the 3P facility for RTD beverage manufacture. R & D has provided technical support to establish a Kit Manufacturing facility to support RTD bottling operations. The Department has also provided technical support for the development of a fresh brew vending machine in collaboration with 3rd party.

The Company's R & D Department at Bangalore is recognized by the Department of Scientific and Industrial Research (DSIR) under Ministry of Science & Technology.

Future Plan of Action

The major focus at R&D Bangalore will continue to be the development of new products and processes and a range of beverage products with focus on health and wellness, proactive participation in the Innovation initiatives, to keep in line with the rapidly changing global market. The main path for the future is to build and broaden the range of products to meet the Company's global growth agenda. Other areas of importance are Infrastructure development including manpower, the analytical and pilot plant facilities.

Exploring avenues for collaboration with external research labs and research institutions to improve the understanding of various food ingredients and to sponsor research projects to pursue innovative developments also remains a major focus.

More projects of global nature on New Product Development with a health and wellness focus will be undertaken along with independent R & D projects of commercial significance to fit into Company's strategic growth plan. Joint NPD and other projects, including exchange of technical personnel which would enable sharing of experience and technical knowledge, would be undertaken between R & D Bangalore and Tetley R & D at Greenford.

Active involvement in the development of the Commercial innovation agenda to provide the roadmap for the next generation of products for competitive edge, to support the global growth agenda is also a focus area during the year.

Liaising with the Ministry of Food Processing Industries and Ministry of Health and Family Welfare and other regulatory bodies would be continued, to evolve new industry friendly legislations and standards. Pending issues regarding new regulations such as NI flavours, Iron filings in Tea, Instant Tea specifications and Labelling regulations and also new rules and regulations under FSSA would be followed up with the authorities. The participation with other Companies to contribute to the development of the new Standards for implementation Food Safety & Standards Act with the FSSA will be continued.

Active participation and efforts to define an IP Roadmap to safeguard Company's interest in developmental activities will be continued.

The participation in addressing international issues such as pesticide regulations, development of International standards and the development of regulatory standards on tea and health will also be part of the work programme.

4. Technology Absorption, Adaptation and Innovation

- Development of Ready-to-Drink formulation
- Collaborative work has been carried out with CFTRI, Mysore; SNTD, Mumbai and NIN, Hyderabad
- Two product and process patents filed for the innovations.

5. Expenditure on R & D

| | |
|---|--------------|
| | Rs. in Lakhs |
| Capital | 57.78 |
| Revenue | 329.85 |
| | 387.63 |
| R & D expenditure as percentage of turnover | 0.28 |

6. Foreign Exchange Earnings and Outgo

| | 2008-09 Rs. in Lakhs | 2007-08 Rs. in Lakhs |
|--|-------------------------|-------------------------|
| i) Value of imports – | | |
| Raw Materials | 3055.89 | 2055.70 |
| Stores, Spare parts & Packing material | 1989.98 | 1481.09 |
| Capital Goods | 73.67 | 13.43 |
| ii) Expenditure in Foreign Currency – | | |
| Selling expenses | 323.44 | 246.03 |
| Foreign travel | 95.26 | 50.36 |
| Professional fees | 257.32 | 149.03 |
| Other expenses | 274.40 | 276.80 |
| iii) Foreign Exchange Earned – | | |
| FOB Value of exports | 13673.07 | 14447.79 |
| Technical services fees | 94.36 | 80.99 |
| Dividends | 10049.69 | 5479.01 |
| Interest from investments | – | 617.34 |
| Other earnings | 715.13 | 608.95 |

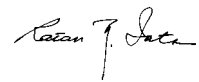
Tata Tea Limited
ANNEXURE TO THE DIRECTORS' REPORT
STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND THE COMPANIES (PARTICULARS OF EMPLOYEES), RULES, 1975.

| Name | Age (Years) | Designation/Nature of Duties | Remuneration (Rs. Lakhs) | Qualification | Experience (Years) | Date of Commencement of employment | Last employment held, Designation |
|-------------------|-------------|---|--------------------------|---|--------------------|------------------------------------|---|
| Ahmed K L | 60 | General Manager & Head - Quality Management | 28.13 | BA (Eco.) | 41 | 01-May-1969 | First employment |
| Bhatia K | 35 | Area Manager, UAE | 45.00 | B.Com. | 13 | 16-Aug-2006 | Ashraf & Partners, Key Account Manager |
| Bhatt J * | 42 | Vice President | 17.67 | MMS (Mktg), BE (Degree in Electronics) | 17 | 27-Jun-2006 | Bennett, Coleman Co. Ltd. (The Times group); Asst VP |
| Bhardwaj A * | 60 | General Manager - Zhejiang Tata Tea Extraction Co. Ltd. | 42.28 | ME (Chem. Engg.) | 37 | 01-Jul-1980 | Tata Chemicals Ltd., Sectional Superintendent |
| Chadha Rishi | 33 | Zonal Sales Manager (East Zone) | 26.01 | BA (Hons. - Economics), PGDM | 10 | 01-Jun-2000 | First Employment |
| Chatterjee Ashim | 36 | Associate President - OOH Business | 24.73 | B.Sc. (Hons.), PGDM | 13 | 02-Jun-2003 | Marico India Ltd., Brand Mgr |
| Dant P P | 49 | Associate President Rest of South Asia and Strategic Tie-ups | 40.49 | B.A. (Eco.), MMS (Mktg.) | 25 | 01-Jun-1983 | TOMCO, Brand Executive, TAS |
| Dash Sushant | 36 | Associate President - Marketing Tea & Coffee | 38.30 | B.Sc., PGDBC | 13 | 27-Nov-2000 | Blackstone Market, Research Mgr. |
| Desai K N | 58 | Vice President (Buying, Blending & Bulk Tea Sales) | 59.40 | B.Com (Hons.) | 37 | 01-Dec-1989 | Carritt Moran Ltd, Sr. Exec. |
| Deshmukh S | 56 | Vice President (Middle East) | 95.18 | B.Sc. (Hons - Maths), DBM | 33 | 08-Sep-2001 | Strategic Foods Int. Co., GM Sales & Mktg. |
| Dr. David P Jose | 48 | Deputy General Manager (R & D) | 24.80 | M.Sc. (Applied Chemistry), Ph.D (Synthetic Organic Chemistry) | 27 | 01-Oct-1991 | FACT Ltd., Kerala as Research Chemist |
| Dr. Gogoi B | 56 | General Manager (Community Development & Social Welfare) | 32.42 | MBBS, FCGP, MHPDC | 34 | 06-Nov-1976 | Food Corporation of India, Medical Officer |
| Dr. Suresh K | 52 | Director - Medical Services | 30.13 | MBBS (Medicine), MS (General Surgery) | 26 | 16-Nov-2006 | Kukreja Hospital, Senior Consultant in Surgery & Medical Administration/ Consultant Laproscopic Surgeon |
| Ghurye Anant G * | 50 | Deputy General Manager (West Zone) & Head Key Accounts | 22.82 | B.Sc., PGD in Bus. Mgmt. | 28 | 01-Jul-1987 | TOMCO as Salesman |
| Gohain Utpal | 47 | Deputy General Manager (Tea Buying) | 29.09 | MA (Political Science) | 24 | 09-Sep-1985 | First employment |
| Hazarika Abhijeet | 50 | General Manager (Tea Buying) | 35.81 | BA (Hons - Eco), MA (Labour Welfare & Human Relations) | 26 | 18-Dec-1991 | Brooke Bond India Ltd, Manager |
| Hazarika Asim | 57 | Director of Projects - South Asia & Far East | 52.51 | B.Sc. (Engg.) | 34 | 01-Jan-1976 | The Anglo American Direct Tea Trading Co. Ltd., Asst. Manager |
| Kar Rahul | 45 | General Manager (Corporate Finance) | 36.80 | B.Com., CA | 24 | 15-Nov-1991 | Lovelock & Lewes |
| Krishnan R Kumara | 35 | Dy. General Manager (Drink) | 25.64 | B.Sc. (Physics), Masters in International Business | 12 | 16-May-2002 | Indian Market Research Bureau |
| Kumar E Krishna | 57 | Territory Category Manager/DGM, Asia | 24.41 | B.Sc. (Engg.) | 35 | 01-Oct-1983 | M/s Structural & Manufacturing Co. Pvt. Ltd., Works Engineer |
| Lobo Sunil* | 37 | Zonal Sales Manager (West) | 3.83 | B.Com., Post Graduation in Business Management | 12.9 | 13-Feb-2009 | Hindustan Coca Cola Beverages Pvt. Ltd., General Sales Mgr.-Gujarat |
| Madeka Anju * | 49 | Vice President (Projects & Commerical) | 39.01 | B.Com., CA | 25 | 06-Aug-2001 | Haldia Riverside Estates Ltd. & Haldia Infrastructure Ltd., as COO |
| Mathai J | 54 | Chief Internal Auditor | 49.65 | B.Com. (Hons.) CA | 25 | 03-Jan-2000 | BOC India Ltd., Sr. Manager |
| Namboodiri Ashok | 40 | Vice President (Sales & Distribution) & RTD | 45.05 | B.Tech. (Electrical & Electronics Engg.), MBA | 17 | 03-Jan-2008 | Henkel Marketing India Ltd. Country Manager- Schwarzkopf Professional |
| Ohri A | 42 | Chief Manager (Information Technology) | 24.22 | B.Com., MBA, SAP Certification (SD) | 21 | 15-Jan-1991 | Sipani Automobiles |
| Raina U | 50 | Associate President - Marketing Services and Business Development | 28.07 | B.Sc. | 27 | 14-Oct-1982 | First Employment |
| Raji P T | 43 | Head (ITO) | 28.50 | B.Tech (Chemical) | 20 | 01-Oct-2005 | Henkel India Ltd., Chief Mgr. (Works), |
| Roychaudhuri S K | 52 | Director of Application Support/ Development - Asia Regions | 39.67 | M.Tech (Systems Engg. & Management), B. Tech (Mechanical) | 25 | 31-Jul-2006 | Wockhardt Ltd, Mumbai, GM - IT |
| Sarin Sanjeev * | 54 | Director - Business Development | 22.53 | B.Sc. (Math, Eco.); MA (Eco.); Masters in Management | 32 | 01-Oct-2008 | Tata Coffee Ltd., Executive Director |

| Name | Age (Years) | Designation/Nature of Duties | Remuneration (Rs. Lakhs) | Qualification | Experience (Years) | Date of Commencement of employment | Last employment held, Designation |
|-------------------|-------------|--|--------------------------|--|--------------------|------------------------------------|--|
| Scott Andrew | 54 | Head Research & Development | 89.37 | B.Sc. (Hons.), PhD | 27 | 07-May-2007 | Campden Food & Drink Research Association, Biochemistry Section Mgr. |
| Sen D K | 60 | Vice President & Company Secretary | 63.17 | B. Com. (Hons.), ACA, ACS, DMA (ICA), Chartered Secretary, London | 38 | 22-May-1992 | GKW Ltd., Secretary |
| Sen Amitava Rajan | 48 | General Manager (Business Finance) | 34.41 | B.Com., CA | 22 | 02-Feb-1987 | First Employment |
| Sen Anirudha * | 49 | Deputy General Manager & National Business Head - Chai Bar | 21.98 | Diploma in Hotel Management, Catering Technology & Applied Nutrition | 24 | 31-Aug-2006 | B&M Hot Breads Pvt. Ltd., Chief of Operations, |
| Sengupta A | 49 | Vice President (HR) | 54.57 | Bsc (Hons.- Math.), MBA-HRM, Dip. in Labour Laws & Labour Welfare | 27 | 07-Dec-2005 | Cadila Healthcare Ltd., Ahmedabad, VP (HR) |
| Siganporia P T | 58 | Managing Director | 248.50 | B.Sc., PGDBM | 35 | 01-Jun-1974 | Tata Services Ltd., TAS Officer |
| Sikand Rajdeep | 42 | General Manager and Head of Tea Blending & Commercial Support | 28.77 | BA (Hons.) | 20 | 18-Nov-1989 | First Employment |
| Ms. Talwar S | 53 | Executive Director | 162.43 | BA Economics (Hons.), MBA (IIM Kolkata) | 28 | 01-Jul-2004 | Mattel Toys India Ltd., CEO |
| Tandon A | 53 | Vice President - Operations, Asia | 50.75 | B.Com. | 29 | 07-Mar-1980 | First Employment |
| Thomas Tommy K | 45 | Deputy General Manager & Head of Business Excellence | 34.24 | BA (Hons. - Eco.), PG Diploma (Rural Mgmt.) | 22 | 14-Sep-1990 | Pradan, Gujarat/New Delhi, Executive |
| Venkataramanan K | 48 | Vice President (Finance) | 60.90 | B.Com., CA, ICWA | 23 | 06-Jun-1990 | TOMCO, Ernakulam, Accounts Officer |
| Vyas S | 46 | Head - Rural Business w.e.f. 1/4/09 General Manager (Sales) - North, East & West upto 31.3.09 | 35.83 | B.Sc., Eco. Admn. & Fin. Mgmt., MBA-Mktg. | 20 | 23-Feb-1989 | First Employment |

1. The above remuneration includes salaries, bonus, commission, contribution to Provident Fund and Superannuation Fund where ever applicable and perquisite valued in accordance with the Income Tax Rules, 1962. The Company has contributed to the Gratuity Fund an appropriate amount based on actuarial valuation. As no separate figures are available for individual employees, this amount has not been included in remuneration.
2. Commission to Directors are considered on the basis of actual payment.
3. All the employees have adequate experience to discharge the responsibilities assigned to them.
4. The nature of employment in all cases is contractual.
5. *Against a name indicates that the employee was in service only for a part of the year.

On behalf of the Board of Directors



(R N TATA)
Chairman

Mumbai, 20th July, 2009

Tata Tea Limited**Report on Corporate Governance for 2008-09****1. Company's Philosophy on Code of Governance**

The corporate governance philosophy of your Company is to ensure transparency in all dealings and in the functioning of the management and the Board. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its stake-holders. It has set up a system which enables all its employees to voice their concerns openly and without any fear or inhibition. The corporate governance philosophy of the Company has been further strengthened through the Tata Code of Conduct, Tata Business Excellence Model, Tata Code for Prevention of Insider Trading and Code of Corporate Disclosure policies.

As a global organisation the corporate governance practices followed by your company are compatible with international standards and best practices. As a responsible corporate citizen, your Company had established systems to encourage and recognize employee participation and volunteering in environmental and social initiatives that contribute to organizational sustainability, systematic training, learning and personal growth, conservation of energy and other scarce resources, promoting safety and health of its employees and of the neighbouring community etc. These actions have become integral part of your company's operating plans and are not meant for building of image or publicity.

2. Board of Directors

As on 31st March, 2009 the Company had 13 directors and the composition of the Board of Directors is given in the table below. The Chairman of the Board is a non-executive director and about 85% of the Board comprises of non-executive directors. In terms of clause 49 of the Listing agreement with the Stock Exchanges as amended during 2008-09, 50% of the Board should comprise of non-executive independent directors. To meet this requirement the Board had appointed Mr. V. Leeladhar as an additional non-executive independent director with effect from 25th March, 2009. However upon receipt of the forms and declarations from Mr. Leeladhar it transpired that on 25th March, 2009 i.e. the date of his appointment as a Director of the Company, Mr. Leeladhar did not possess a Director Identification No. (DIN) nor had he applied for allotment of DIN as required under Section 266A of the Companies Act, 1956. Mr. Leeladhar has since obtained DIN and the Board had modified his date of appointment as a Director of the Company to 24th April, 2009. The Company, therefore technically became compliant with the condition of clause 49 of the Listing agreement relating to Board composition on 24th April, 2009 even though in order to be compliant with this requirement the Board had appointed an additional independent director within 31st March 2009, being the last date by which compliance to the requirement of board composition was to be ensured.

A. Composition & Category of Directors, Attendance of each Director at the Board Meetings and the last AGM, Number of other Boards or Board Committees in which he/she is a Member or Chairperson, Number of Board Meetings held, dates on which held

Composition of Board of Directors as on 31st March, 2009

| Category | Number of Directors (excluding Mr. Leeladhar) | % |
|-------------------------------------|--|----------|
| Non-Independent Directors | 4 | 30.77 |
| Managing & Executive Directors | 2 | 15.39 |
| Non-Executive Independent Directors | 6 | 46.15 |
| Other Non-Executive Director | 1 | 7.69 |
| | 13 | 100.00 |

During 2008-09 Dr. Amrita Patel resigned from the Board with effect from 25th August 2008. Ms. Mallika Srinivasan and Mr. Analjit Singh joined the Board as non-executive independent Directors with effect from 22nd October, 2008. Mr. Jimmy Bilimoria and Mr. Vittaldas Leeladhar joined the Board as non-executive independent Directors with effect from 25th March, 2009 after which total independent directors on the board increased to 50% of the total strength of the Board. However, as Mr. V. Leeladhar did not possess a Director Identification No. nor had he applied for allotment of DIN on 25th March, 2009 the effective date of appointment of Mr. Leeladhar as a Director of the Company was modified by a circular resolution to 24th April, 2009 when DIN was allotted to Mr. Leeladhar.

Details of attendance of Directors at Board Meetings and at the last Annual General Meeting with particulars of their other Directorships and Chairman/Membership of Board Committees (excluding Tata Tea Ltd.) showing the position as on 31st March, 2009 are given in the following table:

| Name of Director | Position | Attendance at | | Directorships and Chairman/ Membership of Board Committees in other companies | | |
|--|--------------|----------------|----------|---|------------------|--------------------|
| | | Board Meetings | Last AGM | Director | Committee Member | Committee Chairman |
| Mr. R. N. Tata | C, NED & NI | 5 | Yes | 10 | - | - |
| Mr. R. K. Krishna Kumar | VC, NED & NI | 8 | Yes | 11 | 1 | 1 |
| Mr. Y. H. Malegam | NED & I | 8 | Yes | 8 | 2 | 3 |
| Mr. D. B. Engineer | NED & I | 7 | Yes | 9 | 4 | 2 |
| Mr. U. M. Rao | NED & I | 8 | Yes | 2 | 1 | 1 |
| Ms. M. Srinivasan* | NED & I | 2 | NA | 4 | 1 | - |
| Mr. A. Singh* | NED & I | 1 | NA | 13 | - | - |
| Mr. J. Bilimoria# | NED & I | NA | NA | 6 | 3 | 2 |
| Mr. F. K. Kavarana | NED & NI | 5 | No | 9 | 2 | 4 |
| Mr. A. R. Gandhi | NED & NI | 6 | Yes | 7 | 1 | - |
| Mr. P. D. Unsworth | NED & NI | 6 | Yes | - | - | - |
| Mr. P. T. Siganporia | MD | 8 | Yes | 2 | - | - |
| Ms. S. Talwar | ED | 7 | Yes | 1 | - | - |
| Dr. Amrita H. Patel (upto 24th August 2008) | NED & I | 4 | Yes | NA | NA | NA |

*Joined the Board from 22.10.2008; # Joined the Board from 25.3.2009

C : Chairman; VC : Vice Chairman; NI : Non-Independent; NED : Non-Executive Director; I : Independent Director; MD: Managing Director; ED : Executive Director ; NA : Not Applicable

As mentioned earlier effective date of appointment of Mr. Leeladhar was modified to 24th April, 2009. Mr. Leeladhar is not a Director of any other Company.

Other Directorships do not include Alternate Directorships, Directorships of private limited companies and of companies incorporated outside India.

Other than the Managing and Wholtime Directors all Directors are liable to retire by rotation.

Minutes of the meetings of all the Board Committees are circulated to all the Directors.

Particulars about a Director proposed for re-appointment as well as the Directors who are retiring by rotation and eligible for re-appointment have been given in the attachment to the Notice and Explanatory Statement.

The company has received declarations on six criteria of independence as prescribed in clause 49.1.A (iii) of the Listing Agreement from the directors of the company who have been classified as Independent directors.

No director of the Company is related to any other director of the Company.

Tata Tea Limited**B. Non-executive directors' compensation and disclosures**

The non-executive directors including Independent directors are paid Sitting fees for attending the meetings of the Board and committees of the Board. The Company pays a fee of Rs.20,000 per meeting (revised from Rs.10,000 per meeting with effect from 1st August, 2008) per director for attending meetings of the Board, Audit and Executive committees. For meetings of all other committees of the Board, a Sitting fee of Rs.10,000 per meeting (revised from Rs.5,000 per meeting with effect from 1st August, 2008) per director is paid. Within the ceiling of 1% of net profits of the company computed under the applicable provisions of the Companies Act, 1956, the non executive directors including Independent directors are also paid a commission the amount whereof is determined by the Board. The basis of determining the specific amount of commission payable to a non-executive director is related to his attendance at meetings, contribution at meetings as perceived by the Chairman/Vice Chairman and the extent of consultations with the director outside the meetings. The shareholders of the company had approved payment of commission to the non-executive directors at the Annual General Meeting held on 8th September, 2003 which is valid up to the financial year ending 31st March, 2009. Approval of shareholders for payment of commission to the non-executive directors for financial years commencing from 1st April, 2009 will be sought at the next AGM. No Stock option has been granted to the non-executive directors.

C. Other provisions as to Board and Committees

During 2008-09, the Board met eight times on 4th April, 2008, 30th May, 2008, 28th July, 2008, 22nd August, 2008, 8th October, 2008, 27th October, 2008, 30th January, 2009 and 24th March, 2009. The maximum time gap between two board meetings was less than four months. As will be noted from the table given above no director is member of more than 10 board committees or chairman of more than 5 board committees across all companies where he/she is a director.

Chairmanship/Membership of Board Committees includes membership of Audit and Investors'/ Shareholders' Grievance Committees of Indian public limited companies only as clarified by SEBI.

The Board has reviewed compliance by the company with all applicable laws and steps taken by the company to rectify instances of non-compliances. Where permitted, rectification of instances of non-compliance is being carried out in a phased manner keeping in view the cost implications.

D. Code of Conduct

Tata Code of Conduct is a comprehensive written code which is applicable to all employees including the Managing and Executive Directors. A condensed code of conduct applicable to the non-executive directors was laid down by the Board. Both the Tata Code of Conduct and the Code of Conduct for non-executive directors have been posted on the website of the company.

In respect of financial year 2008-09, all Board members and Senior Management personnel of the company have affirmed compliance with the code as applicable to them.

3. Audit Committee**i. Brief description of the terms of reference**

A qualified and independent audit committee has been set up by the Board in compliance with the requirements of Clause 49 of the Listing Agreement with Stock Exchanges read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee include:

- a) Review of the quarterly and half yearly financial results with the management and the statutory auditors;

- b) Review with the management and statutory auditors of the annual financial statements before submission to the Board;
- c) Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- d) Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- e) Review of the financial reporting process and disclosure of financial information;
- f) Review of the adequacy of the internal audit function;
- g) Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- h) Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
- i) Authority to investigate into any matter covered by section 292A of the Companies Act, 1956;
- j) Reviewing the company's financial and risk management policies.

ii. **Composition, names of members and Chairperson**

All the members of the Audit Committee are Non-Executive Directors and two of them including the Chairman are Independent Directors. All the members of the Audit committee are financially literate as defined in clause 49.II.(A).(ii) of the Listing agreement.

Mr. Y. H. Malegam, the Chairman of the Committee, has expert knowledge of finance and accounting and was present at the last Annual General Meeting of the Company held on 22nd August, 2008.

The composition of the Committee as on 31st March, 2009 and particulars of attendance by the members is given in the table below:

| Name | Category | No of meetings during 2008-09 | |
|-----------------------|--------------------------------|-------------------------------|----------|
| | | Held | Attended |
| Mr. Y H Malegam | Independent, Non-Executive | 7 | 7 |
| Mr. R K Krishna Kumar | Non-independent, Non-Executive | 7 | 4 |
| Mr. U M Rao | Independent, Non-Executive | 7 | 7 |

iii. **Meetings and attendance during the year**

During 2008-09, seven Audit Committee meetings were held on 28th May, 2008 (two meetings), 24th July, 2008, 27th October, 2008, 23rd January, 2009, 28th January, 2009 and 23rd March, 2009. The Committee Meetings are attended by invitation by the Managing Director, Executive Director, Group Chief Finance Officer, Vice President-Finance, Chief Internal Auditor, Chief Executive Officer of the Tetley Group, the Statutory Auditors and the Management Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

4. **Remuneration Committee**

i. **Brief description of terms of reference**

The Board has set up a Remuneration/ESOS Compensation committee. This Committee is responsible for recommending to the Board, the remuneration package of Managing and Whole-time Directors including their annual increment and commission after reviewing their performance.

Tata Tea Limited
ii. Composition, name of members and Chairperson

The Remuneration/ESOS Compensation Committee consists of 3 Non-Executive Directors with Mr. D. B. Engineer as Chairman and Mr. R. K. Krishna Kumar and Mr. U.M. Rao as members.

iii. Attendance during the year

The Remuneration Committee met twice during 2008-09 on 30th May 2008 and on 30th January 2009 which were attended by all the members.

iv. Remuneration policy

The remuneration policy followed by the Company takes into consideration performance of the company during the year and of the Managing and Whole-time Directors on certain parameters, such as condition of the industry, achievement of budgeted targets, growth & diversification, remuneration in other companies of comparable size and complexity, performance of the directors at meetings of the Board and of the Board committees etc.

v. Details of remuneration to all the directors

| | Mr. P. T. Sigamporia Rs. Lakhs | Ms. S. Talwar Rs. Lakhs |
|----------------------------------|---|------------------------------------|
| Salary | 38.50* | 37.80 |
| Allowances & Perquisites | 71.89 | 42.39 |
| Contribution to Retiral Funds | 13.61 | 13.36 |
| Commission (relating to 2007-08) | 100.00 | 75.00 |
| Stock option | - | - |
| No. of Shares held | 264 | 500 |
| Service Contract | 5 years from 1st July, 2004 | 5 years from 1st July, 2004 |
| Notice period | 6 months | 3 months |

* Remuneration of Mr Sigamporia has been paid upto 31st January 2009.

Non-Executive Directors' Remuneration paid in 2008-09

| | Commission Rs. Lakhs (Relating to 2007-08) | Sitting Fees Rs. Lakhs | No. of Shares held as on 31.3.2009 |
|---|---|---------------------------------------|---|
| Mr. R.N. Tata | 37.21 | 0.90 | 2,040 |
| Mr. R.K. Krishna Kumar | 34.62 | 2.25 | 9,000 |
| Mr. Y.H. Malegam | 28.16 | 3.00 | 3,196 |
| Mr. D.B. Engineer | 7.89 | 1.70 | - |
| Mr. U.M. Rao | 21.06 | 3.25 | - |
| Mr. F.K. Kavarana | 9.22 | 1.55 | - |
| Dr. Amrita H. Patel (upto 24.8.2008) | - | - | NA |
| Mr. A. R. Gandhi | 17.89 | 1.10 | - |
| Mr. K. Pringle | 3.95 | NA | - |
| Mr. P. D. Unsworth | - | 1.00 | - |
| Ms. M. Srinivasan (appointed from 22.10.2008) | - | 0.40 | - |
| Mr. A. Singh (appointed from 22.10.2008) | - | 0.20 | - |
| Mr. J. Bilimoria (appointed from 25.3.2009) | - | - | - |

Notes : 1. The resolutions appointing these directors do not provide for payment of severance fees.

2. The above excludes Rs. 17.73 lakhs being post-retirement pension benefit paid/payable to a former Managing Director.

5. Shareholders/Investors' Grievance Committee

i. Name of the Non-Executive Director heading the Committee

The Board has constituted a Shareholders'/Investors' Grievance Committee with Mr. F. K. Kavarana as the Chairman of the committee and Mr. D.B. Engineer and Mr. U.M. Rao as members of the committee. The Committee has held two meetings during 2008-09 on 28th July, 2008 and on 24th March, 2009. The representatives of the Registrar are generally present in these meetings. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investor services.

To expedite the process of share transfers the Board has delegated the power of share transfer to the Registrars and share transfer agent and share transfer formalities are approved by them on a fortnightly basis. The composition of the committee and details of attendance by its members is given below

| Name | Category | No. of meetings during 2008-09 | |
|--------------------|--------------------------------|--------------------------------|----------|
| | | Held | Attended |
| Mr. F. K. Kavarana | Non-independent, Non-Executive | 2 | 2 |
| Mr. D. B. Engineer | Independent, Non-Executive | 2 | 2 |
| Mr. U. M. Rao | Independent, Non-Executive | 2 | 2 |

ii. Name and designation of Compliance Officer

Mr. D. K. Sen, Vice President & Secretary is the Compliance Officer.

iii. Number of shareholders' complaints received so far, Number not solved to the satisfaction of shareholders and Number of pending complaints

Given below is the position of queries/complaints and other correspondences received and attended to during 2008-09 in respect of equity shares and fixed deposits:-

| | Equity Shares | Fixed Deposits |
|--|---------------|----------------|
| For non-receipt of dividend/interest, shares lodged for transfer, Deposit receipt, repayment cheques | 3291 | Nil |
| Queries/Complaints redressed | 3291 | NA |
| Pending queries as on 31.3.2009 | Nil | Nil |
| Other Letters received from shareholders and Depositors and replied | 2323 | Nil |

During 2008-09 the company/Registrars had received 10 complaints from the shareholders all of which have been resolved.

Every letter received from the investors is replied and the response time for shareholders' correspondences during 2008-09 is shown in the following table :

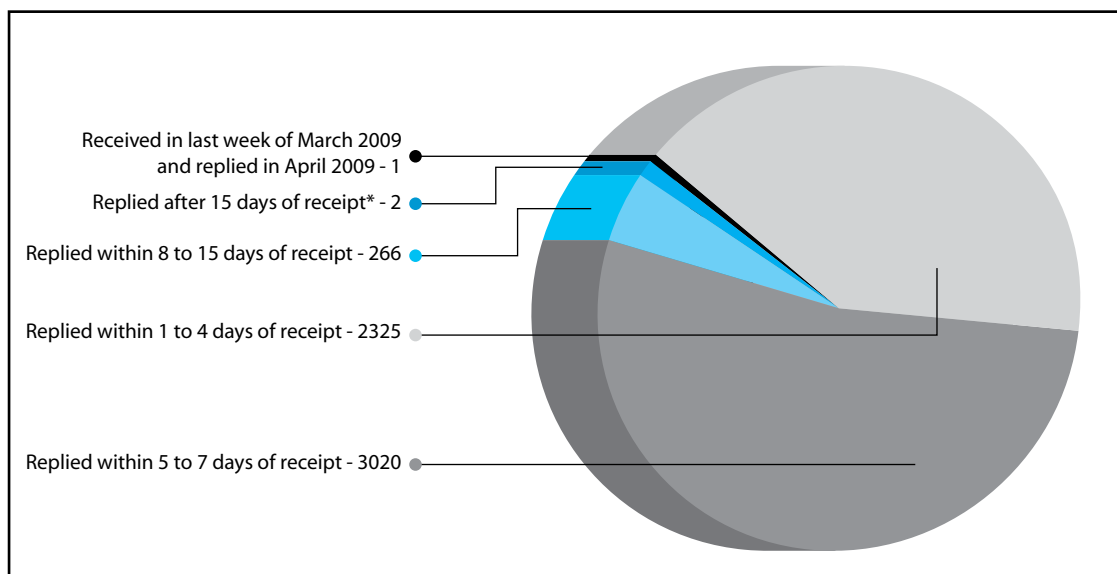
| | Number | % |
|---|--------|--------|
| Total number of correspondences received during 2008-09 | 5614 | 100.00 |
| Replied within 1 to 4 days of receipt | 2325 | 41.41 |
| Replied within 5 to 7 days of receipt | 3020 | 53.79 |
| Replied within 8 to 15 days of receipt | 266 | 4.74 |
| Replied after 15 days of receipt* | 2 | 0.04 |
| Received in last week of March 2009 and replied in April 2009 | 1 | 0.02 |

*These correspondences involved retrieving of old records and hence took longer time to deal with.

Tata Tea Limited

Promptness in attending to correspondences of shareholders is shown in the following chart

Response Time



The shares of the Company are traded in dematerialised form. A table showing the requests received for dematerialisation/transfer during 2008-09 is given below:

| | Transfers | Transfers | Demats | Demats |
|--------------------------|-----------------|---------------|-----------------|---------------|
| | No. of requests | No. of shares | No. of requests | No. of shares |
| Lodged | 597 | 101045 | 1249 | 240202 |
| Processed | 393 | 75951 | 815 | 165652 |
| Objections | 199 | 24684 | 419 | 73033 |
| Pending as on 31-3-2009* | 5 | 410 | 15 | 1517 |

*These transfers and Demat requests were lodged in the last week of March 2009 and were processed in April, 2009

Note: 95.46% of the issued share capital of the company is held in dematerialized form as on 31.3.2009

6. Other Board Committees

The Board had constituted following other Board committees besides the three committees mentioned above

| Name of Committee | Members | Terms of reference |
|---------------------|--|---|
| Executive Committee | Mr. R. N. Tata-Chairman Mr. R. K. Krishna Kumar Mr. U. M. Rao Mr. P.T. Siganporia Ms. S. Talwar Mr. L. Krishnakumar - Group CFO | Business and strategy review, long-term financial projections and cash flows, capital/revenue budgets and capital expenditure programmes, acquisition/ divestment and business restructuring proposals, senior management succession planning and any other item that the Board may decide to delegate. |

| Name of Committee | Members | Terms of reference |
|--|--|---|
| Nomination Committee | Mr. R. N. Tata - Chairman Mr. R. K. Krishna Kumar Mr. Y. H. Malegam Mr. F. K. Kavarana | To identify independent directors to be inducted into the Board from time to time and take steps to refresh the composition of the Board from time to time. |
| Ethics and Compliance committee | Mr. F. K. Kavarana - Chairman Mr. P. T. Siganporia | To look into the requirements under Insider Trading Regulations including the Group guidelines on Insider Trading and Tata Code of Conduct. |
| Corporate Sustainability Reporting committee | Mr. U. M. Rao - Chairman Mr. P. T. Siganporia Mr. P. C. Tyagi - Expert member (Not a Board member) | To monitor and provide guidance on company's policies on environment management, social responsibilities, health & safety, product stewardship, community development, principles of managing branded operations, etc. The Committee will also provide guidance on welfare activities in and around Munnar. |

During 2008-09 two meetings each of the Nomination Committee, Ethics & Compliance Committee and CSR Committee were held. No meeting of the Executive Committee was held during 2008-09.

7. General Body Meetings

i. Location and time, where last three AGMs held, Whether any special resolutions passed in the previous 3 AGMs

The last three Annual General Meetings of the Company were held as under :

| Year | Location | Date | Time | No. of Special Resolutions approved at the AGM |
|---------|--|-------------------|------------|--|
| 2005-06 | Oberoï Grand 15 Jawaharlal Nehru Road, Kolkata 700 013 | 8th August, 2006 | 10.30 a.m. | Nil |
| 2006-07 | Same as above | 10th August, 2007 | 10.30 a.m. | Nil |
| 2007-08 | Same as above | 22nd August, 2008 | 10.30 a.m. | Nil |

ii. Whether any special resolution passed last year through postal ballot – details of voting pattern

During 2008-09 no special resolutions was approved by the shareholders through Postal Ballot.

iii. Person who conducted the postal ballot exercise

Not applicable

iv. Whether any special resolution is proposed to be conducted through postal ballot

At present there is no such proposal.

v. Procedure for postal ballot

Postal Ballot, if any, is carried out following the procedure set out in Section 192A of the Companies Act, 1956 read with the Companies (The Passing of the Resolutions by Postal Ballot) Rules, 2001.

Tata Tea Limited**8. Disclosures****i. Disclosures on materially significant related party transactions that may have potential conflict with the interest of company at large**

Details of transactions of a material nature with any of the related parties as specified in Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006 have been reported in the Notes to Accounts. There was no transaction of a material nature with any of the related parties which was in conflict with the interest of the company.

ii. Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

There was no such instance in the last three years.

iii. Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.

The Board has approved a whistle blower policy which has been communicated to the employees. The policy provides a mechanism for employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of company's code of conduct and provides safeguards against victimization of employees who avail the mechanism. The policy permits reporting any concern relating to (i) financial/accounting matters and (ii) employees at the levels of Vice Presidents and above as also the Ethics counsellors directly to the Chairman of the Audit committee. For all other matters the concern can be reported to the Ethics counsellor of the company. The policy with the name and address of Chairman of Audit committee has been circulated to the employees. No employee has been denied access to the Chairman of Audit committee.

iv. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

The company is compliant with mandatory requirements of clause 49 of the Listing agreement. As far as the seven non-mandatory requirements are concerned the Board has (i) set up a Remuneration committee and (ii) arranged to forward the half-yearly results to the shareholders. There is no audit qualification in respect of the financial statements of the company. The Board has also adopted a whistle blower policy which enables the employees to report concerns about unethical behaviour, actual or suspected fraud or violation of company's code of conduct. The policy provides direct access to the Chairman of the Audit committee under certain circumstances. The policy has been communicated to the employees. Remaining non-mandatory requirements of clause 49 are expected to be addressed in due course.

9. Means of Communication**i. Quarterly results**

Half yearly results for the half-year ended 30th September, 2008 were sent by post to the shareholders in early-November, 2008.

ii. Newspapers wherein results normally published

The quarterly results are generally published in The Statesman, The Indian Express, The New Indian Express, Business Standard, The Hindu Business Line and Pratidin (Bengali).

iii. Any website, where displayed

The quarterly results of the Company are put on the web site of the Company after these are submitted to the Stock Exchanges. Our web site address is www.tatatea.com

iv. Whether it also displays official news releases

Yes

v. The presentations made to institutional investors or to the analysts

The company made a presentation to financial analysts on 30th May, 2008 after the results of the financial year 2007-08 were approved by the Board. Similar presentations were made to the analysts on 27th October, 2008 after the financial results for the six months ended 30th September, 2008 were approved by the Board. These presentations have been put up on the website.

10. General Shareholders information

i. AGM – Date, time and venue, Financial year, Date of Book Closure, Dividend payment date

| | |
|--|--|
| Annual General Meeting: | Tuesday, 1st September, 2009 at 10.30 a.m. The Oberoi Grand 15 Jawaharlal Nehru Road Kolkata – 700 013 |
| Financial Calendar: (tentative) | Board Meetings for approval of: Annual Accounts 2008-09 - 10th June, 2009 Financial results for 1st Quarter 2009-10 - Last week of July, 2009 Financial results for 2nd Quarter 2009-10 - Last week of October, 2009 Financial results for 3rd Quarter 2009-10 - Last week of January, 2010 Annual Accounts 2009-10 - Last week of June, 2010 |
| Book Closure Period (Both days inclusive) | 15th August, 2009 to 1st September, 2009 |
| Dividend payment date | 4th September, 2009 |

ii. Listing on Stock Exchanges & Stock code

Listing on Stock Exchanges:

| | |
|--------------------------------|--|
| a) Equity Shares | <p>i) The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Kolkata – 700 001</p> <p>ii) Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001</p> <p>iii) National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051</p> <p>iv) Gauhati Stock Exchange Ltd. Saraf Building Annexe, A. T. Road Guwahati – 781 101</p> |
| b) Global Depository Shares | Luxembourg Stock Exchange London Stock Exchange |
| Stock Code | Calcutta Stock Exchange - 27 (For Physical); - 10000027 (For Demat) |
| Bombay Stock Exchange | - 500800 |
| National Stock Exchange | - 'TATATEA' |
| Guwahati Stock Exchange | - L-784 |

Tata Tea Limited

Demat ISIN Numbers

National Securities Depository Ltd. - INE 192A01017

Central Depository Services Ltd. - INE 192A01017

Listing Fees

Annual listing fees for 2008-09 has been paid to all the Stock Exchanges where the securities of the Company are listed

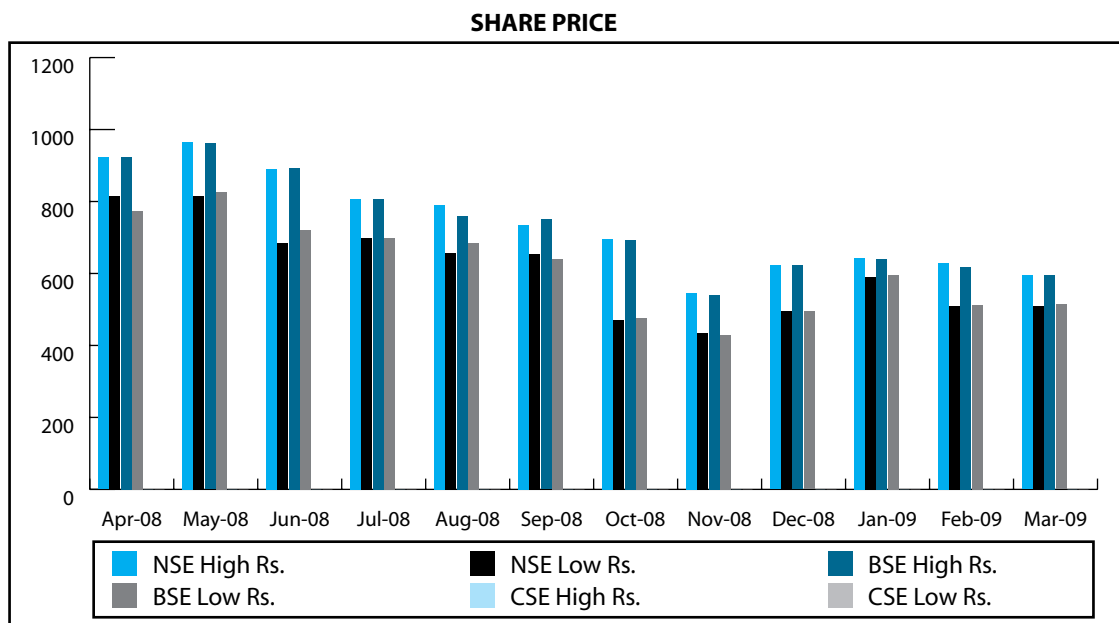
iii. Market price data – High, low during each month in the last financial year

| MONTH | NSE | | BSE | | CSE | |
|-----------------|----------|---------|----------|---------|----------|---------|
| | High Rs. | Low Rs. | High Rs. | Low Rs. | High Rs. | Low Rs. |
| April, 2008 | 922.00 | 814.50 | 923.00 | 774.00 | – | – |
| May, 2008 | 965.00 | 815.00 | 961.00 | 827.30 | – | – |
| June, 2008 | 890.00 | 685.20 | 893.00 | 720.00 | – | – |
| July, 2008 | 807.00 | 698.50 | 806.95 | 699.00 | – | – |
| August, 2008 | 790.00 | 655.30 | 758.80 | 684.05 | – | – |
| September, 2008 | 735.00 | 655.00 | 750.00 | 640.00 | – | – |
| October, 2008 | 695.50 | 470.00 | 694.00 | 476.25 | – | – |
| November, 2008 | 544.90 | 433.00 | 540.00 | 430.00 | – | – |
| December, 2008 | 622.00 | 495.10 | 622.00 | 494.50 | – | – |
| January, 2009 | 644.00 | 591.25 | 639.75 | 595.00 | – | – |
| February, 2009 | 630.00 | 510.25 | 619.00 | 513.00 | – | – |
| March, 2009 | 594.70 | 508.00 | 595.00 | 514.10 | – | – |

NSE: National Stock Exchange of India Ltd.; BSE: Bombay Stock Exchange Ltd.; CSE : The Calcutta Stock Exchange Association Ltd.;

During 2008-09 there was no trading in the shares of the Company in The Calcutta Stock Exchange Association Ltd.

The market price data is graphically represented below:



iv. Performance in comparison to broad-based indices

| | NSE | BSE | CSE |
|---|-----------------|------------|------------|
| Company's Share Price - As on 1st April, 2008 | 849.80 | 849.00 | No trading |
| - As on 31st March, 2009 | 584.55 | 585.65 | |
| - Change | - 31.21% | - 31.02% | |
| Indices | S & P CNX NIFTY | BSE 100 | CSE 40 |
| - As on 1st April, 2008 | 4735.65 | 8295.01 | 7639.83 |
| - As on 31st March, 2009 | 3020.95 | 4942.51 | 4193.46 |
| - Change | - 36.21% | -40.41% | - 45.11% |

v. Registrar & Transfer Agent :

Registered office:

TSR Darashaw Ltd.
(Formerly Tata Share Registry Ltd.)
6-10 Haji Moosa Patrawala Ind. Estate
20 Dr. E Moses Road, Mahalaxmi
Mumbai 400 011
Telephone : 022-66568484
Fax : 022-66568494
Website : www.tsrdarashaw.com
E-mail : csg-unit@tsrdarashaw.com

And Branch Offices at :

1. TSR Darashaw Ltd.
503, Barton Centre, 5th Floor
84, Mahatma Gandhi Road
Bangalore – 560 001
Tel : 080-25320321
Fax : 080-25580019
E-mail : tsrdlbg@tsrdarashaw.com
2. TSR Darashaw Ltd.
Bungalow No. 1
'E' Road, Northern Town, Bistupur
Jamshedpur – 831 001
Tel : 0657-2426616
Fax : 0657-2426937
E-mail : tsrdljsr@tsrdarashaw.com
3. TSR Darashaw Ltd.
Tata Centre, 1st Floor
43 J L Nehru Road
Kolkata – 700 071
Tel : 033-22883087
Fax : 033-22883062
E-mail : tsrdlcal@tsrdarashaw.com
4. TSR Darashaw Ltd.
2/42 Sant Vihar
Ansari Road, Daryaganj
New Delhi – 110 002
Tel : 011-23271805
Fax : 011-23271802
E-mail : tsrdldel@tsrdarashaw.com

Agent of the Registrar
Shah Consultancy Services Limited
3, Sumathinath Complex,
Pritam Nagar, Akhada Road, Ellisbridge,
Ahmedabad 380 006
Telefax : 079-26576038
E-mail : shahconsultancy@hotmail.com

The Registrars can be contacted between 10 a.m. and 3.30 p.m. on any working day (Monday to Friday, excluding bank holidays)

Tata Tea Limited

Shareholders' Relation Cell :

Mr. D. K. Sen, Vice President & Secretary
 Mr. D. Ghosh, Joint Secretary
 Tata Tea Ltd.
 1, Bishop Lefroy Road
 Kolkata – 700 020
 Tel: 22813709/3779/3891/3988
 Fax: 22811199
 Website : www.tatatea.com
 E-mail : dilip.sen@tatatea.co.in
 dhananjoy.ghosh@tatatea.co.in

vi. Share Transfer System

Shares in the physical form for transfer, should be lodged with the office of the Company's Registrar & Share Transfer Agent, TSR Darashaw Ltd. (formerly Tata Share Registry Ltd.), Mumbai or at their branch offices at the addresses given above or at the registered office of the Company. The transfers are processed if technically found to be in order and complete in all respects. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form.

vii. Distribution of Shareholding**DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2009**

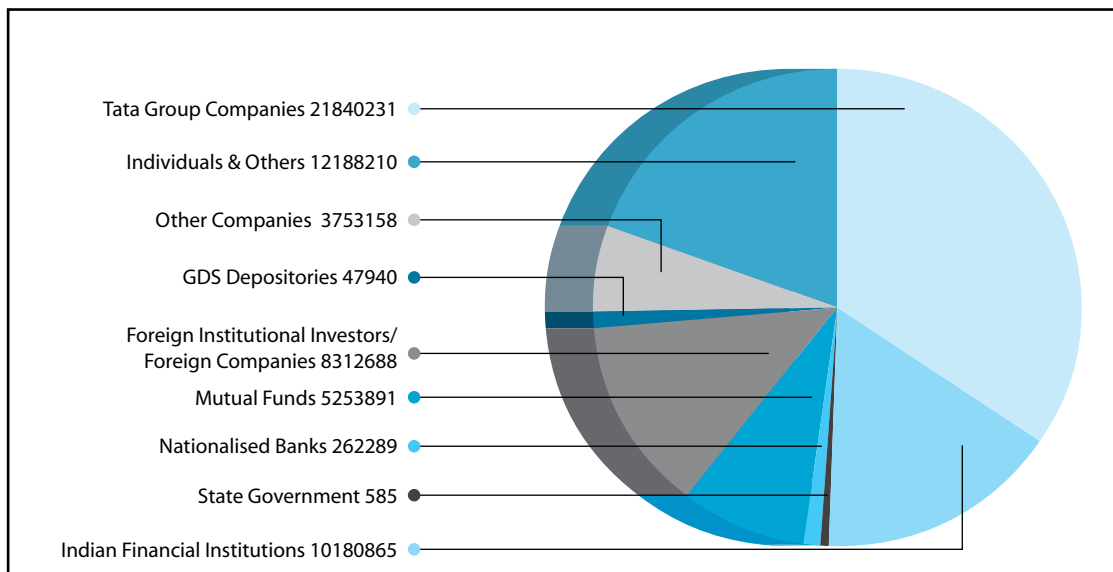
| No. of Shares | Holding | Amount Rs. | % to Capital | No. of Holders | % to Total Holders |
|--------------------|--------------------|---------------------|-----------------|-------------------|-----------------------|
| 1 to 500 | 55,09,415 | 5,50,94,150 | 8.91 | 69,669 | 92.64 |
| 501 to 1000 | 21,41,286 | 2,14,12,860 | 3.46 | 3,015 | 4.01 |
| 1001 to 2000 | 22,05,044 | 2,20,50,440 | 3.57 | 1,596 | 2.12 |
| 2001 to 3000 | 9,65,532 | 96,55,320 | 1.56 | 398 | 0.53 |
| 3001 to 4000 | 5,76,546 | 57,65,460 | 0.93 | 168 | 0.22 |
| 4001 to 5000 | 3,21,782 | 32,17,820 | 0.52 | 71 | 0.10 |
| 5001 to 10000 | 9,34,710 | 93,47,100 | 1.51 | 136 | 0.18 |
| Greater than 10000 | 4,91,85,542 | 49,18,55,420 | 79.54 | 152 | 0.20 |
| Total | 6,18,39,857 | 61,83,98,570 | 100.00 | 75,205 | 100.00 |

CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2009

| Sr. No. | Particulars | No. of Holders | Holdings/ Shares held | % to Capital |
|--------------|---|-------------------|--------------------------|-----------------|
| 1 | Tata Group Companies | 9 | 2,18,40,231 | 35.32 |
| 2 | Indian Financial Institutions | 31 | 1,01,80,865 | 16.46 |
| 3 | State Government | 1 | 585 | - |
| 4 | Nationalised Banks | 27 | 2,62,289 | 0.42 |
| 5 | Mutual Funds | 55 | 52,53,891 | 8.50 |
| 6 | Foreign Institutional Investors/Foreign Companies | 101 | 83,12,688 | 13.44 |
| 7 | GDS Depositories | 1 | 47,940 | 0.08 |
| 8 | Other Companies | 1,512 | 37,53,158 | 6.07 |
| 9 | Individuals & Others | 73,468 | 1,21,88,210 | 19.71 |
| Total | | 75,205 | 6,18,39,857 | 100.00 |

The category-wise shareholding is also shown in the chart below:

Category of Shareholders



viii. Dematerialization of Shares & liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares the shareholders should open a demat account with the Depository Participant (DP). The shareholder is required to fill in a Demat Request Form and submit the same along with the original share certificates to his DP. The DP will allocate a demat request no. and shall forward the request physically and electronically through NSDL/CDSL to Registrar & Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialized and an electronic credit of the shares is given in the account of the shareholder.

ix. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity

As on 31st March, 2009, the outstanding Global Depository Shares were 47940. The GDSs are convertible into fully paid equity shares on 1:1 basis. The underlying shares against the outstanding GDSs have been allotted in the name of the Depository. There is no ADR or convertible instrument outstanding as on 31st March, 2009.

x. Plant locations

- Survey No 14/4, A2 & 14/5, NH 4, Bangalore Tumkur Road, Malonagathi Hally, T. Begur Post, Nelamangla Taluk, Bangalore Rural District, Karnataka - 562 123;
- Periakanal Estate, PO Munnar, Dist. Idukki, Kerala - 685 612 ;
- Pullivasal Estate & Packeting centre- PO Munnar , Dist. Idukki, Kerala - 685 612;
- Instant Tea Operations , Post Box No. 3, Idukki District, Munnar Kerala - 685 612 and
- Tetley (Tea Bag) Division: 73/74 KPK Menon Road; Willingdon Island, Kochi, Kerala - 682 003.

xi. Address for correspondence

Given against 10.v above

Tata Tea Limited
11. The Investors Education and Protection Fund

The shareholders and other stakeholders are hereby informed that pursuant to the provisions of section 205A(5) of the Companies Act, 1956 all dividends remaining unpaid/unclaimed for a period of seven years from the date they became due for payment will have to be transferred to the Investors Education and Protection Fund (IEPF) set up by the Central Government. Following table gives information relating to outstanding dividend accounts and the dates when due for transfer to IEPF:

| Financial year ended | Date of payment of dividend | Unpaid dividend To be claimed by | Transfer to IEP Fund in |
|----------------------|-----------------------------|----------------------------------|-------------------------|
| 31st March, 2002 | 14.6.2002 | June 2009 | July 2009 |
| 31st March, 2003 | 10.9.2003 | September 2010 | October 2010 |
| 31st March, 2004 | 10.9.2004 | September 2011 | October 2011 |
| 31st March, 2005 | 11.8.2005 | August 2012 | September 2012 |
| 31st March, 2006 | 11.8.2006 | August 2013 | September 2013 |
| 31st March, 2007 | 13.8.2007 | August 2014 | September 2014 |
| 31st March, 2008 | 25.8.2008 | August 2015 | September 2015 |

Following are the details of unpaid dividend, interest on deposits and repayment of deposits which will be due for transfer to IEPF upto 31st March, 2010

| Nature of payment | Date of payment | Unpaid dividend to be claimed by | Transfer to IEP Fund in |
|--|---------------------------|--|--|
| Dividend | 14.6.2002 | June 2009 | July 2009 |
| Interest on Fixed deposits | 1.4.2002 to 31.3. 2003 | 7 years from respective payment dates | 7 years and 1 month from respective payment dates |
| Fixed deposits – Principal amount & Interest on maturity | Respective maturity dates | 7 years from respective maturity dates | 7 years and 1 month from respective maturity dates |

While the Registrar of the company has already written to the shareholders and depositors informing them about the due dates of transfer to IEPF for these payments, **attention of the stakeholders is again drawn to this matter through the Annual Report. It may please be noted that once the unpaid amounts are transferred to IEPF no claims shall lie against the company or the IEPF in respect of any amounts which were unclaimed or unpaid.**

12. Auditors' certificate on corporate governance

As required under clause 49 of the Listing Agreement, the Auditors' certificate on Compliance with the corporate governance norms is attached.

13. Insider Trading Regulations

After the Securities and Exchange Board of India had amended the Insider Trading Regulations in November 2008, the Tata Group has suitably revised the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure practices which your company has adopted. Mr. K. Venkataramanan, Vice-President – Finance of the company, is the compliance officer for the purpose of these regulations.

14. Top Ten Shareholders

As on 31st March, 2009 the top ten shareholders of the company were as follows :

| Name of The Shareholder | No. of Shares | Percentage of Shareholding |
|---|---------------|----------------------------|
| Tata Sons Limited | 1,40,87,207 | 22.78 |
| Life Insurance Corporation of India | 73,54,569 | 11.89 |
| Tata Chemicals Limited | 43,17,514 | 6.98 |
| Tata Investment Corporation Limited | 28,00,000 | 4.53 |
| Bajaj Allianz Life Insurance Company Ltd. | 22,31,099 | 3.61 |
| Arisaig Partners(Asia)PTE Ltd. A/C Arisaig India Fund Ltd. | 16,73,320 | 2.71 |
| National Insurance Company Ltd. | 9,28,078 | 1.50 |
| UTI- Unit Linked Insurance Plan | 9,00,000 | 1.45 |
| Norges Bank A/c Government Petroleum Fund | 7,58,996 | 1.23 |
| The Royal Bank of Scotland Ltd.as Depository of First State Asia Pacific Fund –A sub fund of First State Investments ICVC | 6,97,260 | 1.13 |

15. Declaration by the CEO on Code of Conduct as required by clause 49.I.(D)(ii)

This is to declare that the company has received affirmations of compliance with the applicable Code of Conduct from the Directors and Senior Management personnel of the company in respect of the financial year 2008-09.

For Tata Tea Ltd.



(P.T. Siganporia)
Managing Director

Tata Tea Limited**Auditors' Certificate on Compliance with the conditions of
Corporate Governance under Clause 49 of the Listing Agreement(s)****To the Members of Tata Tea Limited**

We have examined the compliance of conditions of Corporate Governance by Tata Tea Limited (the Company) for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the directors and the management, we certify that subject to the statements in paragraph 2 of the attached Report on Corporate Governance for 2008-09, the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement during 2008-09.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
LOVELOCK & LEWES
Chartered Accountants

For and on behalf of
N. M. RAJI & CO.
Chartered Accountants

PARTHA MITRA
Partner
Membership No. 50553

Place : Kolkata
Date : 1st July, 2009

J. M. GANDHI
Partner
Membership No. 37924

Place : Mumbai
Date : 1st July, 2009

Management Discussion and Analysis

1. Opening Statement

Consolidated Performance

Your company has delivered a good performance for the year with Group income up 12% at Rs 4907 crores and PBT before exceptionals up 21% at Rs.531 crores. These results show the strength of the company's brands and the global management team and the resilience of our core categories, tea and coffee, despite difficult economic and trading conditions across the world. Our growth agenda continues to develop with expansion into new categories, an ever expanding product portfolio and the opening of new markets and channels. Our brands continue to perform exceptionally well with share growth on plan in what are competitive core markets. Rapid changes in input prices and exchange rates have put margins under pressure but our commercial teams have implemented strategies to recover lost margin in competitive retail environments. With a restructure in operations and a renewed focus on supply chain process, operational efficiency continues to improve. That said, costs have increased as we invest behind our innovation agenda and in integrating and transforming the business into what will become a leading global branded "good for you" beverage company. We are confident that these investments behind both organic and inorganic initiatives will yield great returns to shareholders over the coming years.

2. The Environment

On a consolidated basis your company derives 78% of its revenues from Tea with the balance from Coffee and other products. Over 69% of its business is outside of India, mainly in developed retail markets. Over 89% of the consolidated business is sale of branded products with the balance coming from plantation and extraction businesses. Overall performance is impacted by a number of factors. Some of the major trends, risks, and opportunities and their impact on the company are described below:

2.1 Consumers

With the recession hitting disposable income available to consumers across the world, value has become the focus of the moment with a move towards more heavyweight promotions and own and private label. That said, because the Company's core categories are grocery staples and relatively low value, compared to the total basket, we have largely been unaffected by this change in consumer behaviour. Where we have seen an impact is in our out of home business with consumers choosing to spend more on consumption at home than out of home, clearly pushing them toward our retail offerings.

2.2 Retailers

In response to the recession and the "down trading" of consumers, retailers have been ever more value focussed. They want suppliers to reduce margins to allow them to pass on lower prices to consumers, competing to become the "consumers champion" in these trying times. Despite the resilience of our core category, tea, the Company has been affected by the more aggressive position taken by retailers with margins under some pressure. As in the past, in our core markets, the strength of our brands allows us to mitigate some of these pressures.

2.3 Commodity Prices

Tea and coffee prices have seen material rises over the year.

This trend on input costs coming at a time when the Company is confronted by the consumer and retailer trends noted, has meant that recovering the increase in input costs in prices has, in the short-term, not been possible or has been delayed, with an overall negative impact on margins for the year of 3%. Over time, we believe that this position will adjust and margins will recover as commodity prices ease or retail prices rise.

Tata Tea Limited

Clearly, these increases in commodity prices have a small positive impact on the Company through its plantation business sales.

2.4 Interest Rates

Post the credit crunch, interest rates across the world have fallen. Our strong Group balance sheet, post the sale of our Glaceau holding in the previous year, has left us with cash or near cash investments, the returns on which have fallen through the year. That said, our strong treasury performance has optimised the returns on these funds, whilst at the same time leaving them readily available to support our strategic aim of growing both organically and inorganically.

2.5 Exchange Rates

Exchange rates, like interest rates, have moved significantly through the year with \$/rupee moving from Rs. 40.12 to Rs. 50.71, £/Rupee moving from Rs. 79.55 to Rs. 72.51 and the \$: £ moving from \$1.98 to \$1.43. Across the Group we take a cautious position with regard to hedging and would always cover known exposure. For our large UK business, where tea sold to consumers in £ is purchased in the market in \$, the change in \$: £ has a material impact, which has added to the adverse movement in the underlying Dollar based commodity prices. Our export oriented extraction business from India is impacted by the dollar rupee exchange rate.

A more significant and exceptional impact on our business from the movement in the \$: £ exchange rate has been on our Dollar denominated cash and investment holdings. The impact of this change in rate has been to create an exceptional profit of Rs. 814 crores. As the year has progressed, we have transferred \$ to £ to fully realise around Rs. 471 crores of the gain. We will continuously monitor and balance the mix of investments keeping in mind our economic exposure, and strategic and operational need for dollars.

3. Strategy**3.1 Regional Growth**

We now have good global coverage through our new Regional structure. Each Region is headed by a President who is commercially focussed and has specific market understanding and knowledge.

Their focus is on expanding our channel and new market coverage and growing share.

Some key initiatives in the Regions in the year are:

- Canada and South America – channel development of Ready-to-Drink in Canada with the national launch of Tetley Iced Tea.
- USA – development in Mass and Club in coffee and tea
- UK and Africa – strengthening our presence in South Africa through our Joekels Joint Venture and launch of new Tetley added value variants, such as Red Bush tea, in the UK
- Europe and Middle East – building our distribution in Russia, through and acquisition of scale and the Tetley brand across Europe
- India – channel development in Ready-to-Drink with the further development of Himalayan and the launch of Tion, a fruit based natural energy drink.

3.2 Brand and Consumer Focus

We have segmented our brand portfolio into those that have global consumer appeal and those that are specific to regional taste.

We will continue to invest in Tetley, Tata Tea, Good Earth and Himalayan to build brands of global scale and appeal. In support of this aim, we have established a Global Brands and Innovation function who will define the future of these brands.

Those brands with Regional consumer appeal will be managed and developed by the Regions. Whilst Regional in scope some of these brands will be material in scale and important to the Group. Brands such as Eight O’Clock coffee in the US, Chakra Gold and Kanan Devan in India and Vitax and Jemca in Eastern Europe will continue to grow and add a vibrancy to our consumer offering across the world.

Our brands have continued to grow with notable successes from:

- Tetley Tea – experiencing growth in both Europe and Canada
- Tata Tea – Premium, Gold and Agni exhibiting strong growth post the Jaago Re campaign
- Good Earth – launched into UK and Canada (tea) and US (coffee) as part of the growing organic market
- Eight O’Clock Coffee – strong growth being achieved and consumers turn to our value gourmet offer and products of recognised quality.

3.3 Category Diversification

Innovation will be the key driver to our diversification in the beverage category. We will look at new and exciting ways to deliver great tasting drinks to our consumers. Our Global Brand and Innovation function will be dedicated not only to the development of our global brands but also to disruptive innovation in the beverage categories within which we operate. This is a crucial investment for our future.

Whilst we remain strongly focussed on Tea and Coffee, we continue to develop the capacity to move into other categories with innovative “good for you” offerings. Water and Ready-to-Drink are to the fore.

Some key achievements for the year include:

- Water - expansion of Himalayan water in India
- RTD - national launch of Tetley Iced Tea following successful test market in Canada
 - national launch of Tetley infusions (iced tea concentrate sachets) in Canada
 - launch of Tion juice drink in India
- Tea - national launch of Good Earth Organic teas in UK
 - national launch of Tetley Red Tea in Canada
- Coffee - national launch of Good Earth Organic Coffee in USA

3.4 People and Structure

We are passionate about our brands and the consumer – and we expect our people to be the same. Our people strategy, launched this year has delivered:

- A redesigned and restructured organisation that is consumer focussed. Manufacturing operations are all now managed centrally so as to deliver global economies of scale, tight product and process standards and most importantly to free our Regions to become totally focussed on the consumer, their customers and our brands. The Support functions have been integrated and globalised to allow them to develop standard more efficient process, to strengthen governance and share expertise.
- A new and distinctive one Company culture that aims to engage our people not only in our strategy but also excite them about the beverage business, stimulate innovation and drive growth.
- A performance and reward architecture that reflects our strategic focus. This architecture is global and focuses on individual contributions as well as overall Company results. It also recognises the many different countries we now operate in.
- Industrial relations have been good in our business units across the world.

Tata Tea Limited

3.5 Process

We realise that running a successful global business is going to demand world class processes and so through the year we have developed a common, global approach to innovation and brand management. We have planned for the development of global information systems to support global integration and efficiency and the consolidation of the global financial systems. In operations, work continues on the design and implementation of a world wide, integrated Sales and Order Processing system which will efficiently and effectively meet the needs of the Regions in servicing their customers and consumers. These developments are delivering a lower cost, more scalable organisation, which is able to meet the rapid growth objectives we desire.

4. Performance '08/09

Despite the challenges of the environment and the strategic drive to integrate and transform the organisation, financial performance was strong. Operating income was up 12% at Rs. 4874 Crores and Group PBT, before exceptionals was up 21% at Rs. 531 crores. Post exceptionals, PBT fell with the one off profit from the sale of EBI in last years results.

Performance for 2008-09

| • Currency: Indian Rupees Crores | 2008-09 | 2007-08 | Variance |
|----------------------------------|--------------|---------|----------|
| • Net Operating Income | 4,874 | 4,336 | 538 |
| • EBIT | 552 | 617 | (65) |
| • PBT before Exceptional | 531 | 437 | 94 |
| • Exceptional Items | 725 | 1,622 | (897) |
| • PBT | 1,256 | 2,059 | (803) |
| • PAT | 832 | 1,906 | (1,074) |
| • Group Consolidated Net Profit | 701 | 1,543 | (842) |

It is clear that the environment in the new year will be equally challenging but management are confident that our strong brands, capable management team and focussed investment program will allow us to deliver good returns to shareholders.

5. Internal Controls and Governance

The year has seen significant changes in the way that Group is managed with the creation of an Executive Office based in the UK. This team has focussed on the creation of a new "good for you" beverage strategy, on integration of the activities in the Group and on the transformation into a truly global consumer and brand focussed business. Throughout this process, management have seen the maintenance of strong controls and good governance as a primary consideration. Reporting systems have been redesigned to allow the Tata Tea Group to be viewed as one consolidated entity as a matter of course, with Regional and Branded views being made available to aid control, efficiency and decision making. Importantly the internal audit teams of the individual companies have been brought together into one Group team, able to look at issues within individual Regions, Business Units, Companies or across the Group. A system of periodic review of controls and incorporation of such reviews in the audit programme across the group is also being rolled out. This change will allow the sharing of good practice and resource and focus where controls are deemed to be weakest or risk highest. The Audit Committees of the individual statutory entities will clearly continue to operate fully but actions can be more aligned to deliver greater coverage and higher confidence. The outcome during this period of rapid change has been a clean audit opinion, a credit to all involved.

6. Cautionary statement

Certain statements made in this Report relating to company's objectives, projections, outlook, expectations, estimates etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc., whether express or implied. Several factors could make a significant difference to the company's operations. These include climatic conditions, economic conditions affecting demand and supply, Government regulations and taxation, natural calamity, currency rate changes etc. over which the company does not have any direct control.

7. Conclusion

The year has been one of rapid change within the Group and dramatic changes in the environment. Your company has emerged stronger, having delivered good performance, an operationally integrated business and one transformed, ready to become a truly global, consumer focused, "good for you" beverage business. We are confident we can deliver against our challenging vision and would ask you to join us on a journey that we believe will be exciting and rewarding for all stakeholders.

Tata Tea Limited**Auditors' Report****To the Members of Tata Tea Limited**

1. We have audited the attached Balance Sheet of Tata Tea Limited, as at 31st March, 2009 and the related Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the attached Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (c) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in Section 211(3C) of 'The Act';
 - (e) On the basis of written representations received from the directors, and taken on record by the Board of Directors of the company, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2009
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **N M Raiji & Co.**
Chartered Accountants

J. M. Gandhi
Partner
Membership No. 37924
Mumbai, June 10, 2009

For **Lovelock and Lewes**
Chartered Accountants

Partha Mitra
Partner
Membership No. 50553
Mumbai, June 10, 2009

Annexure to Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Tata Tea Limited on the financial statements for the year ended 31st March, 2009].

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) The fixed assets are physically verified by the management in a phased manner, over a period of three years. In respect of assets physically verified, the details have been compared with the book records and discrepancies noticed thereof were not material and have been properly dealt with in the books of account.
(c) In our opinion and according to the information and explanations given to us, the company has not disposed off a substantial part of fixed assets during the year.
2. (a) Physical verification of inventory has been conducted by the management at reasonable intervals, except in respect of stocks lying with third parties for which certificates have been obtained.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) On the basis of our examination of the inventory records, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3. (a) The company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
(b) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
4. There is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the

Tata Tea Limited

Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the company in respect of the aforesaid deposits.

7. The company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. There are no outstanding dues in respect of the above items, which are more than six months as at the balance sheet date.
- (b) According to the information and explanations given to us and the records of the company examined by us, the particulars of dues of income tax, sales tax and cess as at 31st March, 2009 which have not been deposited on account of a dispute are mentioned in Annexure A.

Statement of Disputed Dues as on 31.03.2009
Annexure - A

| Name of the statute | Nature of dues | Amount (Rs.in Lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|---|----------------------|----------------------|------------------------------------|--|
| Income-tax Act, 1961 | Income Tax | 18.62 | 2000-01 | Income Tax Appellate Tribunal, Mumbai |
| | Income Tax | 205.90 | 2004-05 | Commissioner of Income Tax (Appeals), Kochi |
| | Income Tax | 233.44 | 2005-06 | Commissioner of Income Tax (Appeals), Kolkata |
| Assam Agricultural Income Tax Act, 1939 | Income Tax | 33.41 | 1998-99, 1999-00, 2000-01 | Assistant Appellate Commissioner, Guwahati |
| West Bengal Sales Tax Act, 1994 | Sales Tax | 1.76 | 1998-99 & 2000-01 | West Bengal Commercial Taxes Appellate & Revisional Board. |
| Kerala General Sales Tax Act, 1963 | Sales Tax | 12.00 | 1998-99 | Sales Tax Tribunal, Kerala |
| | | 29.48 | 1996-97 to 2000-01 | Deputy Commissioner (Appeals) of Commercial Taxes, Kerala |
| | | 2.76 | 1994-95 to 1996-97 | Assistant Commissioner (Appeals) of Commercial Taxes, Kerala |
| Central Sales Tax Act, 1956 | Sales Tax | 12.14 | 1998-99 | Sales Tax Tribunal, Kerala |
| | | 7.79 | 1999-00 & 2000-01 | Deputy Commissioner (Appeals) of Commercial Taxes, Kerala |
| Karnataka Sales Tax Act, 1957 | Sales Tax | 441.00 | 1995-96 to 1996-97 | Joint Commissioner of Commercial Taxes, Karnataka |
| Karnataka Sales Tax Act, 1957 | Sales Tax | 128.00 | 1997-98 | Supreme Court of India |
| Tamilnadu General Sales Tax Act, 1959 | Sales Tax | 52.66 | 2001-02 to 2006-07 | DCTO, Tamilnadu |
| Tamilnadu Panchayat Act, 1994 | Cess on Land Revenue | 4.97 | 2000-01 to 2002-03 | Hon'ble Madras High Court |

10. The company has no accumulated losses as at 31st March, 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.
14. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
16. During the year the company has not taken any new term loan. In our opinion, and according to the information and explanations given to us, the existing term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the Balance Sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis, which have been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties covered in the register maintained under Section 301 of the Act during the year.
19. The company has not issued any debentures during the year and therefore paragraph 4 (xix) of the order is not applicable.
20. The company has not raised any money by public issue during the year and therefore paragraph 4(xx) of the order is not applicable.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For **N M Rajji & Co.**
Chartered Accountants

J. M. Gandhi
Partner
Membership No. 37924
Mumbai, June 10, 2009

For **Lovelock and Lewes**
Chartered Accountants

Partha Mitra
Partner
Membership No. 50553
Mumbai, June 10, 2009

Tata Tea Limited
Balance Sheet as at 31st March, 2009

| | Schedule | 2009 | Rs. in Lakhs 2008 |
|--|----------|------------------|----------------------|
| SOURCES OF FUNDS | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 6183.99 | 6183.99 |
| Reserves and Surplus | 2 | 173747.55 | 174220.67 |
| | | 179931.54 | 180404.66 |
| Loan Funds | | | |
| Secured Loans | 3 | 44536.03 | 54250.51 |
| Unsecured Loans | 4 | 30964.29 | 21500.00 |
| | | 75500.32 | 75750.51 |
| Deferred Tax Liability (Net) | | 380.00 | 782.65 |
| (Refer Schedule 22, Note 7) | | | |
| TOTAL | | 255811.86 | 256937.82 |
| APPLICATIONS OF FUNDS | | | |
| Fixed Assets | | | |
| Gross Block | 5 | 19237.48 | 18075.78 |
| Less : Depreciation | | 9531.72 | 8723.91 |
| Net Block | | 9705.76 | 9351.87 |
| Add : Capital Work-in-progress | | 689.84 | 457.19 |
| | | 10395.60 | 9809.06 |
| Investments | 6 | 207367.43 | 219377.31 |
| Current Assets, Loans & Advances | | | |
| Inventories | 7 | 29110.31 | 19583.10 |
| Sundry Debtors | 8 | 9184.44 | 6349.90 |
| Cash & Bank Balances | 9 | 4564.95 | 1403.58 |
| Other Current Assets | 10 | 30618.78 | 39513.77 |
| Loans and Advances | 11 | 9797.81 | 13268.79 |
| | | 83276.29 | 80119.14 |
| Less : Current Liabilities & Provisions | | | |
| Liabilities | 12 | 31056.42 | 26186.15 |
| Provisions | 13 | 14930.57 | 27819.11 |
| | | 45986.99 | 54005.26 |
| Net Current Assets | | 37289.30 | 26113.88 |
| Miscellaneous Expenditure to the extent not written off or adjusted | 14 | 759.53 | 1637.57 |
| TOTAL | | 255811.86 | 256937.82 |
| Notes on Accounts | 22 | | |

The Schedules referred to above form an integral part of Balance Sheet.

This is the Balance Sheet referred to in our Report of even date

For **N M Raiji & Co.**
Chartered Accountants
J. M. Gandhi
Membership No. 37924
Partner

For **Lovelock & Lewes**
Chartered Accountants
Partha Mitra
Membership No. 50553
Partner

R.N. Tata
Chairman
R.K. Krishna Kumar
Vice Chairman

Y.H. Malegam
D.B. Engineer
U.M. Rao
A.R. Gandhi
J.S. Bilimoria
V. Leeladhar
P.D. Unsworth
Directors

P.T. Siganporia
Managing Director
Ms. Sangeeta Talwar
Wholetime Director
D.K. Sen
Vice President &
Secretary

Mumbai, June 10, 2009

Profit and Loss Account for the year ended 31st March, 2009

| | Schedule | 2009 | 2008 | Rs. in Lakhs |
|---|----------|------------------|-----------|--------------|
| INCOME | | | | |
| Sales and Services | | 136152.85 | 113470.20 | |
| Net of Excise Duty Rs. 18.89 Lakhs (Rs. 16.69 Lakhs) (Refer Schedule 22, Note 16) | | | | |
| Other Income | 15 | 1771.78 | 1872.65 | |
| Investment Income | 16 | 14539.02 | 10986.38 | |
| | | 152463.65 | | 126329.23 |
| EXPENDITURE | | | | |
| Purchases | | 447.93 | 2648.50 | |
| Raw Materials Consumed | 17 | 78598.79 | 54924.75 | |
| Expenses | 18 | 45494.08 | 38300.35 | |
| Depreciation | | 1064.92 | 1016.56 | |
| (Accretion)/Decretion to Stock | 19 | (1867.20) | 1838.69 | |
| | | 123738.52 | | 98728.85 |
| | | 28725.13 | | 27600.38 |
| Interest (net) | | (4859.73) | (4635.35) | |
| Profit before Exceptional Items | | 23865.40 | 22965.03 | |
| Exceptional Income/(Expenditure) | 20 | (959.25) | 15620.53 | |
| Profit before Taxation | | 22906.15 | 38585.56 | |
| Provision for Taxation | 21 | 7000.00 | 7300.00 | |
| Profit after Taxation | | 15906.15 | 31285.56 | |
| Balance brought forward | | 17024.83 | 15061.61 | |
| | | 32930.98 | | 46347.17 |
| APPROPRIATIONS | | | | |
| Proposed Dividend | | 10821.97 | 21643.95 | |
| Provision for Tax on Dividend (Net) (Refer Schedule 22, Note 12) | | 1711.47 | 3678.39 | |
| Transfer to Debenture Redemption Reserve | | 3000.00 | — | |
| Transfer to General Reserve | | 1591.00 | 4000.00 | |
| | | 17124.44 | | 29322.34 |
| Balance carried forward | | 15806.54 | 17024.83 | |
| Basic & Diluted Earnings per Share (Rs.) | | 25.72 | | 50.79 |
| Nominal Value Rs. 10 each (Refer Schedule 22, Note 13) | | | | |

Notes on Accounts

22

The Schedules referred to above form an integral part of Profit & Loss Account

This is the Profit and Loss Account referred to in our Report of even date

For **N M Raiji & Co.**
Chartered Accountants

J. M. Gandhi
Membership No. 37924
Partner

Mumbai, June 10, 2009

For **Lovelock & Lewes**
Chartered Accountants

Partha Mitra
Membership No. 50553
Partner

R.N. Tata
Chairman

R.K. Krishna Kumar
Vice Chairman

Y.H. Malegam
D.B. Engineer

U.M. Rao
A.R. Gandhi
J.S. Bilimoria
V. Leeladhar
P.D. Unsworth
Directors

P.T. Siganporia
Managing Director

Ms. Sangeeta Talwar
Wholetime Director

D.K. Sen
Vice President &
Secretary

Tata Tea Limited
Schedules forming part of the Balance Sheet

| | | | | 2009 | Rs. in Lakhs 2008 |
|---|----------|-----------|------------|------------------|-----------------------------|
| Schedule 1 | | | | | |
| SHARE CAPITAL | | | | | |
| Authorised | | | | | |
| 750,00,000 Equity Shares of Rs. 10 each | | | | 7500.00 | 7500.00 |
| Issued, Subscribed and Paid-up | | | | | |
| 618,39,857 Equity Shares of Rs. 10 each, fully paid-up | | | | 6183.99 | 6183.99 |
| Of the above, | | | | | |
| (a) 72,38,073 Shares have been allotted as fully paid pursuant to a contract without payment being received in cash | | | | | |
| (b) 331,80,674 Shares have been allotted as fully paid Bonus Shares by capitalisation of General Reserve and Securities Premium Account | | | | | |
| | | | | 6183.99 | 6183.99 |
| Schedule 2 | | | | | |
| RESERVES AND SURPLUS | 2008 | Additions | Deductions | | |
| Capital Reserve | 8.67 | – | – | 8.67 | 8.67 |
| Revaluation Reserve | 2186.16 | – | – | 2186.16 | 2186.16 |
| Contingency Reserve | 100.00 | – | – | 100.00 | 100.00 |
| Debenture Redemption Reserve | 3025.00 | 3000.00 | – | 6025.00 | 3025.00 |
| Securities Premium Account | 66472.50 | – | – | 66472.50 | 66472.50 |
| Hedging Reserve | (245.35) | – | 3845.83 | (4091.18) | (245.35) |
| General Reserve | 85648.86 | 1591.00 | – | 87239.86 | 85648.86 |
| | | | | 157941.01 | 157195.84 |
| Profit & Loss Account | | | | 15806.54 | 17024.83 |
| | | | | 173747.55 | 174220.67 |

Schedules forming part of the Balance Sheet

| | 2009 | Rs. in Lakhs 2008 |
|---|-----------------|----------------------|
| Schedule 3 | | |
| SECURED LOANS | | |
| 3250, 9.40% Non-convertible, privately placed, Debentures of Rs. 10 lakhs each. | 32500.00 | 32500.00 |
| Redeemable at par on 8.11.2010, at the end of 3 years from the date of allotment 7.11.2007. | | |
| The debentures are secured by way of a first mortgage on certain immovable properties of the Company and pledge of shares of certain Companies held as investment. | | |
| From Banks | – | 1607.14 |
| Secured by way of charge on certain immovable properties/other assets of the Company. | | |
| Creation of the above charge is pending. | | |
| Working Capital Facilities | 12036.03 | 20143.37 |
| Secured by way of hypothecation of raw materials, finished products, stores and spares, crop, book debts and movable assets other than plant and machinery and furniture. | | |
| | 44536.03 | 54250.51 |
| Schedule 4 | | |
| UNSECURED LOANS | | |
| Short Term Loans | | |
| From Banks | 15000.00 | 17000.00 |
| From Others - Commercial Paper | 15000.00 | – |
| Other than Short Term | | |
| Term Loan from Bank | 964.29 | 4500.00 |
| | 30964.29 | 21500.00 |

Tata Tea Limited

Schedules forming part of the Balance Sheet

| Schedule 5 | | Rs. in Lakhs | | | | | | |
|--|----------------|--|------------------------|-------------------------|-----------------|--------------|--------------------------------|--------------------------------|
| FIXED ASSETS | | Cost | | | Depreciation | | Net Book Value as at 31.3.2009 | Net Book Value as at 31.3.2008 |
| | As at 1.4.2008 | Assets transferred Scheme of Arrangement | Additions/ Adjustments | Deductions/ Adjustments | As at 31.3.2009 | For the Year | To date | |
| TANGIBLE | | | | | | | | |
| Land | 144.21 | - | - | - | 144.21 @ | - | - | 144.21 |
| Tea Estate Land / Fuel | | | | | | | | |
| Area (including Development) | 554.99 | - | - | - | 554.99 | - | - | 554.99 |
| Buildings | 3958.28 | - | 44.95 | - | 4003.23 @ | 78.38 | 936.30 | 3100.36 |
| Bridges | 0.09 | - | - | - | 0.09 | - | 0.02 | 0.07 |
| Plant & Machinery | 10611.33 | - | 806.00 | 251.57 | 11165.76 @ | 646.42 | 6801.51 | 4250.01 |
| Furniture, Fixtures & Office | | | | | | | | |
| Equipment | 1492.15 | - | 544.57 | 35.81 | 2000.91 | 150.54 | 996.81 | 616.83 |
| Motor Vehicles | 306.91 | - | 40.52 | 28.96 | 318.47 | 18.02 | 223.02 | 80.08 |
| INTANGIBLE | | | | | | | | |
| Capitalised Software | 707.82 | - | 42.00 | - | 749.82 | 141.56 | 519.06 + | 330.32 |
| Non Compete Fee | 300.00 | - | - | - | 300.00 | 30.00 | 55.00 + | 275.00 |
| Total | 18075.78 | - | 1478.04 | 316.34 | 19237.48 | 1064.92 | 9531.72 | 9351.87 |
| Previous Year | 43908.77 | 26398.89 | 1165.55 | 599.65 | 18075.78 | 1016.56 | 8723.91 | |
| Capital Work-in-Progress (includes capital advances) | | | | | | | | |
| Previous Year | | | | | | | | |
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1) Cost of Buildings include **Rs. 589.84 Lakhs** (Rs.589.84 Lakhs) represented by shares in Co-operative Housing Societies/a Company.

2) (@) Includes amount of **Rs.125.69 Lakhs** (Rs.125.69 Lakhs), **Rs.61.70 Lakhs** (Rs.61.70 Lakhs), **Rs.8.01 Lakhs** (Rs.8.01 Lakhs), respectively, jointly owned/ held with a subsidiary company.

3) (+) The accumulated amortisation as at the beginning of the year for Capitalised Software was **Rs. 377.50 Lakhs** (Rs.235.94 Lakhs) and Non Compete Fee was **Rs. 25 Lakhs** (Rs. Nil).

4) (+) Unexpired period of amortisation for Capitalised Software is 16 months for Rs. 188.76 Lakhs, 60 months for Rs. 42.00 Lakhs and Non Compete Fee is 98 months.

Schedules forming part of the Balance Sheet

Schedule 6

Rs. in Lakhs

| | Class | Nos. | Face Value of each | 2009 | 2008 |
|---|--|------------|-----------------------|------------------|----------|
| INVESTMENTS | | | | | |
| Long Term Investments (Fully Paid) | | | | | |
| Trade Quoted | | | | | |
| Tata Chemicals Ltd. (Note 4) | Equity Shares | 15385522 | Rs. 10 | 6922.38 | 6922.38 |
| Rallis India Ltd. | Equity Shares | 2938713 | Rs. 10 | 199.65 | 199.65 |
| The Indian Hotels Co. Ltd. (Note 1) | Equity Shares | 1687742 | Re. 1 | 271.99 | 75.09 |
| | | (1406452) | | | |
| Tata Motors Ltd. (Note 2) | Equity Shares | 23333 | Rs. 10 | 46.84 | 35.51 |
| | | (20000) | | | |
| Tata Motors Ltd. (Note 2) | "A" Ordinary Shares | 3333 | Rs. 10 | 10.17 | – |
| Tata Investment Corporation Ltd. | Equity Shares | 100000 | Rs. 10 | 26.19 | 26.19 |
| Tata Investment Corporation Ltd. (Note 3) | ZCCB | 20000 | Rs. 650 | 130.00 | – |
| Tata Steel Ltd. | Equity Shares | 10686 | Rs. 10 | 9.01 | 9.01 |
| Titan Industries Ltd. | Equity Shares | 462403 | Rs. 10 | 295.24 | 295.24 |
| Titan Industries Ltd. | 6.75% Secured Redeemable Non Convertible Debentures | 28677 | Rs. 250 | 71.69 | 71.69 |
| Tata Consultancy Services Ltd. | Equity Shares | 395600 | Re. 1 | 2.45 | 2.45 |
| Tata Steel Ltd. | 2% Cum. Compulsory Convertible Preference Shares* | 8014 | Rs. 100 | 8.01 | 8.01 |
| The Indian Hotels Co. Ltd. (Note 1) | 6% Non Convertible Debentures with Detachable Warrants | 140645 | Rs. 100 | 140.65 | – |
| | | | | 8134.27 | 7645.22 |
| * convertible into Equity Shares on September 1, 2009 in the ratio of 1:6 | | | | | |
| Quoted - In Subsidiary Companies: | | | | | |
| Tata Coffee Ltd. (Note 4) | Equity Shares | 10735982 | Rs. 10 | 16150.65# | 16150.65 |
| Tata Coffee Ltd. | 7% Secured Redeemable Non- Convertible Debentures | 4418051 | Rs. 150 | 6627.08 | 6627.08 |
| Mount Everest Mineral Water Ltd. | Equity Shares | 12235653 | Rs. 10 | 17154.31 | 15434.83 |
| | | (10788327) | | 39932.04 | 38212.56 |
| # Inclusive of Rs. 2186.16 Lakhs kept in Revaluation Reserve | | | | | |
| Unquoted | | | | | |
| Tata Sons Ltd. | Equity Shares | 1755 | Rs. 1000 | 975.00 | 975.00 |
| Tata Services Ltd. | Ordinary Shares | 475 | Rs. 1000 | 4.77 | 4.77 |
| Tata Industries Ltd. | Equity Shares | 4346294 | Rs. 100 | 5606.17 | 5606.17 |
| NYK Line (India) Ltd | Equity Shares | – | Rs. 10 | – | 30.00 |
| | | (300000) | | | |
| Estate Management Services (Pvt.) Ltd. | Ordinary Shares* | 15346800 | LKR 10 | 1106.21 | 1106.21 |
| Rallis India Limited | 7.5% Cum. Redeemable Preference Shares | 12000000 | Rs. 10 | 1200.00 | 1200.00 |
| Taj Air Ltd. | Equity Shares | 4200000 | Rs. 10 | 420.00 | 420.00 |
| Tata Autocomp Systems Ltd. | 7% Cum. Redeemable Preference Shares | – | Rs. 10 | – | 500.00 |
| | | (5000000) | | | |
| Kanan Devan Hills Plantations Company (Pvt.) Ltd. | Equity Shares | 2500000 | Rs. 10 | 250.00 | 250.00 |
| Amalgamated Plantations Pvt. Ltd. | Equity Shares | 4998 | Rs. 10 | 0.50 | 0.50 |
| Amalgamated Plantations Pvt. Ltd. | 0.01% Non Cum. Redeemable Preference Shares @ | 67000000 | Rs. 10 | 6700.00 | – |
| | | | | 16262.65 | 10092.65 |

Tata Tea Limited
Schedules forming part of the Balance Sheet
Schedule 6 (Continued)
Rs. in Lakhs

| | Class | Nos. | Face Value of each | 2009 | 2008 |
|---|-----------------|------------------------|--------------------|------------------|-----------|
| INVESTMENTS (Continued) | | | | | |
| @ Redeemable with special redemption premium. | | | | | |
| (*) Sale of these investments requires first offer of sale to the Venture partners. | | | | | |
| Unquoted - In Subsidiary Companies: | | | | | |
| Tata Tea Inc. | Common Stock | 14000000 | US\$ 1 | 5980.46 | 5980.46 |
| Tata Tea (GB) Ltd. (Note 5) | Ordinary Shares | 70666290 (60000000) | GBP 1 | 50070.98 | 42898.97 |
| Tata Tea (GB) Capital Limited | Ordinary Shares | 89606732 | GBP 1 | 76388.70 | 76388.70 |
| Consolidated Coffee Incorporated | Common Stock | 199 | US\$ 0.01 | 9248.55 | 9248.55 |
| Zhejiang Tata Tea Extraction Company Ltd. @ | | | | 1095.93 | 1095.93 |
| Tata Tea (GB) Ltd. (Note 5) | 7% Loan Notes | - | GBP 1 | - | 7172.01 |
| | | (10666290) | | | |
| Tata Tea Holdings Private Limited | Equity Shares | 10000 | Rs. 10 | 1.00 | - |
| | | | | 142785.62 | 142784.62 |

(@) Amount of investment is RMB 192.50 Lakhs in Share Capital of the Company.

Other than Trade :
Quoted

| | | | | | |
|---------------------------------|----------------|----------|---------|---|--------|
| SBI Home Finance Ltd. | Equity Shares | 100000 | Rs. 10 | - | - |
| 6.75% Unit Trust of India Bonds | Tax Free Bonds | - | Rs. 100 | - | 217.86 |
| | | (217855) | | | |
| | | | | - | 217.86 |

Unquoted - In Government Securities:

W. B. Estates Acquisition

Compensation Bond

0.08
0.08
Unquoted-Others

| | | | | | |
|--|--------------------------|---------|-----------|--------------|---------|
| The Annamallais Ropeways Co. Ltd. | Ordinary Shares | 2092 | Rs. 100 | - | - |
| ABC Tea Workers Welfare Services | Ordinary Shares | 20000 | Rs. 10 | 2.00 | 2.00 |
| Assam Hospitals Ltd. | Equity Shares | 200000 | Rs. 10 | 20.00 | 20.00 |
| The Valparai Co-operative Wholesale Stores Ltd. | Ordinary Shares | 350 | Rs. 10 | - | - |
| The Bengal Chamber of Commerce & Industry | 6 1/2% Debentures | 7 | Rs. 1000 | 0.07 | 0.07 |
| Woodlands Hospital & Medical Res. Centre Ltd. | 5% Debenture Stock | 1 | Rs. 95000 | 0.44 | 0.44 |
| Woodlands Hospital & Medical Res. Centre Ltd. (Cost Rs. 3) | 1/2% Debentures | 278 | Rs. 100 | - | - |
| Suryakiran Apartment Services Private Ltd. | Equity Shares | 2146 | Rs. 10 | 0.21 | 0.21 |
| Shillong Club Ltd. (Cost Rs. 2) | 5% Debentures | 31 | Rs. 100 | - | - |
| Jalpaiguri Club Ltd. (Cost Re. 1) | Ordinary Shares | 60 | Rs. 10 | - | - |
| Thakurbari Club Ltd. (Cost Re. 1) | Preference Shares | 26 | Rs. 100 | - | - |
| GNRC Ltd. | Equity Shares | 50000 | Rs. 10 | 5.00 | 5.00 |
| IFCI Venture Capital Funds Ltd. | Equity Shares | 250000 | Rs. 10 | 25.00 | 25.00 |
| Ritspin Synthetics Ltd. | Equity Shares | 100000 | Rs. 10 | - | - |
| TEASERVE | Equity Shares | 1 | Rs. 5000 | 0.05 | 0.05 |
| (The Tamil Nadu Tea Manufacturers' Service Industrial Co-operative Society Ltd.) | | | | | |
| National Bank for Agriculture and Rural Development | 5.50% Capital Gain Bonds | - | Rs. 10000 | - | 3000.00 |
| | | (30000) | | | |

Schedules forming part of the Balance Sheet

Schedule 6 (Continued)

Rs. in Lakhs

| | Class | Nos. | Face Value of each | 2009 | 2008 |
|---|---|-----------------|--------------------|------------------|------------------|
| INVESTMENTS (Continued) | | | | | |
| Unquoted - Others | | | | | |
| National Housing Bank | 5.50% Capital Gain Bonds 2002 | – (11050) | Rs. 10000 | – | 1105.00 |
| National Housing Bank | 5.25% Capital Gain Bonds 2002 | – (9300) | Rs. 10000 | – | 930.00 |
| Rural Electrification Corporation Ltd. | 5.50% Non-Convertible Redeemable Taxable Bonds Series V | – (9300) | Rs. 10000 | – | 930.00 |
| National Bank for Agriculture and Rural Development | 5.20% Capital Gain Bonds | – (18600) | Rs. 10000 | – | 1860.00 |
| | | | | 52.77 | 7877.77 |
| Current Investments (Fully paid) Other than Trade. | | | | | |
| Unquoted - In units of Mutual Funds | | | | | |
| Birla Mutual Fund | Units of Birla Fixed Term Plan Monthly Plan Series 2 - Dividend Scheme | – (10036270) | Rs. 10 | – | 1003.63 |
| Birla Mutual Fund | Units of Birla Liquid Fund Cash Plus - Institutional Premium Plan - Dividend Scheme | – (18651715) | Rs. 10 | – | 1868.81 |
| Prudential ICICI Mutual Fund | Units of Prudential ICICI Fixed Maturity Plan Series 34 - Growth Scheme | – (2000000) | Rs. 10 | – | 200.00 |
| Principal PNB Mutual Fund | Units of Principal PNB Fixed Maturity Plan Series 1 - Growth Scheme | – (10000000) | Rs. 10 | – | 1000.00 |
| Kotak Mutual Fund | Units of Kotak Fixed Maturity Plan Series 2 Institutional Growth Scheme | – (2000000) | Rs. 10 | – | 200.00 |
| Kotak Mutual Fund | Units of Kotak Fixed Maturity Plan Series 4 Institutional Growth Scheme | 2000000 | Rs. 10 | 200.00 | 200.00 |
| Tata Mutual Fund | Units of Tata Fixed Income Portfolio Fund Scheme A2 - Dividend Scheme | – (10038763) | Rs. 10 | – | 1004.91 |
| SBI Mutual Fund | Units of SBI Fixed Maturity Plan SDFS - 30 Days Dividend Scheme | – (10020081) | Rs. 10 | – | 1002.01 |
| SBI Mutual Fund | Units of SBI Liquid Fund Premier Plan - Super Institutional Plan - Dividend Scheme | – (20707857) | Rs. 10 | – | 2077.52 |
| Deutsche Mutual Fund | Units of DWS Liquid Fund Insta Cash Plus - Super Institutional Plan - Dividend Scheme | – (15328328) | Rs. 10 | – | 1535.90 |
| DSPML Mutual Fund | Units of DSP ML Liquid Fund Cash Plus Fund - Institutional Plan - Dividend Scheme | – (245353) | Rs. 1000 | – | 2453.77 |
| | | | | 200.00 | 12546.55 |
| | | | Total | 207367.43 | 219377.31 |

Tata Tea Limited
Schedules forming part of the Balance Sheet
Schedule 6 (Continued)
Rs. in Lakhs

| | 2009 | 2008 |
|---|------------------|-----------|
| INVESTMENTS (Continued) | | |
| Cost of Investments | | |
| Long Term | | |
| Quoted (including Subsidiary Companies) | 48066.31 | 46075.64 |
| Unquoted (including Subsidiary Companies) | 159101.12 | 160755.12 |
| Unquoted Current Investment - in units of mutual fund | 200.00 | 12546.55 |
| Aggregate Amount | 207367.43 | 219377.31 |
| Market Value of Quoted Investments | 68521.66 | 105129.36 |
| Net Asset value of Current Investments | 219.06 | 12708.23 |

Note:

- During the year, the Company subscribed for 281290 Equity Shares of Re. 1 each and 140645 6% Non Convertible Debentures of Rs.100 each with Detachable Warrants, on right basis of Indian Hotels Company Limited. The Warrant carry the right to subscribe to one equity share @ Rs. 150/- between September 1, 2009 to September 30, 2009.
- During the year, the Company subscribed for 3333 Equity shares and 3333 'A' Ordinary Shares of Rs.10 each, on right basis of Tata Motors Limited.
- During the year, the Company subscribed for 20000 Zero Coupon Convertible Bond (ZCCB) of Rs.650 each with Detachable Warrants, on right basis of Tata Investment Corporation Limited. Each ZCCB has three parts : Part 'A' of Rs. 300 would be automatically and compulsorily converted into 1 Equity Share of Rs. 10 at a premium of Rs. 290 per share on August 01, 2009, Part 'B' of Rs. 350 would be automatically and compulsorily converted into 1 Equity Share of Rs. 10 at a premium of Rs. 340 per share within 18 months from the date of allotment and Part 'C' consists of Detachable Warrants which will entitle the holder, at his option, to purchase one Ordinary share at a price of Rs 400 per share during the month of April, 2011.
- 15385522 shares of Tata Chemicals Limited and 10735982 shares of Tata Coffee Limited are pledged against outstanding 9.40% Non Convertible Debentures.
- On April 1, 2008, on the option being exercised by the Company, Tata Tea (GB) Ltd. 7% Loan Notes were converted into an equivalent no. of ordinary shares having face value of GBP 1 per share.

Schedules forming part of the Balance Sheet

Schedule 6

INVESTMENTS (Continued)

Note (Continued)

7. Current Investments bought & sold during the year:

| | No. of Units |
|---|--------------|
| ABN AMRO Money Plus IP Fund - Growth | 2807592 |
| ABN AMRO Overnight Fund - DDR | 2750430 |
| Birla Cash Plus Institutional Premium Plan | 68099862 |
| Birla Cash Plus IP - DDR | 14845618 |
| Birla Sun Life Interval Income Fund - Monthly Plan - Sr.II | 5404767 |
| Birla Sun Life Interval Plan - Monthly Series 1 | 10381186 |
| Birla Sun Life Cash Manager - DDR | 10315816 |
| DSP ML Cash Plus Fund - IP - DDR | 8989 |
| DWS Insta Cash Super IP - DDR | 1593590 |
| HDFC Cash Management Fund-Saving Plan | 17126502 |
| HDFC Liquid Fund - Premium Plan - DDR | 29247465 |
| ICICI Prudential Flexi Income Plan | 4835208 |
| JM High Liquidity Fund - Super IP - DDR | 1497775 |
| JM Money Manager Fund Super Plus Plan - DDR | 1551398 |
| Kotak FMP 1M Series 1 | 10062220 |
| Kotak Liquid Institutional Premium Plan - DDR | 30032652 |
| Principal Cash Mgmt Fund-L O Institutional Premium Plan - DDR | 18209092 |
| Principal Money Manager - 1M | 9680548 |
| Pru ICICI Liquid Fund - Institutional Plus - DDR | 1350294 |
| Pru ICICI Liquid Fund - Super IP-DDR | 57385901 |
| Pru ICICI Liquid Plan - DDR | 2911856 |
| Prudential FMP 44 1M Plan C Dividend | 5000000 |
| SBI Premier Liquid Fund - Institutional - DDR | 22118637 |
| SBI Premier Liquid Fund - Super IP - DDR | 60534307 |
| SBI - SDFS - 30 Days - Dividend | 62605 |
| Sundaram BNP Paribas FTP 90 Days Series 5 | 2036182 |
| Tata Dynamic Bond Fund - Month Option A | 9532055 |
| Tata Dynamic Bond Fund - Month Option B - Dividend | 10011078 |
| Tata Dynamic Bond Fund - Month Option B - Growth | 7575925 |
| Tata Liquid Fund - Super High Investment Plan - SHIP | 3507196 |
| Templeton TMA Super IP - DDR | 780023 |
| UTI Liquid Fund Cash Plan-Institutional-DDR | 143398 |
| UTI Liquid Plus Fund - IP - DDR | 22669 |
| UTI Monthly Interval Fund - Plan I | 5031347 |
| UTI Monthly Interval Fund - Plan II | 10128652 |

Tata Tea Limited**Schedules forming part of the Balance Sheet**

| | Rs. in Lakhs | |
|---|---------------------|-------------|
| | 2009 | 2008 |
| Schedule 7 | | |
| INVENTORIES | | |
| Stores and Spare Parts, Packing Materials | 2659.37 | 1942.55 |
| Raw Materials | 17585.65 | 10642.46 |
| Finished Goods | 8865.29 | 6998.09 |
| | 29110.31 | 19583.10 |
| Schedule 8 | | |
| SUNDRY DEBTORS | | |
| (Unsecured) | | |
| Debts outstanding for a period exceeding six months | 557.23 | 556.97 |
| Other Debts | 9146.63 | 6299.55 |
| Debts | 9703.86 | 6856.52 |
| Less : Provision for Doubtful Debts | 519.42 | 506.62 |
| | 9184.44 | 6349.90 |
| Note : | | |
| Debts considered good | 9184.44 | 6349.90 |
| Debts considered doubtful | 519.42 | 506.62 |
| | 9703.86 | 6856.52 |
| Schedule 9 | | |
| CASH & BANK BALANCES | | |
| Cash and Cheques in hand | 14.69 | 63.86 |
| With Scheduled Banks on : | | |
| Current Account | 550.26 | 1339.72 |
| Fixed Deposits | 4000.00 | — |
| | 4550.26 | 1339.72 |
| | 4564.95 | 1403.58 |

Schedules forming part of the Balance Sheet

| | 2009 | 2008 | Rs. in Lakhs |
|---|-----------------|----------------|--------------|
| Schedule 10 | | | |
| OTHER CURRENT ASSETS | | | |
| Interest Accrued * | 753.76 | | 2948.75 |
| Receivable from Amalgamated Plantations Pvt. Ltd.* | 29865.02 | | 36565.02 |
| | 30618.78 | | 39513.77 |
| Interest accrued includes | | | |
| -Interest pertaining to Subsidiaries - Rs. 118.20 Lakhs (Rs. 800.34 Lakhs). | | | |
| -Interest pertaining to Consideration receivable from Amalgamated Plantations Pvt. Ltd. on transfer of NIPO - Rs. Nil (Rs 862.33 Lakhs). | | | |
| * Due from Private Limited Company in which a Director is a Director and Member - Rs. 29865.02 Lakhs (Rs. 37427.35 Lakhs). | | | |
| Schedule 11 | | | |
| LOANS & ADVANCES | | | |
| (Unsecured and considered good unless otherwise stated) | | | |
| Loans (Secured) | 3500.00 | | 3500.00 |
| Advances recoverable in cash or in kind or for value to be received | | | |
| Considered good | 3925.74 | | 2632.64 |
| Considered doubtful | 67.80 | | 67.14 |
| | 7493.54 | | 6199.78 |
| Less :Provision for doubtful advances | 67.80 | 7425.74 | 67.14 |
| | | | 6132.64 |
| Deposits | | | |
| Considered good | 2371.13 | | 7135.16 |
| Considered doubtful | 23.30 | | 23.30 |
| | 2394.43 | | 7158.46 |
| Less :Provision for doubtful deposits | 23.30 | 2371.13 | 23.30 |
| | | | 7135.16 |
| Balances with Excise Authorities, Port Trust etc. | | 0.94 | 0.99 |
| | | 9797.81 | 13268.79 |
| Advances include | | | |
| a) Due from Subsidiary Companies - Rs. 51.57 Lakhs (Rs. 319.92 Lakhs). | | | |
| b) Due from an Officer - Rs. 0.20 Lakhs (Rs. 0.80 Lakhs) and maximum amount due during the year Rs. 0.80 Lakhs (Rs. 1.40 Lakhs). | | | |
| Deposits include | | | |
| Rs. 1175.82 Lakhs (Rs. 6318.67 Lakhs) deposited with NABARD in the Tea Development Account under Section 33AB of the Income-tax Act, 1961. | | | |

Tata Tea Limited**Schedules forming part of the Balance Sheet**

| | Rs. in Lakhs | |
|--|---------------------|-------------|
| | 2009 | 2008 |
| Schedule 12 | | |
| LIABILITIES | | |
| Sundry Creditors | | |
| - Total outstanding dues to micro and small enterprises | 5.17 | — |
| (Refer Schedule 22, Note 5) | | |
| - Total outstanding dues of creditors other than micro and small enterprises | 28418.44 | 24312.72 |
| Interest accrued but not due | 1922.59 | 1215.19 |
| Other Liabilities | 710.22 | 658.24 |
| | 31056.42 | 26186.15 |
| Sundry Creditors include | | |
| Due to Subsidiary Companies Rs. 226.49 Lakhs (Rs. 500 Lakhs). | | |
| There are no amounts due and outstanding to be credited to Investor Education and Protection Fund. | | |
| Schedule 13 | | |
| PROVISIONS | | |
| Taxation less advance payments of Rs. 79023.95 Lakhs (Rs. 71393.93 Lakhs) | 2269.41 | 2496.77 |
| Proposed Dividend | 10821.97 | 21643.95 |
| Tax on Dividend | 1839.19 | 3678.39 |
| | 14930.57 | 27819.11 |
| Schedule 14 | | |
| MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED | | |
| Employee Separation Schemes | | |
| Opening Balance | 1637.57 | 2515.61 |
| Less: Amortised during the year | 878.04 | 878.04 |
| Closing Balance | 759.53 | 1637.57 |

Schedules forming part of the Profit and Loss Account

| | 2009 | 2008 |
|---|-----------------|-----------------|
| Schedule 15 | | |
| OTHER INCOME | | |
| Miscellaneous Receipts | 708.18 | 1396.19 |
| Liabilities no longer required written back | 1023.19 | 394.19 |
| Provision for debts and advances written back net of write off* | – | 41.75 |
| Rent Received | 40.41 | 40.52 |
| | <u>1771.78</u> | <u>1872.65</u> |
| * Net of debts and advances written off Rs. Nil (Rs. 79.79 Lakhs). | | |
| Schedule 16 | | |
| INVESTMENT INCOME | | |
| Income from Long Term Investments (Gross) | | |
| Trade* | | |
| Interest | 12.31 | 4.84 |
| Dividend | 2350.16 | 1925.27 |
| Subsidiary Companies** | | |
| Interest | 463.90 | 1081.23 |
| Dividend | 10735.13 | 6106.80 |
| Others | | |
| Interest | 288.14 | 437.04 |
| Dividend | 1.80 | 3.60 |
| | <u>13851.44</u> | <u>9558.78</u> |
| Dividend from Current Investments | 509.53 | 801.54 |
| Profit on sale of Current Investments (net) | 178.05 | 626.06 |
| | <u>14539.02</u> | <u>10986.38</u> |

* Tax deducted at source - **Rs. 6.61 Lakhs** (Rs. 4.79 Lakhs)

Tax deducted at source- **Rs. 145.70 Lakhs (Rs. 502.42 Lakhs)

Tata Tea Limited**Schedules forming part of the Profit and Loss Account**

| | | Rs. in Lakhs |
|---|-----------------|--------------|
| | 2009 | 2008 |
| Schedule 17 | | |
| RAW MATERIALS CONSUMED | | |
| Opening Stock | 10642.46 | 6954.30 |
| Add : Purchases | 85541.98 | 58612.91 |
| | 96184.44 | 65567.21 |
| Less : Closing Stock | 17585.65 | 10642.46 |
| | 78598.79 | 54924.75 |
| Schedule 18 | | |
| EXPENSES | | |
| Salaries, Wages and Bonus * | 6063.23 | 5838.95 |
| Contribution to Provident Fund and other Funds | 1605.00 | 409.45 |
| Workmen and Staff Welfare Expenses | 1114.42 | 576.12 |
| Cultivation, Plucking, Manufacturing and Contract Packing Expenses ** | 2389.15 | 1395.53 |
| Consumption of Packing Materials | 8997.72 | 8024.93 |
| Consumption of Stores and Spare Parts | 478.44 | 422.45 |
| Power and Fuel (net of recovery) | 1586.17 | 1218.91 |
| Repairs to Plant and Machinery | 249.72 | 164.33 |
| Repairs to Buildings | 412.64 | 352.34 |
| General Repairs | 127.77 | 84.55 |
| Rent | 1162.35 | 716.31 |
| Rates & Taxes | 229.17 | 300.52 |
| Advertisement and Sale Charges | 9234.35 | 10019.61 |
| Commission on Sales | 1089.48 | 987.86 |
| Brokerage and Discount | 3.12 | 5.37 |
| Freight | 3210.19 | 2632.96 |
| Insurance | 321.17 | 301.85 |
| Miscellaneous Expenses | 7134.46 | 4790.99 |
| Audit Fees | 27.00 | 27.00 |
| Provision for Doubtful Debts and Advances | 14.43 | 15.73 |
| Loss on Sale / Discard of Fixed Assets (net) | 32.14 | 14.59 |
| Debts and Advances written off*** | 11.96 | — |
| | 45494.08 | 38300.35 |

* Includes net credit **Rs. 201.88 Lakhs** (Rs. Nil) relating to earlier years

** Includes Contract Packing Expenses **Rs. 1932.10 Lakhs** (Rs. 985.08 Lakhs)

*** Net of provision for debts and advances written back **Rs. 0.97 Lakhs** (Rs. Nil).

Schedules forming part of the Profit and Loss Account

| | Rs. in Lakhs | |
|--|------------------|----------|
| | 2009 | 2008 |
| Schedule 19 | | |
| (ACCRETION)/DECRETION TO STOCK | | |
| Stock as at 1st April | | |
| Tea | 6960.96 | 8807.86 |
| Others | 37.13 | 28.92 |
| | 6998.09 | 8836.78 |
| Stock as at 31st March | | |
| Tea | 8825.72 | 6960.96 |
| Others | 39.57 | 37.13 |
| | 8865.29 | 6998.09 |
| | (1867.20) | 1838.69 |
| Schedule 20 | | |
| EXCEPTIONAL INCOME/(EXPENDITURE) | | |
| Income | | |
| Profit on transfer of North India Plantation Division | – | 16169.40 |
| Profit on sale of assets of South India operations | – | 329.17 |
| Profit on sale of Long Term Trade Investments | 513.72 | – |
| | 513.72 | 16498.57 |
| Expenditure | | |
| Expenses on new business initiatives | (594.93) | – |
| Amortisation of expenditure on Employee Separation Schemes | (878.04) | (878.04) |
| | (1472.97) | (878.04) |
| | (959.25) | 15620.53 |
| Schedule 21 | | |
| PROVISION FOR TAXATION | | |
| Income Tax * | 7187.65 | 7313.59 |
| Fringe Benefit Tax | 200.00 | 210.00 |
| Wealth Tax # | 15.00 | 0.21 |
| Deferred Taxation | (402.65) | (223.80) |
| | 7000.00 | 7300.00 |

* net of reversal of provisions relating to earlier year **Rs. Nil** (Rs. 414.30 Lakhs)

net of reversal of provisions relating to earlier year **Rs. Nil** (Rs. 14.79 Lakhs)

Tata Tea Limited**Notes on Accounts****Schedule 22**

1. Significant Accounting Policies:**(a) Accounting Convention**

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards, notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with the historical cost convention.

(b) Fixed Assets and Depreciation

Fixed Assets are carried at cost of acquisition less depreciation. Impairment loss, if any, ascertained as per the Accounting Standard of the Companies (Accounting Standards) Rules, 2006 is recognised. The cost of extension planting of cultivable land including cost of development is capitalised.

Assets acquired on hire purchase, for which ownership will vest at a future date, are capitalised at cash cost. Depreciation on fixed assets including assets created on lands under lease is provided on straight-line method in accordance with Schedule XIV to the Companies Act, 1956. Renewal of land leases is assumed, consistent with past practice. Expenditure on software and related implementation costs are capitalised where it is expected to provide enduring economic benefits and are amortised on a straight-line basis over a period of five years.

Subsidies receivable from government in respect of fixed assets are deducted from the cost of respective assets as and when they accrue.

Non-compete fees paid on acquisition of business is being amortised on straight-line basis over a period of 10 years.

(c) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised. The other costs are charged to the profit and loss account. Discount on Commercial Paper is amortised on straight-line basis over its tenure.

(d) Investments

Investments of a long-term nature are stated at cost, less adjustment for any diminution, other than temporary, in the value thereof. Current investments are stated at lower of cost and market value.

(e) Inventories

Inventories are stated at cost or net realisable value, whichever is lower. Cost is determined on weighted average method for all categories of inventories other than for auction bought teas in which case cost is considered as actual cost for each lot. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

(f) Foreign Currency Transactions

Transactions in foreign currencies relating to exports are recorded at average fortnightly spot rates. Other transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. The exchange difference resulting from settled transactions is adjusted in the profit and loss account. Year-end balances of monetary items are restated at the year-end exchange rates and the resultant net gain or loss is adjusted in the profit and loss account.

Notes on Accounts

Schedule 22 (Continued)

(g) **Sales & Services**

- (i) Sales are recognised on passing of property in goods i.e. delivery as per terms of sale or on completion of auction in case of auction sale.
- (ii) Fees and income from services are accounted as per terms of relevant arrangements.

(h) **Other Income**

Export incentives, interest income and income from investments are accounted on accrual basis.

(i) **Replanting/Rejuvenation**

Cost of replanting/ rejuvenating tea bushes/ fuel trees is charged to Revenue. Related Tea Board subsidies are accrued as Other Income on obtaining approval from Tea Board.

(j) **Compensation of Land**

Compensation, if any, in respect of land surrendered/vested in Governments under various State Land Legislations is accounted for as and when received.

(k) **Employee Benefits**

- i) Post retirement employee benefits:

Post retirement benefits like Provident Fund and Defined Contribution Superannuation Schemes, in the nature of defined contribution plans, are maintained by the Company. Contributions required are recognised in the profit and loss account on an accrual basis and funded with recognised funds set up for the purpose. For certain Provident Fund Schemes, the interest rates are assured and the deficit is borne by the Company.

Defined Benefit plans like Gratuity and Superannuation Schemes are also maintained by the Company. Post retirement medical benefits are provided by the Company for certain categories of employees. Liabilities under the defined benefit schemes are determined through independent actuarial valuation at year end and charge recognised in the books. For schemes, where recognised funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Actuarial gains and losses are recognised in the profit and loss account.

The Company recognizes in the profit and loss account, gains or losses on settlement of a defined benefit plan as and when the settlement occurs.

- ii) Other Employee Benefits:

Other employee benefits are accounted for on accrual basis. Liabilities for Compensated absences are determined based on independent actuarial valuation at year end and charge recognised in the profit and loss account. Short-term Employee Benefits are recognised on an undiscounted basis whereas Long-term Employee Benefits are recognised on a discounted basis.

(l) **Miscellaneous Expenditure to the extent not written off or adjusted**

Payments to employees who have opted for the Employee Separation Schemes (ESS) of the Company along with additional liabilities towards retirement benefits arising pursuant to the ESS are being amortised over a period of sixty months but not later than 1st April, 2010.

(m) **Research and Development**

Research and Development expenditure of revenue nature is charged to revenue and capital expenditure is treated as fixed assets.

Tata Tea Limited
Notes on Accounts
Schedule 22 (Continued)
(n) Deferred Taxation

Deferred tax is recognised using the liability method, on all timing differences to the extent that it is probable that a liability or asset will crystallise. As at the balance sheet date, unless there is evidence to the contrary, deferred tax assets pertaining to business loss are only recognised to the extent that there are deferred tax liabilities offsetting them.

(o) Financial Instruments

Premium or discount on forward contracts where there are underlying assets/liabilities are amortised over the life of the contract. Such foreign exchange forward contracts are revalued at the balance sheet date and the exchange difference between the spot rate at the date of the contract and the spot rate on the balance sheet date is recognised as gain/loss in the profit and loss account.

The Company also uses foreign currency forward contracts and options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable transactions. The Company designates these hedging instruments as cash flow hedges.

Hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. Gain or loss on account of change in the fair value of hedging instruments in respect of effective portion of cash flow hedges are recognised in the hedging reserve account. On occurrence of the underlying transactions, the accumulated balance is transferred from hedging reserve and recognised in the profit and loss account. The portion of the gain or loss on the hedging instruments, if determined to be an ineffective cash flow hedge, is recognised in the profit and loss account. Fair value hedges are marked to market on balance sheet date and gain or loss recognised in the profit and loss account.

(p) Leases

Rentals in respect of operating leases are charged off to profit and loss account.

2. Bills discounted and remaining unpaid as at 31st March, 2009 aggregated **Rs. 133.61 Lakhs** (Rs. 771.96 Lakhs).
3. Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March, 2009 aggregated **Rs. 998 Lakhs** (Rs. 261.54 Lakhs) including **Rs. Nil** (Rs. 11.80 Lakhs) for computer software.
4. **Contingent Liabilities not provided for in respect of:**
 - (a) Claims under adjudication not acknowledged as debts:

| | Gross Rs. in Lakhs | Net of Estimated Tax Rs. in Lakhs |
|---|-------------------------------|--|
| (i) Taxes, Statutory Duties/Levies etc. | 493.10 (479.45) | 293.60 (271.77) |
| (ii) Commercial and other claims | 208.52 (51.16) | 133.71 (29.97) |
| (iii) Income –tax/Agricultural Income-tax | 840.47 (355.13) | 840.47 (355.13) |

- (b) Labour disputes under adjudication relating to some staff – amount not ascertainable.
- (c) Counter Guarantee is given on behalf of an Associate Company **Rs. 52.69 Lakhs** (Rs. 91.46 Lakhs).
- (d) Guarantee given in connection with acquisition of a Subsidiary **Rs. 300 Lakhs** (Rs. 250 Lakhs).

Notes on Accounts

Schedule 22 (Continued)

5. Micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the confirmations received in response to intimation in this regard sent by the Company to the suppliers. No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at 31st March, 2009.
6.
 - a) The Company has entered into a put option agreement with International Finance Corporation (IFC) in relation to their investment in Amalgamated Plantations Private Limited (APPL). In terms of the said agreement, IFC has the right to exercise a put option whereby the Company is obliged to purchase a maximum of 30 million shares in APPL, if certain conditions or events stipulated in the said agreement do not occur.
 - b) The Company has entered into a put option agreement with two erstwhile promoters of Mount Everest Mineral Water Limited (MEMW) in relation to their investments in MEMW. In terms of the said agreement, the two erstwhile promoters have the right to exercise a put option whereby the Company is obliged to purchase a maximum of 3.11 million shares in MEMW, if certain conditions or events stipulated in the said agreement do not occur.
7. The major components of the Deferred Tax Assets/ Liabilities, based on the tax effect of the timing differences, as at 31st March, 2009, are as under :

| | Rs. in Lakhs | |
|---|---------------------|---------|
| | 2009 | 2008 |
| Deferred Tax Liability | | |
| Depreciation | 2172.00 | 2516.00 |
| Other Liabilities | 265.00 | 275.00 |
| | 2437.00 | 2791.00 |
| Deferred Tax Asset | | |
| Provision for doubtful debts/advances | 209.00 | 203.00 |
| Other Assets | 483.00 | 223.00 |
| Employee Benefits | 1179.00 | 1364.35 |
| Carry forward agricultural income-tax loss* | 186.00 | 218.00 |
| | 2057.00 | 2008.35 |
| Deferred Tax Liability - Net | 380.00 | 782.65 |

* to the extent of offsetting deferred tax liabilities.

8. Expenditure debited to the Profit and Loss Account includes in the aggregate :

| | | |
|--|----------------|---------|
| Staff Cost | | |
| Salaries, Wages and Bonus (Refer Schedule 18) | 6063.23 | 5838.95 |
| Contribution to Provident Fund and other Funds (Refer Schedule 18) | 1605.00 | 409.45 |
| Workmen and Staff Welfare (Refer Schedule 18) | 1114.42 | 576.12 |
| Salaries and wages debited to other expenditure heads | 392.65 | 358.80 |
| | 9175.30 | 7183.32 |
| Stores, Spare Parts and Packing Materials consumed - Gross | 9777.19 | 8447.38 |

Tata Tea Limited
Notes on Accounts
Schedule 22 (Continued)

| | 2009 | 2008 |
|--|---------------------|--------------|
| | Rs. in Lakhs | Rs. in Lakhs |
| 9. Expenditure incurred in respect of the Company's Research and Development | | |
| Capital Expenditure | 57.78 | 99.17 |
| Revenue Expenditure | 329.85 | 230.69 |
| | 387.63 | 329.86 |
| 10. (a) Miscellaneous Expenses Includes: | | |
| Payment to Auditors (as Auditor): | | |
| Tax Audit | 7.00 | 7.00 |
| Other Services | 41.65 | 45.41 |
| Reimbursement of Expenses | 19.39 | 25.04 |
| Short provision for commission to Directors charged | - | 35.00 |
| Exchange Loss (Net) | 1609.68 | - |
| Operating Lease Rentals | 193.34 | 153.24 |
| (b) Miscellaneous Receipts include: | | |
| Export Incentives | 45.00 | 63.98 |
| Exchange Gain (Net) | - | 613.96 |
| Tea Board and other subsidies | 77.73 | 52.63 |
| 11. Interest (net) comprises: | | |
| Interest charged on: | | |
| Fixed loans | 3897.99 | 4167.22 |
| Debentures | 3055.00 | 1327.63 |
| Discount on commercial paper | 783.68 | - |
| Other Loans | 426.06 | 1072.70 |
| | 8162.73 | 6567.55 |
| Less: Interest received (Gross) on: | | |
| Advances (Tax deducted at source Rs. 138.63 Lakhs (Rs. 97.83 Lakhs)) | 611.80 | 437.83 |
| Deposits (Tax deducted at source Rs. 62.17 Lakhs (Rs. 72.67 Lakhs)) | 277.00 | 330.93 |
| Other current assets (Tax deducted at source Rs. 544.98 Lakhs (Rs. 252.66 Lakhs)) | 2405.03 | 1114.99 |
| Others | 9.17 | 48.45 |
| | 3303.00 | 1932.20 |
| | 4859.73 | 4635.35 |
| 12. Provision for tax on dividend is net of Rs. 127.72 Lakhs (Rs. Nil) relating to previous year. | | |
| 13. Basic and Diluted Earnings Per Share have been computed with reference to Profit after tax of Rs. 15906.15 Lakhs (Rs. 31285.56 Lakhs) and weighted average equity shares outstanding (nominal value Rs. 10) during the year aggregating to 618.40 Lakhs shares (616.02 Lakhs shares). | | |

Notes on Accounts

Schedule 22 (Continued)

14. Licensed and installed capacity and actual production

| | Licensed Capacity | Installed Capacity | | Actual Saleable Production | |
|-------------|------------------------------|-------------------------------|------------------|--|--------|
| (i) Tea* | Not Applicable | Not Ascertainable | Kgs in Lakhs | 840.36 | 769.46 |
| | | | | Excluding free issues to labour and samples | |
| | | | | 0.46 | 1.14 |
| (ii) Others | – | – | In various units | 2.62 | 0.51 |
| | | | | Excluding sample | |
| | | | | 0.38 | Nil |

*includes production through contract packers **626.47 Lakhs Kgs** (577.97 Lakhs Kgs)

15. Opening and Closing Stock of Goods

| | | Opening Stock | Closing Stock |
|--------|------------------|--------------------------|--------------------------|
| Tea | Kgs in Lakhs | 80.70 | 79.79 * |
| | | (118.12) | (80.70) |
| Others | In various units | 0.50 | 1.03 |
| | | (0.43) | (0.50) |

* After adjustment of handling loss, free issue to labour, samples and other promotionals, etc. **0.22 Lakh Kgs** (0.19 Lakh Kgs)

16. Purchases and Sales of Goods and Services rendered

| | Purchases of Finished Goods for Resale | | Sales and Services | |
|-------------------|---|---------------|---------------------------|------------------|
| | Quantity | Value | Quantity | Value |
| | Kgs in Lakhs | Rs. in Lakhs | Kgs in Lakhs | Rs. in Lakhs |
| Tea | 4.42 | 447.93 | 845.47 | 135789.61 |
| | (36.26) | (2648.50) | (842.95) | (113221.44) |
| Others | | | various items | 251.11 |
| | | | | (167.98) |
| Services Rendered | | | | 131.02 |
| | | | | (97.47) |
| | | | | 136171.74 |
| | | | | (113486.89) |
| Less: Excise Duty | | | | 18.89 |
| | | | | (16.69) |
| | | 447.93 | | 136152.85 |
| | | (2648.50) | | (113470.20) |

Tata Tea Limited
Notes on Accounts
Schedule 22 (Continued)
17. Details of Raw Materials Consumed

| | Quantity | Value |
|---------------------------|-----------------|-----------------|
| | Kgs in Lakhs | Rs. in Lakhs |
| Tea | 821.94 | 75981.15 |
| | (791.91) | (52950.35) |
| Green Leaf (Own Estates)* | 75.61 | – |
| | (70.45) | – |
| (Purchases) | 93.92 | 1497.41 |
| | (96.81) | (1184.03) |
| Others | | 1120.23 |
| | | (790.37) |
| | | 78598.79 |
| | | (54924.75) |

* Excludes cost of Green Leaf produced in the Company's own estates and consumed during the year **Rs. 689.13 Lakhs** (Rs. 599.54 Lakhs) which has been included under various head of expenses.

18. Value of Raw Materials, Stores and Spare Parts and Packing Materials consumed

| | Raw Materials | | Stores, Spare Parts & Packing materials | |
|-------------|----------------------|--------------------|--|--------------------|
| | Value | % of total | Value | % of total |
| | Rs. in Lakhs | consumption | Rs. in Lakhs | consumption |
| Imported | 2810.73 | 3.58 | 1688.52 | 17.27 |
| | (1978.21) | (3.60) | (1470.00) | (17.40) |
| Indigenous* | 75788.06 | 96.42 | 8088.67 | 82.73 |
| | (52946.54) | (96.40) | (6977.38) | (82.60) |
| | 78598.79 | 100.00 | 9777.19 | 100.00 |
| | (54924.75) | (100.00) | (8447.38) | (100.00) |

* Excludes cost of Green Leaf produced in the Company's own estates and consumed during the year **Rs. 689.13 Lakhs** (Rs. 599.54 Lakhs) which has been included under various head of expenses.

Notes on Accounts

Schedule 22 (Continued)

| | 2009 Rs. in Lakhs | 2008 Rs. in Lakhs |
|--|----------------------|----------------------|
| 19. Earnings in Foreign Exchange | | |
| Value of Exports at F.O.B. | 13673.07 | 14447.79 |
| Technical Service Fees - Gross* | 94.36 | 80.99 |
| Dividends - Gross ** | 10049.69 | 5479.01 |
| Interest from Investments *** | - | 617.34 |
| Others (Freight, Insurance etc.) | 715.13 | 608.95 |
| | 24532.25 | 21234.08 |
| * Tax deducted at source - Rs. 9.79 Lakhs (Rs. 8.33 Lakhs) | | |
| ** Tax deducted at source - Rs. 152.31 Lakhs (Rs. 223.76 Lakhs) | | |
| *** Tax deducted at source - Rs. Nil (Rs. 177.23 Lakhs) | | |
| 20. Expenditure in Foreign Currency | | |
| Selling Expenses | 323.44 | 246.03 |
| Foreign Travel | 95.26 | 50.36 |
| Professional fees | 257.32 | 149.03 |
| Other Expenses | 274.40 | 276.80 |
| 21. Dividend remitted in foreign currency | | |
| No. of share holders | 1 | 1 |
| No. of shares held in Lakhs | 0.18 | 0.23 |
| Dividend remitted | 6.16 | 3.43 |
| Year | 2007-08 | 2006-07 |
| 22. Value of Imports on C.I.F. basis | | |
| Raw Materials | 3055.89 | 2055.70 |
| Stores, Spare Parts & Packing Materials | 1989.98 | 1481.09 |
| Capital Goods | 73.67 | 13.43 |

Tata Tea Limited
Notes on Accounts
Schedule 22 (Continued)

| | Rs. in Lakhs | |
|---|---------------------|-------------|
| | 2009 | 2008 |
| 23. Computation of Profit in accordance with Section 198 / 349 of the Companies Act, 1956 | | |
| Profit for the year before taxation as per Profit & Loss Account | 22906.15 | 38585.56 |
| Add: | | |
| Directors' Remuneration | 467.90 | 556.40 |
| Provision for doubtful debts/advances | 14.43 | 15.73 |
| Depreciation | 1064.92 | 1016.56 |
| Amortisation of payments under Employees Separation Scheme | 878.04 | 878.04 |
| | 2425.29 | 2466.73 |
| | 25331.44 | 41052.29 |
| Less: | | |
| Provision for doubtful debts/advances written back | 0.97 | 121.54 |
| Capital Profit on sale of fixed assets | – | 18668.37 |
| Depreciation under Section 350 of the Companies Act, 1956 | 893.36 | 850.00 |
| Amortisation of Intangibles | 171.56 | 166.56 |
| Profit on sale of Investments(net) | 691.77 | 626.06 |
| | 1757.66 | 20432.53 |
| Net Profit | 23573.78 | 20619.76 |
| Commission to Directors : | | |
| (i) Managing Director/ Whole-time Director | 90.00 | 200.00 |
| (ii) All other Directors * | 160.00 | 150.00 |
| | 250.00 | 350.00 |
| * within a limit of 1% of the net profits | | |
| Directors' Remuneration | | |
| (i) Managing Director/Whole-time Director | | |
| Salary | 76.30 | 67.20 |
| Commission current year | 90.00 | 200.00 |
| Short/(Excess) Provision of earlier year provided/written back | (25.00) | 35.00 |
| Expenditure on Gratuity and Superannuation schemes | 17.81 | 15.68 |
| Estimated value of other benefits | 123.44 | 80.87 |
| | 282.55 | 398.75 |
| (ii) Other Directors - Commission | 160.00 | 150.00 |
| - Sitting Fees | 15.35 | 9.65 |
| Short/(Excess) Provision of earlier year provided/written back | 10.00 | (2.00) |
| | 185.35 | 157.65 |
| | 467.90 | 556.40 |
| (iii) Bonus/Commission for 2007-08 from two subsidiaries to certain Directors - Rs. 28.82 Lakhs (Rs. 11.27 Lakhs). Salary to Managing Director from a subsidiary Rs. 34.28 Lakhs (Rs. Nil). | | |
| (iv) The above does not include share of recurring retirement benefits payable to a former Managing Director. | | |

Notes on Accounts

Schedule 22 (Continued)

24. a) Related Party Disclosure

Related Parties

Promoter

Tata Sons Ltd.

Subsidiaries

Tata Tea GB Ltd.

Tetley Group Holdings Ltd.

The Tetley Group Ltd., UK

Tetley GB Ltd.

Tetley Overseas Holdings Ltd.

Tetley Overseas Ltd.

Lyons Tetley Ltd.

Tetley US Holdings Inc.

Tetley USA Inc.

Tetley Canada Inc.

Tetley Australia Pty Ltd.

Stansand Ltd.

Stansand (Brokers) Ltd.

Stansand (Africa) Ltd.

Stansand (Central Africa) Ltd.

Tetley Polska sp. zo.o

Drassington Limited, UK

Good Earth Corporation

Good Earth Teas Inc. (formerly Fmali Herb Inc.)

Teapigs Ltd.

Jemca a.s

Tata Tea (GB) Investments Ltd.

Campestres Holdings Limited

Kahutara Holdings Limited

Subsidiaries

Tata Coffee Ltd.

Consolidated Coffee Inc.

Eight 'O Clock Coffee Company

Alliance Coffee Ltd.

Tata Tea Inc.

Tata Tea (GB) Capital Ltd.

Mount Everest Mineral Water Limited

Zhejiang Tata Tea Extraction Company Limited

Tata Tea Holdings Private Limited

Associates

Rallis India Ltd.

Rallis Australasia Pty Ltd.

Estate Management Services Pvt. Ltd., Sri Lanka

Watawala Plantations Ltd., Sri Lanka

Amalgamated Plantations Pvt. Ltd.

Joint Venture of Subsidiaries

Tetley ACI (Bangladesh) Ltd.

Southern Tea LLC

Empirical Group LLC

Tetley Clover (Private) Ltd.

Joekels Tea Packers (Proprietary) Ltd. (South Africa)

Tata Coffee (Uganda) Ltd.

Key Management Personnel

Mr. P.T. Sigamporia - Managing Director

Ms. Sangeeta Talwar - Wholetime Director

Tata Tea Limited
Notes on Accounts
Schedule 22 (Continued)
Particulars of transactions during the year ended 31st March, 2009
Rs. in Lakhs

| Nature of Transactions | Subsidiaries | Associates/ Joint Ventures | Promoter | Key Management Personnel | Total |
|---|-------------------------------|---------------------------------------|-----------------------------|---|-------------------------------|
| Sale of Goods | 11877.98 (11904.95) | - (334.09) | - (0.59) | - - | 11877.98 (12239.63) |
| Technical/Marketing Service Fees received | 131.02 (97.47) | - - | - - | - - | 131.02 (97.47) |
| Rent Paid | - - | - - | 25.22 (13.50) | - - | 25.22 (13.50) |
| Purchase of Goods & Services | 929.35 (669.46) | 19346.71 (17192.83) | - - | - - | 20276.06 (17862.29) |
| Other Expenses (Net) | - - | 732.56 - | 394.49 (335.72) | - - | 1127.05 (335.72) |
| Cost arising out of Transfer of North India Plantation Division | - - | - (307.21) | - - | - - | - (307.21) |
| Dividend/Interest received | 11200.16 (7188.03) | 3031.29 (1510.14) | 122.85 (122.85) | - - | 14354.30 (8821.02) |
| Dividend Paid | 69.39 (29.74) | - - | 4930.52 (2113.08) | 0.27 (0.11) | 5000.18 (2142.93) |
| Investments Sold | - - | - - | - - | - (0.25) | - (0.25) |
| Consideration for Transfer of North India Plantation Division | - - | - (36565.02) | - - | - - | - (36565.02) |
| Deposits Given | - - | - - | 250.00 - | - - | 250.00 - |
| Investments Made | 1720.48 (16530.76) | 6700.00 - | - - | - - | 8420.48 (16530.76) |
| Share Capital Subscribed | - - | - - | - (18229.88) | - - | - (18229.88) |
| Directors Remuneration | - - | - - | - - | 282.55 (398.75) | 282.55 (398.75) |
| Outstanding at the year end : | | | | | |
| Debit | 3981.25 (3422.84) | 29865.75 (36565.49) | - - | - - | - - |
| Credit | 226.49 (262.14) | 1313.97 (2164.97) | 2.41 (164.20) | 90.00 (200.00) | - - |

Notes on Accounts

Schedule 22 (Continued)

24. b) Disclosures in respect of transactions in excess of 10% of the total related party transactions of the same type

| | | | Rs. in Lakhs | |
|-----------|--|-----------------------------------|-----------------|----------|
| | | | 2008-09 | 2007-08 |
| 1 | Sale of Goods | Tata Tea (GB) Ltd. | 1222.83 | 2476.92 |
| | | Tetley Australia Pty Ltd. | 4695.07 | 3984.43 |
| | | Tetley Polaska sp. Zo.o Poland | 1357.16 | 1511.38 |
| | | Tata Tea Inc | 4177.23 | 3463.66 |
| 2 | Technical/ Marketing Service Fees received | Tata Tea Inc. | 94.36 | 80.99 |
| | | Tata Coffee Limited | 14.66 | 16.48 |
| | | Mount Everest Mineral Water Ltd. | 22.00 | – |
| 3 | Purchase of Goods & Services | Amalgamated Plantations Pvt. Ltd. | 19312.37 | 17054.62 |
| 4 | Rent Paid | Tata Sons Ltd. | 25.22 | 13.50 |
| 5 | Other Expenses (Net) | Tata Sons Ltd. | 394.49 | 335.72 |
| | | Amalgamated Plantations Pvt. Ltd. | 732.56 | – |
| 6 | Cost arising out of Transfer of North India Plantation Division | Amalgamated Plantations Pvt. Ltd. | – | 307.21 |
| 7 | Dividend and Interest Received | Tata Tea (GB) Ltd. | 3984.93 | 2198.61 |
| | | Tata Tea (GB) Capital Ltd. | 5042.02 | 2360.55 |
| | | Amalgamated Plantations Pvt. Ltd. | 2405.03 | 1114.99 |
| 8 | Dividend Paid | Tata Sons | 4930.52 | 2113.08 |
| 9 | Consideration for Transfer of North India Plantation Division | Amalgamated Plantations Pvt. Ltd. | – | 36565.02 |
| 10 | Deposits Given | Tata Sons Ltd. | 250.00 | – |
| 11 | Investments Sold | Mr. P.T. Siganporia | – | 0.25 |
| 12 | Investments Made | Mount Everest Mineral Water Ltd. | 1719.48 | 15434.83 |
| | | Amalgamated Plantations Pvt. Ltd. | 6700.00 | – |
| 13 | Share Capital Subscribed | Tata Sons Ltd. | – | 18229.88 |

Tata Tea Limited
Notes on Accounts
Schedule 22 (Continued)

- 25.** The Company has only one reportable primary segment i.e. tea. It has identified Geographical segment as the secondary segment disclosure is given herewith

By Geographical Segments

| | Rs. in Lakhs | | |
|--------------------------|--------------------------------|-------------------------------|---------------------------------|
| | India | Outside India | Total |
| Sales Revenue | 121670.29 (98332.47) | 14482.56 (15137.73) | 136152.85 (113470.20) |
| Segment Assets | 89357.63 (86800.13) | 4314.26 (3128.07) | 93671.89 (89928.20) |
| Purchase of Fixed Assets | 1477.01 (1164.57) | 1.03 (0.98) | 1478.04 (1165.55) |

Geographical Segment:

Segmentation of revenue is on the basis of geographical location of the customers.

Segmentation of asset is on the basis of geographical location of the assets.

26. Post Retirement Employee Benefits :

The Company operates defined contribution schemes like provident fund and defined contribution superannuation schemes. For these schemes, contributions are made by the Company, based on current salaries, to recognised funds maintained by the Company and for certain categories contributions are made to State Plans. In case of provident fund schemes, contributions are also made by the employees. An amount of **Rs. 523.39 Lakhs** (Rs. 500.81 Lakhs) has been charged to the Profit and Loss Account on account of defined contribution schemes.

The Company also operates defined benefit schemes like retirement gratuity, defined superannuation benefits and post retirement medical benefits. The superannuation benefits and medical benefits are restricted to certain categories of employees. The defined benefit schemes offer specified benefits to the employees on retirement. Annual actuarial valuations are carried out by an independent actuary as at financial year end in compliance with Accounting Standard 15 (revised 2005) on Employee Benefits. Wherever recognised funds have been set up, annual contributions are also made by the Company. Employees are not required to make any contribution.

Amounts recognised in the Balance Sheet are as follows:

| | Pension | | | Gratuity | | | Medical | | |
|--|----------------|----------|----------|-----------------|---------|---------|----------------|---------|---------|
| | 2009 | 2008 | 2007 | 2009 | 2008 | 2007 | 2009 | 2008 | 2007 |
| Present value of funded obligation | 1374.61 | 1475.37 | 2076.93 | 1848.97 | 1521.69 | 4107.06 | - | - | - |
| Fair Value of Plan Assets | 1360.36 | 1645.22 | 2224.62 | 1363.37 | 1409.94 | 3946.27 | - | - | - |
| | 14.25 | (169.85) | (147.69) | 485.60 | 111.75 | 160.79 | - | - | - |
| Present Value of Unfunded Obligation | 336.91 | 371.58 | 831.67 | - | - | - | 1791.52 | 1556.31 | 1572.00 |
| Amount not recognized as an asset (limit in Para 59 (b) of AS -15) | 6.29 | - | - | - | 0.45 | - | - | - | - |
| Net Liability | 357.45 | 201.73 | 683.98 | 485.60 | 112.20 | 160.79 | 1791.52 | 1556.31 | 1572.00 |

Notes on Accounts

Schedule 22 (Continued)

Amounts recognised in the Profit and Loss Account and charged to Contribution to Provident Fund and other Funds, Workmen and Staff Welfare Expenses and Insurance are as follows:

Rs. in Lakhs

| | Pension | | | Gratuity | | | Medical | | |
|--|----------------|----------|----------|-----------------|---------|----------|---------------|----------|----------|
| | 2009 | 2008 | 2007 | 2009 | 2008 | 2007 | 2009 | 2008 | 2007 |
| Current Service Cost | - | - | 81.63 | 69.57 | 66.92 | 231.51 | 40.62 | 58.65 | 58.41 |
| Interest on obligation | 102.10 | 193.69 | 285.49 | 117.82 | 99.80 | 296.55 | 115.32 | 131.66 | 119.04 |
| Expected Return on plan assets | (77.13) | (165.95) | (167.41) | (104.66) | (96.03) | (289.48) | - | - | - |
| Net actuarial loss/(gain) recognized during the year | 34.27 | (146.61) | (295.84) | 397.02 | 78.42 | (132.56) | 298.41 | (171.99) | (126.22) |
| Other Credits | - | (94.31) | (18.56) | - | (44.80) | - | - | - | - |
| Effects of the limit in Para 59(b) | 6.29 | - | - | (0.45) | 0.45 | - | - | - | - |
| Loss/(gain) on curtailment/settlement | - | - | (818.26) | - | - | - | - | - | - |
| Total recognized in Profit and Loss Account | 65.53 | (213.18) | (932.95) | 479.30 | 104.76 | 106.02 | 454.35 | 18.32 | 51.23 |

Reconciliation of opening and closing balances of the present value of the obligations:

Rs. in Lakhs

| | Pension | | | Gratuity | | | Medical | | |
|--|-----------------|----------|----------|-----------------|-----------|----------|-----------------|----------|----------|
| | 2009 | 2008 | 2007 | 2009 | 2008 | 2007 | 2009 | 2008 | 2007 |
| Opening defined benefit obligation | 1846.95 | 2908.60 | 3957.77 | 1521.69 | 4107.06 | 4016.32 | 1556.31 | 1572.00 | 1559.67 |
| Current Service Cost | - | - | 81.63 | 69.57 | 66.92 | 231.51 | 40.62 | 58.65 | 58.41 |
| Interest Cost | 102.10 | 193.69 | 285.49 | 117.82 | 99.80 | 296.55 | 115.32 | 131.66 | 119.04 |
| Actuarial loss/(gain) | 60.96 | (125.20) | (291.72) | 367.61 | 149.54 | (29.02) | 298.41 | (171.99) | (126.22) |
| Loss/(Gain) on curtailment | - | - | (818.26) | - | - | - | - | - | - |
| Liabilities extinguished on settlements | (159.85) | (454.28) | - | - | - | - | - | - | - |
| Liabilities assumed on Acquisition/(settled on Divestiture) etc. | - | (429.04) | - | - | (2791.32) | - | (165.59) | - | - |
| Benefit Paid | (138.64) | (246.82) | (306.31) | (227.72) | (110.31) | (408.30) | (53.55) | (34.01) | (38.90) |
| Closing Defined Benefit Obligation | 1711.52 | 1846.95 | 2908.60 | 1848.97 | 1521.69 | 4107.06 | 1791.52 | 1556.31 | 1572.00 |

Tata Tea Limited
Notes on Accounts
Schedule 22 (Continued)
Reconciliation of opening and closing balances of the fair value of plan assets:
Rs. in Lakhs

| | Pension | | | Gratuity | | |
|---|-----------------|----------|----------|-----------------|-----------|----------|
| | 2009 | 2008 | 2007 | 2009 | 2008 | 2007 |
| Opening fair value of Plan Assets | 1645.22 | 2224.62 | 2311.12 | 1409.94 | 3946.27 | 3961.55 |
| Expected Return on plan assets | 77.13 | 165.95 | 167.41 | 104.66 | 96.03 | 289.48 |
| Actuarial gain/(loss) | 26.69 | 21.41 | 4.12 | (29.41) | 71.12 | 103.54 |
| Asset distributed on settlement | (159.85) | (454.28) | - | - | - | - |
| Contribution/(Withdrawal) by employer | (123.37) | (97.29) | - | 105.90 | 198.15 | - |
| Assets acquired on Acquisition/(settled on Divestiture) | - | - | - | - | (2791.32) | - |
| Transfer from forfeiture reserve | - | - | 18.56 | - | - | - |
| Benefits Paid | (105.46) | (215.19) | (276.59) | (227.72) | (110.31) | (408.30) |
| Closing Fair value of Plan Assets | 1360.36 | 1645.22 | 2224.62 | 1363.37 | 1409.94 | 3946.27 |
| Actual Return on Plan Assets | 103.82 | 187.36 | 171.53 | 75.25 | 167.15 | 393.02 |

Major Categories of Plan Assets as a percentage of fair value of the total plan assets:

| | 2009 | 2008 | 2007 |
|---------------------------|-------------|------|------|
| Govt. of India Securities | 7% | 5% | 5% |
| PSU bonds | 2% | 2% | 3% |
| Insurance managed Funds | 82% | 93% | 92% |
| Others | 9% | - | - |
| Total | 100% | 100% | 100% |

Effect of increase/decrease of one percentage point in the assumed medical inflation rates:
Rs. in Lakhs

| | Increase | | | Decrease | | |
|---|-----------------|--------|--------|-----------------|----------|----------|
| | 2009 | 2008 | 2007 | 2009 | 2008 | 2007 |
| Effect on aggregate of interest cost and current service cost | 14.98 | 13.84 | 18.76 | (23.44) | (21.96) | (17.05) |
| Effect on defined benefit obligation | 179.15 | 155.63 | 157.20 | (162.87) | (141.48) | (142.91) |

Principal Actuarial assumptions used:

| | 2009 | 2008 | 2007 |
|--|--------------------------------------|--------------------------------------|--------------------------------------|
| Discount rates | 7.30% | 8.20% | 8.20% |
| Expected rate of return on plan assets | 7.50% | 8% | 8% |
| Expected salary increase rates | 4% and 5% based on employee category | 4% and 5% based on employee category | 4% and 5% based on employee category |
| Medical inflation rate | 8% | 8% | 8% |
| Mortality rates | LIC 1994-96 mortality tables | LIC 1994-96 mortality tables | LIC 1994-96 mortality tables |

Notes on Accounts

Schedule 22 (Continued)

The estimates of future salary increases considered in the actuarial valuation takes into account factors like inflation, future salary increases, supply and demand in the employment market etc. The expected return on plan assets is based on actuarial expectation of the average long-term rate of return expected on investments of the Funds during the estimated term of the obligations.

Experience adjustment on Plan Liabilities include **Rs. 328.57 Lakhs** (2008 Rs. 142.68 Lakhs, 2007 Rs. 992.26 Lakhs) and on Plan Assets **Rs. 2.73 Lakhs** (2008 Rs. 92.53 Lakhs, 2007 Rs. 107.66 Lakhs)

The contribution expected to be made by the Company for the year ending 31st March, 2010 is not readily ascertainable.

27. Disclosure requirement for Derivatives Instruments

The Company uses foreign currency hedges to manage its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable transactions. The Company does not use derivative contracts for trading or speculative purposes.

- a) The outstanding forward exchange contracts for sale of foreign currency as at 31st March, 2009 are:

| No. of Contracts | US\$ in Lakhs | Rupee Equivalent in Lakhs |
|-------------------------|-------------------------|-----------------------------|
| 10.00 (19.00) | 24.50 (62.50) | 1119.78 (2502.39) |

- b) The outstanding options for sale of foreign currency as at 31st March 2009 are:

| No. of Contracts | US\$ in Lakhs | Rupee Equivalent in Lakhs |
|-------------------------|---------------------------|-------------------------------|
| 20.00 (12.00) | 593.25 (544.07) | 24787.35 (22502.76) |

- c) The year end foreign currency exposures of monetary items that have not been hedged are:

| | US\$ Equivalent in Lakhs | Rs. in Lakhs |
|--|--------------------------|--------------------------|
| Amounts receivable in foreign currency | – (12.67) | – (508.32) |
| Amounts payable in foreign currency | 13.74 (2.09) | 697.92 (83.78) |

28. Unless otherwise stated, figures in bracket relate to the previous year and have been rearranged/regrouped wherever necessary.

Tata Tea Limited**Balance Sheet Abstract & Company's General Business Profile****I. REGISTRATION DETAILS**

| | | | |
|---------------------------|------------|-------------------|----|
| Registration No. | 31425 | State Code | 21 |
| Balance Sheet Date | 31.03.2009 | | |

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

| | | | |
|---------------------|-----|--------------------------|-----|
| Public Issue | Nil | Rights Issue | Nil |
| Bonus Issue | Nil | Private Placement | Nil |

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

| | | | |
|--------------------------|----------|---------------------|----------|
| Total Liabilities | 30179885 | Total Assets | 30179885 |
|--------------------------|----------|---------------------|----------|

SOURCES OF FUNDS

| | | | |
|-------------------------------|----------|--------------------------|---------|
| Paid Up Capital | 618399 | Share Warrants | Nil |
| Reserves & Surplus | 17374754 | Secured Loans | 4453603 |
| Unsecured Loans | 3096429 | Deferred Taxation | 38000 |

APPLICATION OF FUNDS

| | | | |
|---------------------------|---------|----------------------------------|----------|
| Net Fixed Assets | 1039560 | Investments | 20736743 |
| Net Current Assets | 3728929 | Miscellaneous Expenditure | 75953 |
| Accumulated Losses | Nil | | |

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

| | | | |
|------------------------------------|----------|--------------------------------|----------|
| Turnover (Total Income) | 15246365 | Total Expenditure | 12955750 |
| Profit/(Loss) Before Tax | 2290615 | Profit/(Loss) After Tax | 1590615 |
| Earnings Per Share (in Rs.) | 25.72 | Dividend Rate | 175% |

V. GENERIC NAMES OF TWO PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

| | |
|---------------------------------|-------------|
| Item Code No. (ITC Code) | 9023000 |
| Product Description | BLACK TEA |
| Item Code No. (ITC Code) | 21012001 |
| Product Description | INSTANT TEA |

R.N. Tata
Chairman

R.K. Krishna Kumar
Vice Chairman

Y.H. Malegam
D.B. Engineer
U.M. Rao
A.R. Gandhi
J.S. Bilimoria
V. Leeladhar
P.D. Unsworth
Directors

P.T. Siganporia
Managing Director
Ms. Sangeeta Talwar
Wholetime Director
D.K. Sen
Vice President &
Secretary

Mumbai, June 10, 2009

Cash Flow Statement for the year ended 31st March, 2009

| | Year ended 31st March, 2009 | Year ended 31st March, 2008 |
|--|--------------------------------|--------------------------------|
| | Rs. in Lakhs | |
| A. Cash Flow from Operating Activities | | |
| Net Profit before Tax | 22906.15 | 38585.56 |
| Adjusted for : | | |
| Depreciation | 1064.92 | 1016.56 |
| Investment Income | (14360.97) | (10360.32) |
| Unrealised Exchange Loss | 335.93 | 85.49 |
| Interest Expense | 8162.73 | 6567.55 |
| Interest Income | (3303.00) | (1932.20) |
| Profit on sale of current Investments (net) | (178.05) | (626.06) |
| Provision for Doubtful Debts and Advances | 14.43 | 15.73 |
| Liabilities no longer required written back | (1023.19) | (394.19) |
| Debts and Advances written off | 12.93 | 79.79 |
| Provision for Doubtful Debts/Advances no longer required written back | (0.97) | (121.54) |
| Loss on sale/discard of Fixed Assets (net) | 32.14 | 14.59 |
| Profit on sale of North Indian Plantation Division | - | (16169.40) |
| Profit on sale of assets of South India operations | - | (329.17) |
| Expenses on new business initiatives | 594.93 | - |
| Amortisation of Expenditure on Employee Seperation Schemes | 878.04 | 878.04 |
| Profit on Sale of long term trade Investments | (513.72) | - |
| | (8283.85) | (21275.13) |
| Operating Profit before working capital changes | 14622.30 | 17310.43 |
| Adjustments for : | | |
| Trade and other receivables | 1980.54 | (4237.25) |
| Inventories | (9527.21) | (2131.72) |
| Trade Payables | 1136.78 | 3782.57 |
| | (6409.89) | (2586.40) |
| Cash generated from Operations | 8212.41 | 14724.03 |
| Direct Taxes paid | (7630.01) | (5913.82) |
| Net Cash from/(used in) Operating Activities | 582.40 | 8810.21 |
| B. Cash Flow from Investing Activities | | |
| Cost arising out of transfer of North India Plantation Division | - | (336.96) |
| Purchase of Fixed Assets | (1710.69) | (1560.63) |
| Sale of Fixed Assets | 27.09 | 524.41 |
| Purchase of Long Term Investments | (489.05) | (13.35) |
| Sale of Long Term Investments | 9086.58 | 0.50 |
| Expenses on new business initiatives | (594.93) | - |
| Investments in Subsidiaries | (1720.48) | (16530.76) |
| Sale of Current Investments (net) | 12524.60 | 2384.17 |
| Investment Income (Note 2) | 15461.94 | 9431.80 |
| Interest received | 4397.02 | 598.78 |
| Inter Corporate Deposits & Loans refunded | - | 95.50 |
| Net Cash from/(used in) Investing Activities | 36982.08 | (5406.54) |

Tata Tea Limited
Cash Flow Statement for the year ended 31st March, 2009

| | | Rs. in Lakhs |
|---|--------------------------------|--------------------------------|
| | Year ended 31st March, 2009 | Year ended 31st March, 2008 |
| C. Cash Flow from Financing Activities | | |
| Proceeds from Issuance of Shares on Preferential Basis | - | 18229.88 |
| Proceeds from Long Term Borrowings | - | 32500.00 |
| Debenture Issue Cost | - | (98.86) |
| Proceeds from issue of Commercial Paper | 52140.40 | - |
| Redemption of Commercial Papers | (39100.00) | - |
| Repayment of Short Term Loans/Bridge Loan taken from banks | (22000.00) | (55000.00) |
| Repayment of Long Term Borrowings | (5142.85) | (11025.49) |
| Working Capital Facilities (net) | (8516.09) | 11193.60 |
| Avoidment of Short Term Loan | 20000.00 | 17000.00 |
| Dividend paid | (21570.72) | (9253.76) |
| Dividend Tax paid | (3550.67) | (1576.45) |
| Interest paid | (6671.65) | (6100.34) |
| Net Cash from/(used in) Financing Activities | (34411.58) | (4131.42) |
| Net increase/(decrease) in Cash and Cash Equivalents | 3152.90 | (727.75) |
| D. Cash and Cash Equivalents | | |
| Opening Balance | 1403.58 | 2153.12 |
| Cash balance transferred on transfer of NIPD | - | (23.57) |
| Effect of exchange rate changes | 8.47 | 1.78 |
| Closing Balance | 4564.95 | 1403.58 |

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on 'Cash Flow Statements (AS-3)' issued by Companies (Accounting Standards) Rules, 2006.
- Investment Income includes Dividend Income **Rs. 13596.62 Lakhs** (Rs. 8618.13 Lakhs) and Interest Income **Rs. 1865.32 Lakhs** (Rs. 813.67 Lakhs).
- During the year **Rs. 6700 Lakhs** Preference shares were issued by Amalgamated Plantations Private Limited in partial discharge of purchase consideration without payment being made in cash and hence not considered in Cash Flow Statement.
- Previous year's figures have been rearranged/regrouped wherever necessary.

This is the Cash Flow Statement referred to in our Report of even date

For **N M Raiji & Co.**
Chartered Accountants

J. M. Gandhi
Membership No. 37924
Partner

Mumbai, June 10, 2009

For **Lovelock & Lewes**
Chartered Accountants

Partha Mitra
Membership No. 50553
Partner

R.N. Tata
Chairman

R.K. Krishna Kumar
Vice Chairman

Y.H. Malegam
D.B. Engineer
U.M. Rao
A.R. Gandhi
J.S. Bilimoria
V. Leeladhar
P.D. Unsworth
Directors

P.T. Sigamporia
Managing Director
Ms. Sangeeta Talwar
Wholtime Director
D.K. Sen
Vice President &
Secretary

Financial Highlights

| | Rs. in Lakhs | | | | | | | | | |
|--------------------------------|---------------|---------|---------|----------|---------|---------|---------|---------|---------|---------|
| | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 | 2003-04 | 2002-03 | 2001-02 | 2000-01 | 1999-00 |
| Total Income | 152464 | 126329 | 114611 | 104017 | 95024 | 83845 | 80684 | 81606 | 89116 | 97449 |
| Profit before Tax | 22906 | 38586 | 34977 | 23052 | 16215 | 12023 | 10010 | 8581 | 12761 | 16507 |
| Tax | 7000 | 7300 | 4320 | 4359 | 3323 | 2870 | 2950 | 1385 | 2740 | 4050 |
| Profit after Tax | 15906 | 31286 | 30657 | 18693 | 12892 | 9153 | 7060 | 7196 | 10021 | 12457 |
| Dividend payout | 12533@ | 25322@ | 10852@ | 7693@ | 6410@ | 5403@ | 4439@ | 3935 | 5576@ | 5502 |
| Equity Capital | 6184 | 6184 | 5903 | 5622 | 5622 | 5622 | 5622 | 5622 | 5622 | 5622 |
| Share Warrants | - | - | 2183 | - | - | - | - | - | - | - |
| Reserves & Surplus | 173748 | 174221 | 148469 | 110505## | 99275 | 91903\$ | 92241 | 91177# | 84076 | 79588 |
| Shareholders' Funds | 179932 | 180405 | 156555 | 116127 | 104897 | 97525 | 97863 | 96799 | 89698 | 85210 |
| Borrowings | 75500 | 75751 | 79700 | 24136 | 19137 | 19736 | 22539 | 21424 | 23903 | 26975 |
| Capital Employed | 255432 | 256156 | 236255 | 140263 | 124035 | 117261 | 120401 | 118222 | 113601 | 112185 |
| Net Block | 10396 | 9810 | 24658 | 25031 | 30269 | 31288 | 33263 | 34081 | 33322 | 31373 |
| Contribution to Exchequer | 8045 | 8270 | 5358 | 5654 | 5719 | 4456 | 3833 | 3498 | 4762 | 6130 |
| Payments relating to Employees | 9175 | 7183 | 17915 | 17631 | 21892 | 21694 | 23368 | 24360 | 23199 | 20953 |
| No. of Employees | 2422 | 2510 | 34506 | 34596 | 51929 | 55665 | 56099 | 57736 | 58888 | 59740 |
| Book value per Share (Rs.) * | 287.43 | 288.19 | 261.51 | 202.67 | 182.69 | 169.58 | 170.18 | 168.29 | 155.66 | 147.68 |
| Earnings per Share (Rs.) | 25.72 | 50.79** | 53.56** | 33.25 | 22.93 | 16.28 | 12.56 | 12.80 | 17.82 | 25.38** |
| Dividend per Share (Rs.) | 17.50 | 35.00& | 15.00 | 12.00 | 10.00 | 8.50 | 7.00 | 7.00 | 9.00 | 10.10 |
| Total Debt to Equity * | 0.42 | 0.43 | 0.52 | 0.21 | 0.19 | 0.21 | 0.24 | 0.23 | 0.27 | 0.32 |

Consolidated Financial Highlights

| | | | | | | | | |
|--------------------------------|---------------|----------|---------|--------|--------|--------|---------|--------|
| Total Income | 490730 | 437957 | 410323 | 315112 | 307673 | 309948 | 296778^ | 307133 |
| Profit before Tax | 125631 | 205928 | 56561 | 41840 | 31372 | 28771 | 17891^ | 12665 |
| Net Profit | 70055 | 154255 | 44335 | 29915 | 21547 | 19643 | 8254^ | 9867 |
| Book value per Share (Rs.) * | 580.94 | 557.34 | 359.96 | 275.27 | 266.26 | 234.97 | 207.20 | 188.28 |
| Basic Earnings per Share (Rs.) | 113.28 | 250.41** | 77.46** | 53.21 | 38.33 | 34.95 | 14.68^ | 17.55 |
| Total Debt to Equity * | 0.53 | 0.59 | 1.67 | 1.03 | 1.02 | 1.28 | 1.42 | 1.53 |

@ Includes Tax On Dividend.

& Includes one time special dividend of Rs. 20 per share.

* Computation excludes Revaluation Reserves.

** On the average Share capital for the year/period.

After deduction of Rs. 3434 Lakhs being the deferred tax liability of previous years, and inclusive of Rs. 7276.07 Lakhs credited pursuant to a scheme of amalgamation.

Inclusive of Rs. 288.47 Lakhs credited pursuant to a scheme of amalgamation.

\$ After deduction of Rs. 4100 Lakhs of Miscellaneous Expenditure to the extent not written off or adjuted, pursuant to the order of the Hon'ble High Court of Kolkata.

^ As the accounting period of Tata Tea GB Ltd., UK based subsidiary, was for a period of thirteen months, figures have been restated for a twelve month period.

Tata Tea Limited
Statement of Area, Crop and Yield

| | Estate | Address | Hectarage | Crop (Kgs) | Yield/ Bearing Hect (Kgs) |
|------------|---------------|---|-----------|------------|---------------------------------|
| Tea | Kerala | | | | |
| | Periakanal | PO Munnar Dist. Idukki Kerala 685 612 | 340.13 | 933283 | 2744 |
| | Pullivasal | PO Munnar Dist. Idukki Kerala 685 612 | 424.76 | 1011100 | 2380 |
| | | Total Kerala | 764.89 | 1944383 | 2542 |

Auditors' Report on Consolidated Financial Statements

REPORT OF THE AUDITORS TO THE BOARD OF DIRECTORS OF TATA TEA LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the attached Consolidated Balance Sheet of Tata Tea Limited ("the company"), its subsidiaries, associates and joint ventures (collectively referred as "the Group") as at March 31, 2009, the Consolidated Profit and Loss Account of the Group for the year ended on that date annexed thereto, and the Consolidated Cash Flow Statement of the Group for the year ended on that date, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 8,81,111.89 lakhs as at March 31, 2009, total revenues of Rs. 3,69,796.10 lakhs and total net cash outflows of Rs. 26,565.89 lakhs for the year ended on that date and associates whose financial statements reflect the Group's share of profit up to March 31, 2009 of Rs. 9,142.12 lakhs and Group's share of profit of Rs. 2,493.22 lakhs for the year ended on that date as considered in the consolidated financial statements.
These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and associates, is based solely on the report of the other auditors.
4. The management approved financial statements of the Joint Venture Company of one of the subsidiary have been considered for the consolidation. The total assets and liabilities of the Joint Venture Company considered in consolidation as at March 31, 2009 are Rs. 1.95 lakhs and Rs. 0.72 lakh respectively. Our opinion on the consolidated financial statements so far as it relates to the financials of the Joint Venture Company of the subsidiary is based solely on such management approved accounts.
5. We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, Accounting Standard 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interest in Joint Ventures issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Tata Tea Limited and its subsidiaries and associates and management approved accounts of the Joint Venture Company included in the consolidated financial statements.
6. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements and where available consolidated financial statements of Tata Tea Limited and its aforesaid subsidiaries and associates and management approved financial statements of the joint venture of a subsidiary, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2009;
 - b) in the case of the consolidated profit and loss account, of the consolidated results of operations of the Group for the year ended on that date; and
 - c) in the case of the consolidated cash flow statement, of the consolidated cash flows of the Group for the year ended on that date.

For **N M Raiji & Co.**
Chartered Accountants
J. M. Gandhi
Membership No. 37924
Partner
Mumbai, 10 June, 2009

For **Lovelock & Lewes**
Chartered Accountants
Partha Mitra
Membership No. 50553
Partner
Mumbai, 10 June, 2009

Tata Tea Limited
Consolidated Balance Sheet as at 31st March, 2009

| | Schedule | 2009 | 2008 | Rs. in Lakhs |
|--|----------|------------------|-----------|------------------|
| SOURCES OF FUNDS | | | | |
| Shareholders' Funds | | | | |
| Share Capital | 1 | 6164.17 | 6164.17 | |
| Reserves and Surplus | 2 | 356932.53 | 335258.17 | |
| | | 363096.70 | | 341422.34 |
| Minority Interest | | 104387.70 | | 102813.38 |
| Loan Funds | | | | |
| Secured Loans | 3 | 209007.82 | 237544.15 | |
| Unsecured Loans | 4 | 34099.27 | 23386.49 | |
| | | 243107.09 | | 260930.64 |
| Deferred Tax Liability (Net) | 14 | 4837.34 | | 3678.11 |
| TOTAL | | 715428.83 | | 708844.47 |
| APPLICATIONS OF FUNDS | | | | |
| Fixed Assets | | | | |
| Gross Block | 5 | 446890.11 | 428876.49 | |
| Less : Depreciation | | 70674.12 | 62858.13 | |
| Net Block | | 376215.99 | 366018.36 | |
| Add : Capital Work-in-progress | | 6318.46 | 5003.39 | 371021.75 |
| Investments | 6 | 35130.41 | | 139100.66 |
| Current Assets, Loans & Advances | | | | |
| Inventories | 7 | 74443.90 | 54502.71 | |
| Sundry Debtors | 8 | 44998.26 | 44813.92 | |
| Cash & Bank Balances | 9 | 108915.08 | 132319.60 | |
| Other Current Assets | 10 | 24234.20 | 33972.72 | |
| Loans and Advances | 11 | 206062.50 | 67254.41 | |
| | | 458653.94 | 332863.36 | |
| Less : Current Liabilities & Provisions | | | | |
| Liabilities | 12 | 129312.26 | 104154.05 | |
| Provisions | 13 | 32341.88 | 31648.81 | |
| | | 161654.14 | 135802.86 | |
| Net Current Assets | | 296999.80 | | 197060.50 |
| Miscellaneous Expenditure to the extent not written off or adjusted | | 764.17 | | 1661.56 |
| TOTAL | | 715428.83 | | 708844.47 |

Notes on Accounts

24

The Schedules referred to above form an integral part of the Consolidated Balance Sheet.

This is the Consolidated Balance Sheet referred to in our Report of even date

For **N M Raiji & Co.**
Chartered Accountants

J. M. Gandhi
Membership No. 37924
Partner

Mumbai, June 10, 2009

For **Lovelock & Lewes**
Chartered Accountants

Partha Mitra
Membership No. 50553
Partner

R.N. Tata
Chairman

R.K. Krishna Kumar
Vice Chairman

Y.H. Malegam
D.B. Engineer

U.M. Rao
A.R. Gandhi
J.S. Bilimoria
V. Leeladhar
P.D. Unsworth
Directors

P.T. Siganporia
Managing Director

Ms. Sangeeta Talwar
Wholetime Director

D.K. Sen
Vice President &
Secretary

Consolidated Profit and Loss Account for the year ended 31st March, 2009

| | Schedule | 2009 | 2008 |
|---|----------|-------------------|------------|
| Rs. in Lakhs | | | |
| INCOME | | | |
| Sales and Services - Net | 15 | 484787.48 | 430964.63 |
| Other Operating Income | 16 | 2622.89 | 2661.84 |
| Investment Income | 17 | 3319.90 | 3970.12 |
| | | 490730.27 | 437596.59 |
| EXPENDITURE | | | |
| Purchases | 18 | 19636.63 | 17266.81 |
| Raw Materials Consumed | 19 | 162810.35 | 121257.11 |
| Expenses | 20 | 247081.99 | 221175.94 |
| Depreciation and Amortisation | | 10153.78 | 9415.18 |
| Less: Amount drawn from Revaluation Reserve | | (285.04) | (252.22) |
| (Accretion)/Decretion to Stock | 21 | (7168.90) | 3061.39 |
| | | 432228.81 | 371924.21 |
| | | 58501.46 | 65672.38 |
| Interest | | | |
| (net of interest income Rs. 15593.28 lakhs (Rs. 8641.86 lakhs)) | | (5419.52) | (21983.41) |
| Exchange gain (Net) (Refer Schedule 24, Note 7) | | 81390.67 | 5618.31 |
| Exceptional Income/(Expenditure) | 23 | (8841.92) | 156620.48 |
| Profit before Taxation | | 125630.69 | 205927.76 |
| Provision for Taxation | 22 | 42441.25 | 15339.76 |
| Profit after Taxation before share of results of Associates and Minority Interests | | 83189.44 | 190588.00 |
| Share of net profit in Associates | | 2493.22 | 2886.73 |
| Minority Interests | | (15628.02) | (39220.02) |
| Net Profit | | 70054.64 | 154254.71 |
| Balance Bought forward | | 183965.90 | 60453.33 |
| | | 254020.54 | 214708.04 |
| APPROPRIATIONS | | | |
| Dividend : | | | |
| – Final | | 10821.97 | 21643.95 |
| – Tax on Dividend | | 1711.47 | 3678.39 |
| | | 12533.44 | 25322.34 |
| Transfer to General Reserve | | 2037.43 | 4515.34 |
| Transfer to Debenture Redemption Reserve | | 3595.65 | 904.46 |
| Balance Carried Forward | | 235854.02 | 183965.90 |
| Basic and Diluted Earnings per share (Rs.) | | 113.28 | 250.41 |

(Nominal Value @ Rs. 10 each)

(Refer Schedule 24, Note 8)

Notes on Accounts

24

The Schedules referred to above form an integral part of the Consolidated Profit and Loss Account.

This is the Consolidated Profit and Loss Account referred to in our Report of even date.

For **N M Raiji & Co.**
Chartered Accountants

J. M. Gandhi
Membership No. 37924
Partner

Mumbai, June 10, 2009

For **Lovelock & Lewes**
Chartered Accountants

Partha Mitra
Membership No. 50553
Partner

R.N. Tata
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R.K. Krishna Kumar
Vice Chairman

Y.H. Malegam
D.B. Engineer

U.M. Rao
A.R. Gandhi
J.S. Bilimoria
V. Leeladhar
P.D. Unsworth
Directors

P.T. Siganporia
Managing Director

Ms. Sangeeta Talwar
Wholtime Director

D.K. Sen
Vice President &
Secretary

Tata Tea Limited
Schedules forming part of the Consolidated Balance Sheet

| | | | | 2009 | Rs. in Lakhs 2008 |
|--|-------------|------------------|-------------------|-------------------|------------------------------------|
| Schedule 1 | | | | | |
| SHARE CAPITAL | | | | | |
| Authorised | | | | | |
| 750,00,000 Equity Shares of Rs. 10 each | | | | 7500.00 | 7500.00 |
| Issued, Subscribed and Paid-up | | | | | |
| 618,39,857 Equity Shares of Rs. 10 each, fully paid-up | | | | 6183.99 | 6183.99 |
| Less: Held by a Subsidiary Company | | | | (19.82) | (19.82) |
| Of the above, | | | | | |
| (a) 72,38,073 Shares have been allotted as fully paid pursuant to a contract without payment being received in cash. | | | | | |
| (b) 331,80,674 Shares have been allotted as fully paid Bonus Shares by capitalisation of General Reserve and Securities Premium Account. | | | | | |
| | | | | 6164.17 | 6164.17 |
| Schedule 2 | | | | | |
| RESERVES AND SURPLUS | | | | | |
| | 2008 | Additions | Deductions | | |
| Capital Reserve | 1039.47 | - | - | 1039.47 | 1039.47 |
| Capital Subsidy Reserve | 30.10 | - | - | 30.10 | 30.10 |
| Capital Redemption Reserve | 10.41 | - | - | 10.41 | 10.41 |
| Revaluation Reserve | 4481.29 | 799.98 | 285.04 | 4996.23 | 4481.29 |
| Contingency Reserve | 100.00 | - | - | 100.00 | 100.00 |
| Debenture Redemption Reserve | 5157.29 | 3595.65 | - | 8752.94 | 5157.29 |
| Securities Premium Account | 66472.48 | - | - | 66472.48 | 66472.48 |
| Exchange Fluctuation Reserve | (2144.80) | - | 26851.62** | (28996.42) | (2144.80) |
| Hedging Reserve | (1861.15) | 312.57 | 9950.12 | (11498.70) | (1861.15) |
| General Reserve | 77174.65 | 2672.54* | 507.72 | 79339.47 | 77174.65 |
| Amalgamation Reserve | 832.53 | - | - | 832.53 | 832.53 |
| | 151292.27 | 7380.74 | 37594.50 | 121078.51 | 151292.27 |
| Profit & Loss Account | | | | 235854.02 | 183965.90 |
| | | | | 356932.53 | 335258.17 |

* Includes Rs. 388.35 Lakhs on account of consolidation of an associate.

** Net of Rs. 3971.41 Lakhs addition to the Exchange Fluctuation Reserve on translation of certain subsidiaries.

Schedules forming part of the Consolidated Balance Sheet

| | 2009 | Rs. in Lakhs 2008 |
|---|------------------|----------------------|
| Schedule 3 | | |
| SECURED LOANS | | |
| 3250, 9.40% Non-Convertible, privately placed, Debentures of Rs. 10 Lakhs each. | 32500.00 | 32500.00 |
| Redeemable at par on 8.11.2010, at the end of 3 years from the date of allotment 7.11.2007. The debentures are secured by way of a first mortgage on certain immovable properties of the holding company and pledge of shares of a company and a subsidiary held as investments by the holding company. | | |
| 750, 4% Secured Redeemable Non-Convertible, privately placed, Debentures | 2550.00 | 5025.00 |
| Redeemable at a premium, in three instalments of 33%, 33% and 34% respectively at the end of the 2nd, 3rd and 4th years from the date of allotment i.e. 25.11.2005. Accordingly the second instalment has been redeemed during the year. Secured by a charge on certain immovable assets of a subsidiary. | | |
| 7% Secured Redeemable Non-Convertible Debentures | 2685.42 | 2685.42 |
| Redeemable at par, in three equal instalments, at the end of the 4th, 5th and 6th years from the date of allotment i.e. 29.12.2006. Secured by a charge on certain immovable assets of a subsidiary. | | |
| From Banks | | |
| Term Loan from ICICI Bank Limited | - | 1607.14 |
| Secured by way of charge on certain immovable properties/other assets of the holding company. Creation of the above charge is pending. | | |
| Term Loan from Standard Chartered Bank | 1484.28 | - |
| Secured by way of mortgage of certain immovable & movable properties of an overseas subsidiary | | |
| Working Capital Facilities | 16387.42 | 27093.25 |
| Secured by way of hypothecation of inventories, crop, book debts and movable assets, other than plant and machinery and furniture, of the holding company. For an Indian subsidiary, working capital facility is secured by hypothecation of coffee crop, stocks and receivables, whilst a part of the cash credit funding is also secured by deposit of title deeds of a coffee estate. For an overseas subsidiary working capital facilities are secured by specific security over the assets of certain overseas subsidiary. | | |
| Senior Debt* | 153400.70 | 168633.34 |
| | 209007.82 | 237544.15 |

* Debts are secured over assets of certain overseas subsidiaries.

Tata Tea Limited
Schedules forming part of the Consolidated Balance Sheet

| | Rs. in Lakhs | |
|------------------------------|---------------------|-----------------|
| | 2009 | 2008 |
| Schedule 4 | | |
| UNSECURED LOANS | | |
| Short Term Loans | | |
| From Banks | 18000.00 | 17000.00 |
| From Others | | |
| Commercial paper | 15000.00 | - |
| Other than Short Term | | |
| From Banks | | |
| Term loan from Banks | 964.29 | 4500.00 |
| Foreign Currency Loans | - | 1404.55 |
| From Others | 134.98 | 481.94 |
| | 34099.27 | 23386.49 |

| Schedule 5 FIXED ASSETS | | | | | | Rs. in Lakhs | | | | |
|--|-------------------|--|---------------------------|----------------------------|--------------------|-----------------|-----------|---|---|--|
| | Cost | | | | | Depreciation | | | | |
| | As at 1.4.2008 | Assets transferred as per Scheme of Arrangement | Additions/ Adjustments | Deductions/ Adjustments | As at 31.3.2009 | For the Year | To date | Net Book Value as at 31.3.2009 | Net Book Value as at 31.3.2008 | |
| TANGIBLE | | | | | | | | | | |
| Land (including Development) | 5309.57 | - | 2.45 | 10.31 | 5301.71 * | - | 0.16 | 5301.55 | 5309.41 | |
| Tea/Coffee Estate Land/Fuel | | | | | | | | | | |
| Area (including Development) | 755.60 | - | - | - | 755.60 | - | - | 755.60 | 755.60 | |
| Buildings | 14766.30 | - | 707.72 | - | 15474.02 | 515.10 | 4458.74 | 11015.28 | 10840.98 | |
| Bridges | 16.43 | - | - | - | 16.43 | - | 2.41 | 14.02 | 14.02 | |
| Plant & Machinery | 81529.72 | - | 3651.84 | 1575.64 | 83605.92 ** | 6940.43 | 53869.30 | 29736.62 | 32083.82 | |
| Furniture,Fixtures & Office | | | | | | | | | | |
| Equipment | 9356.17 | - | 1621.61 | 474.42 | 10503.36 | 1080.47 | 7003.64 | 3499.72 | 3094.95 | |
| Motor Vehicles | 1698.96 | - | 261.36 | 178.64 | 1781.68 | 190.85 | 1055.79 | 725.89 | 710.49 | |
| INTANGIBLE | | | | | | | | | | |
| Goodwill on Consolidation | 294569.52 | - | 9705.28 ^ | - | 304274.80 | 520.47 \$ | 1541.58 | 302733.22 | 293807.24 | |
| Intangibles | 19866.40 | - | 4237.18 | - | 24103.58 | 730.26 | 2163.80 @ | 21939.78 | 18796.53 | |
| Capitalised Software | 707.82 | - | 65.19 | - | 773.01 | 146.20 | 523.70 + | 249.31 | 330.32 | |
| Non Compete Fee | 300.00 | - | - | - | 300.00 | 30.00 | 55.00 & | 245.00 | 275.00 | |
| Total | 428876.49 | - | 20252.63 | 2239.01 | 446890.11 | 10153.78 | 70674.12 | 376215.99 | 366018.36 | |
| Previous Year | 714249.87 | 26398.89 | 23216.36 | 282190.85 | 428876.49 | 9415.18 | 62858.13 | 366018.36 | | |
| Capital Work-in-Progress (includes capital advances) | | | | | | | | 6318.46 Ω | | |
| Previous Year | | | | | | | | 5003.39 | | |

Notes:

- (*) Includes leasehold land of **Rs. 202.40 Lakhs** (Rs. 202.40 Lakhs) belonging to two Indian subsidiaries.
- Cost of Buildings include **Rs. 589.84 Lakhs** (Rs. 589.84 Lakhs) represented by shares in Co-operative Housing Societies/a Company.
- Includes borrowing costs capitalised.
- ** Plant and Machinery **Rs. Nil** (Rs 41.51 Lakhs).
- (Ω) Capital Work in Progress **Rs. 106.10 Lakhs** (Rs 17.09 Lakhs).
- (^A) Includes Goodwill on consolidation on account of increase of holding by the Group in Mount Everest Mineral Water Ltd. Consolidated Coffee Inc. and Tata Tea GB Ltd. amounting to **Rs. 9247.62 Lakhs**.
- (+) The accumulated amortization as at the beginning of the year was **Rs. 377.50 Lakhs** (Rs. 235.94 Lakhs), unexpired period of amortization is 16 months for Rs. 188.76 Lakhs, 60 months for Rs. 42.00 Lakhs and 48 months for Rs. 18.55 Lakhs.
- (S) Represents impairment of goodwill on account of amortisation of certain intangible assets included as goodwill under India GAAP by an overseas subsidiary.
- (@) The accumulated amortization as at the beginning of the year was **Rs. 1069.87 Lakhs** (Rs. 462.77 Lakhs). Unexpired period of amortization for certain intangibles is 268 months.
- (&) The accumulated amortization as at the beginning of the year was **Rs. 25.00 Lakhs** (Rs. Nil). Unexpired period of amortization is 98 months.
- Depreciation to date includes adjustment towards foreign exchange on restatement at the year end.
- Exchange differences arising due to restatement of fixed assets in overseas subsidiaries, as at year end, have been transferred to Exchange Fluctuation Reserves.
- Buildings include leasehold improvements of **Rs. 13.99 Lakhs** of an Indian subsidiary.
- Deductions/Adjustments to Plant & Machinery includes capital subsidy of **Rs. 22.24 Lakhs** (Rs. Nil) received from the Himachal Pradesh Government for setting the plant in specified area, by an Indian subsidiary.

Schedules forming part of the Consolidated Balance Sheet

Rs. in Lakhs

Schedule 6

| | Face Value of each | Nos. | 2009 | 2008 |
|--|-----------------------|------|----------------|---------|
| INVESTMENTS | | | | |
| Long Term (Fully Paid) | | | | |
| Trade | | | | |
| Quoted Equity Shares | | | | |
| Associate | | | | |
| Rallis India Ltd. | Rs. | 10 | 2938713 | 199.65 |
| Others | | | | |
| Tata Chemicals Ltd. (Note 4) | Rs. | 10 | 15545522 | 7346.59 |
| The Indian Hotels Co. Ltd. (Note 1) | Re. | 1 | 1687742 | 75.09 |
| | | | (1406452) | |
| Tata Motors Ltd. (Note 2) | Rs. | 10 | 23333 | 35.51 |
| | | | (20000) | |
| Tata Investment Corporation Ltd. | Rs. | 10 | 100000 | 26.19 |
| Tata Steel Ltd. | Rs. | 10 | 10686 | 9.01 |
| Titan Industries Ltd. | Rs. | 10 | 462403 | 295.24 |
| Tata Consultancy Services Ltd. | Re. | 1 | 395600 | 2.45 |
| Quoted 'A' Ordinary Shares | | | | |
| Tata Motors Ltd. (Note 2) | Rs. | 10 | 3333 | 10.17 |
| Quoted Zero Coupon Convertible Bonds | | | | |
| Tata Investment Corporation Ltd. (Note 3) | Rs. | 650 | 20000 | 130.00 |
| Quoted 6% Non Convertible Debentures with Detachable Warrants | | | | |
| The Indian Hotels Co. Ltd. (Note 1) | Rs. | 100 | 140645 | 140.65 |
| Quoted 6.75% Secured Redeemable Non Convertible Debentures | | | | |
| Titan Industries Ltd. | Rs. | 250 | 28677 | 71.69 |
| Quoted 2% Cum. Compulsory Convertible Preference Shares* | | | | |
| Tata Steel Ltd. | Rs. | 100 | 8014 | 8.01 |
| | | | 8558.48 | 8069.43 |
| *convertible into Equity Shares on September 1, 2009 in the ratio of 1:6 | | | | |
| Long Term (Fully Paid) | | | | |
| Trade | | | | |
| Unquoted | | | | |
| Associate | | | | |
| 7.5% Cumulative Redeemable Preference Shares | | | | |
| Rallis India Ltd. | Rs. | 10 | 12000000 | 1200.00 |
| 0.01% Non Cum Redeemable Preference Shares | | | | |
| Amalgamated Plantations Pvt. Ltd. (redeemable with special redemption premium) | Rs. | 10 | 67000000 | 6700.00 |
| Equity/Ordinary Shares | | | | |
| Amalgamated Plantations Pvt. Ltd. | Rs. | 10 | 4998 | 0.50 |
| Estate Management Services (Pvt.) Ltd.* | LKR | 10 | 15346800 | 1106.21 |

Tata Tea Limited
Schedules forming part of the Consolidated Balance Sheet
Rs. in Lakhs
Schedule 6

| | Face Value of each | Nos. | 2009 | 2008 |
|---|-----------------------|----------------------|-----------------|----------|
| INVESTMENTS (Continued) | | | | |
| Long-term (Fully Paid) | | | | |
| Others | | | | |
| 7% Cumulative Redeemable Preference Shares | | | | |
| Tata Autocomp Systems Ltd. | Rs. 10 | — (5000000) | — | 500.00 |
| Others - Equity/Ordinary Shares | | | | |
| Tata Sons Ltd. | Rs. 1000 | 1755 | 975.00 | 975.00 |
| Tata Services Ltd. | Rs. 1000 | 475 | 4.77 | 4.77 |
| Tata Industries Ltd. | Rs. 100 | 4346294 | 5606.17 | 5606.17 |
| NYK Line (India) Ltd. | Rs. 10 | — (300000) | — | 30.00 |
| Taj Air Ltd. | Rs. 10 | 4200000 | 420.00 | 420.00 |
| Kanan Devan Hill Plantations Company (Pvt.) Ltd. | Rs. 10 | 2500000 | 250.00 | 250.00 |
| Chembra Peak Estates Ltd. | Rs. 10 | 3481 | 0.41 | 0.41 |
| Wartyhully Estates Ltd. | Rs. 10 | 24748 | 0.93 | 0.93 |
| Joonktolle Tea & Industries Ltd. | Rs. 10 | 11524 | 6.42 | 6.42 |
| The Cochin Malabar Estates & Industries Ltd. | Rs. 10 | 2156 | 0.20 | 0.20 |
| | | | 16270.61 | 10100.61 |
| (*) Sale of these investments requires first offer of sale to the Venture partners. | | | | |
| Other than Trade | | | | |
| Quoted - Equity Shares | | | | |
| SBI Home Finance Ltd. | Rs. 10 | 100000 | — | — |
| Industrial Development Bank of India | Rs. 10 | 16160 | 13.13 | 13.13 |
| Others | | | | |
| 6.75% Unit Trust of India Bonds | Rs. 100 | — (720016) | — | 720.02 |
| Colombia Treasury Reserve Money Market Fund | USD 1 | 2778060 (9822321) | 1174.33 | 3822.89 |
| | | | 1187.46 | 4556.04 |
| Unquoted | | | | |
| In Government Securities | | | | |
| W.B. Estates Acquisition Compensation Bond | | | 0.08 | 0.08 |
| | | | 0.08 | 0.08 |
| Long Term (Fully Paid) | | | | |
| Others - Unquoted | | | | |
| The Annamallais Ropeways Company Limited Ordinary Shares | Rs. 100 | 2092 | — | — |
| ABC Tea Workers Welfare Services Ordinary Shares | Rs. 10 | 20000 | 2.00 | 2.00 |
| Assam Hospitals Ltd. Equity Shares | Rs. 10 | 200000 | 20.00 | 20.00 |
| The Valparai Co-operative Wholesale Stores Ltd Ordinary Shares | Rs. 10 | 350 | — | — |
| The Bengal Chamber of Commerce & Industry 6 1/2% Debentures | Rs. 1000 | 7 | 0.07 | 0.07 |

Schedules forming part of the Consolidated Balance Sheet

| Schedule 6 | Rs. in Lakhs | | | |
|---|-----------------------|--------------|---------------|----------------|
| | Face Value of each | Nos. | 2009 | 2008 |
| INVESTMENTS (Continued) | | | | |
| Woodlands Hospital & Medical Res. Centre Ltd. 5% Debenture Stock | Rs. 95000 | 1 | 0.44 | 0.44 |
| Woodlands Hospital & Medical Res. Centre Ltd. 1/2% Debentures - (Cost Rs. 3) | Rs. 100 | 278 | – | – |
| Suryakiran Apartment Services Private Ltd. Equity Shares | Rs. 10 | 2146 | 0.21 | 0.21 |
| Shillong Club Ltd. - 5% Debentures (Cost Rs. 2) | Rs. 100 | 31 | – | – |
| Jalpaiguri Club Ltd. - Ordinary Shares (Cost Re. 1) | Rs. 10 | 60 | – | – |
| Thakurbari Club Ltd. - Preference Shares (Cost Re. 1) | Rs. 100 | 26 | – | – |
| GNRC Ltd Equity Shares | Rs. 10 | 50000 | 5.00 | 5.00 |
| IFCI Venture Capital Funds Ltd. Equity Shares | Rs. 10 | 250000 | 25.00 | 25.00 |
| Ritspin Synthetics Ltd. Equity Shares | Rs. 10 | 200000 | – | – |
| Coorg Orange Growers Co-operative Society Ltd. Equity Shares | Rs. 100 | 4 | – | – |
| Tata Coffee Co-operative Stores Limited Equity Shares | Rs. 5 | 20 | – | – |
| Coorg Cardamom Co-operative Marketing Society Limited Equity Shares | Rs. 100 | 1 | – | – |
| TEASERVE - Equity Shares (The Tamil Nadu Tea Manufacturers' Service Industrial Co-operative Society Ltd.) | Rs. 5000 | 1 | 0.05 | 0.05 |
| National Bank for Agriculture and Rural Development 5.50% Capital Gain Bonds | Rs. 10000 | – (30000) | – | 3000.00 |
| National Housing Bank 5.50% Capital Gain Bonds 2002 | Rs. 10000 | – (11050) | – | 1105.00 |
| National Housing Bank 5.25% Capital Gain Bonds 2002 | Rs. 10000 | – (9300) | – | 930.00 |
| Rural Electrification Corporation Ltd. 5.50% Non Convertible Redeemable Taxable Bonds Series V | Rs. 10000 | – (9300) | – | 930.00 |
| Rural Electrification Corporation Ltd. 5.50% Capital Gain Bonds | Rs. 10000 | 500 | 50.00 | 50.00 |
| National Bank for Agricultural and Rural Development 5.20% Capital Gain Bonds | Rs. 10000 | – (18600) | – | 1860.00 |
| | | | 102.77 | 7927.77 |

Tata Tea Limited
Schedules forming part of the Consolidated Balance Sheet
Rs. in Lakhs
Schedule 6

| | Face Value of each | Nos. | 2009 | 2008 |
|--|-----------------------|------------|---------------|---------|
| INVESTMENTS (Continued) | | | | |
| Current - Unquoted (Fully Paid) | | | | |
| Other than Trade - In units of Mutual Funds/Money | | | | |
| Market Funds | | | | |
| Kotak Mutual Fund | Rs. | 10 | - | 200.00 |
| Units of Kotak Fixed Maturity Plan Series 2 - Institutional - Growth Scheme | | (2000000) | - | |
| Prudential ICICI Mutual Fund | Rs. | 10 | - | 200.00 |
| Units of Prudential ICICI Fixed Maturity Plan Series 34 - Growth Scheme | | (2000000) | - | |
| Principal Pnb Mutual Fund | Rs. | 10 | - | 1000.00 |
| Units of Principal PNB Fixed Maturity Plan Series 1 - Growth Scheme | | (10000000) | - | |
| HSBC Ultra Short Term Fund | Rs. | 10 | 2341920 | 103.95 |
| Weekly Dividend | | (1037832) | 234.90 | |
| Birla Mutual Fund | Rs. | 10 | - | 1003.63 |
| Units of Birla Fixed Term Plan- Monthly Plan Series 2 -Dividend Scheme | | (10036270) | - | |
| Birla Mutual Fund | Rs. | 10 | - | 1868.81 |
| Units of Birla Liquid Fund - Cash Plus - Institutional Premium Plan - Dividend Scheme | | (18651715) | - | |
| Kotak Mutual Fund | Rs. | 10 | 2000000 | 200.00 |
| Units of Kotak Fixed Maturity Plan - Series 4* Institutional Growth Scheme | | | 200.00 | |
| Tata Mutual Fund | Rs. | 10 | - | 1004.91 |
| Units of Tata Fixed Income Portfolio Fund - Scheme A2 - Dividend Scheme | | (10038763) | - | |
| SBI Mutual Fund | Rs. | 10 | - | 1002.01 |
| Units of SBI Fixed Maturity Plan -SDFS - 30 Days Dividend Scheme | | (10020081) | - | |
| SBI Mutual Fund | Rs. | 10 | - | 2077.52 |
| Units of SBI Liquid Fund - Premier Plan - Super Institutional Plan - Dividend Scheme | | (20707857) | - | |
| Deutsche Mutual Fund | Rs. | 10 | - | 1535.90 |
| Units of DWS Liquid Fund - Insta Cash Plus - Super Institutional Plan - Dividend Scheme | | (15328328) | - | |
| DSPML Mutual Fund | Rs. | 1000 | - | 2453.77 |
| Units of DSPML Liquid Fund Cash Plus Fund - Institutional Plan - Dividend Scheme | | (245353) | - | |
| Tata Mutual Fund | Rs. | 10 | - | 1503.14 |
| Floating Rate - Long Term Fund | | (14863754) | - | |

Schedules forming part of the Consolidated Balance Sheet

Rs. in Lakhs

Schedule 6

| | Face Value of each | Nos. | 2009 | 2008 |
|---|-----------------------|------|-----------------|-----------|
| INVESTMENTS (Continued) | | | | |
| Current Unquoted (Fully Paid) | | | | |
| Standard Chartered Mutual Fund | Rs. | 10 | – | 1700.00 |
| Fixed Maturity Plan | | | (17000000) | |
| Birla Mutual Fund | Rs. | 10 | – | 503.86 |
| Birla Sunlife Liquid Plus-Instl- Daily Dividend Reinvestment | | | (5028870) | |
| Birla Mutual Fund | Rs. | 10 | – | 1015.62 |
| Birla Sunlife Qtly Interval Series 5 Dividend Reinvestment | | | (10156161) | |
| Prudential ICICI Mutual Fund | Rs. | 10 | – | 1500.00 |
| Interval Plan 1 Retail Dividend Pay Dividend | | | (15000000) | |
| Principal Pnb Mutual Fund | Rs. | 10 | – | 1500.00 |
| | | | (15000000) | |
| Tata Mutual Fund | Rs. | 10 | – | 1007.48 |
| Fixed Horizon Fund Series 11 Scheme E-ID-Periodic | | | (10074778) | |
| Tata Mutual Fund | Rs. | 10 | – | 508.25 |
| Fixed income Portfolio Fund Scheme B2 Institutional | | | (5082430) | |
| Tata Mutual Fund | Rs. | 10 | 5757203 | 24.52 |
| Floater Fund Daily Dividend | | | (244323) | |
| Tata Mutual Fund | Rs. | 10 | – | 1002.10 |
| Tata Floating Rate Fund Long Term Income / Bonus | | | (9909170) | |
| Royal Bank of Scotland | USD | 1 | – | 50277.82 |
| Money Market Funds | | | (125318587) | |
| Royal Bank of Scotland | GBP | 1 | – | 29510.41 |
| Money Market Funds | | | (37096685) | |
| | | | 1012.67 | 102703.70 |
| Total | | | 27132.07 | 133357.63 |
| Net appreciation in investments in associates under equity method (Note 5) | | | 7998.34 | 5743.03 |
| | | | 35130.41 | 139100.66 |
| Total of Investments | | | | |
| Quoted | | | 9745.94 | 12625.47 |
| Unquoted | | | 16373.46 | 18028.46 |
| Unquoted current investments - in units of mutual funds | | | 1012.67 | 102703.70 |
| Aggregate Amount | | | 27132.07 | 133357.63 |
| Market value of quoted investments | | | 41698.55 | 67022.08 |
| Net asset value of current investments | | | 1032.00 | 102911.07 |
| Aggregate Amount | | | 42730.55 | 169933.15 |

Tata Tea Limited**Schedules forming part of the Consolidated Balance Sheet****Schedule 6****INVESTMENTS** *(Continued)*

Notes

1. During the year, the Holding Company subscribed for 281290 Equity shares of Re. 1 each and 140645 6% Non-Convertible Debentures of Rs. 100 each with Detachable Warrants, on right basis of The Indian Hotels Company Limited. The Warrant carry the right to subscribe to one equity share @ Rs. 150/- between September 1, 2009 to September 30, 2009.
2. During the year, the Holding Company subscribed for 3333 Equity shares and 3333 'A' Ordinary Shares of Rs.10 each, on right basis of Tata Motors Limited.
3. During the year, the Holding Company subscribed for 20000 Zero Coupon Convertible Bond (ZCCB) of Rs.650 each with Detachable Warrants, on right basis of Tata Investment Corporation Limited. Each ZCCB has three parts : Part 'A' of Rs. 300 would be automatically and compulsorily converted into 1 equity share of Rs 10 at a premium of Rs. 290 per share on August 01, 2009, Part 'B' of Rs. 350 would be automatically and compulsorily converted into 1 equity share of Rs 10 at a premium of Rs 340 per share within 18 months from the date of allotment and Part 'C' consists of detachable Warrants which will entitle the holder, at his option, to purchase one Ordinary share at a price of Rs. 400 per share during the month of April, 2011.
4. 15385522 shares of Tata Chemicals Limited are pledged against outstanding 9.40% Non-Convertible Debentures.
5. Includes the following adjustments on account of Associate Companies.

| | Rs. in Lakhs | |
|--|---------------------|-------------|
| | 2009 | 2008 |
| Pre-acquisition share of profit / (loss) | 878.55 | 878.55 |
| Post acquisition profit | 6648.90 | 3002.95 |
| Current year profit | 2493.22 | 3257.60 |
| Dividend received | (2022.33) | (1396.07) |
| | 7998.34 | 5743.03 |

Schedules forming part of the Consolidated Balance Sheet

| | 2009 | 2008 |
|--|------------------|------------------|
| Schedule 7 | | |
| INVENTORIES | | |
| Stores, Spare Parts & Packing Materials | 5997.81 | 5051.18 |
| Raw Materials | 37581.36 | 25755.70 |
| Finished Goods | 30673.02 | 23289.80 |
| Work-in-progress | 191.71 | 406.03 |
| | <u>74443.90</u> | <u>54502.71</u> |
| Schedule 8 | | |
| SUNDRY DEBTORS | | |
| (Unsecured unless otherwise stated) | | |
| Debts outstanding for a period exceeding six months (includes secured debts of Rs. 2.72 Lakhs (Rs. Nil)) | 1400.61 | 1617.94 |
| Other Debts (includes secured debts of Rs. 591.22 Lakhs (Rs. 1628.39 Lakhs)) | 44793.02 | 44303.81 |
| | 46193.63 | 45921.75 |
| Less : Provision for Doubtful Debts [^] | 1195.37 | 1107.83 |
| | 44998.26 | 44813.92 |
| | <u>44998.26</u> | <u>44813.92</u> |
| Note : | | |
| Debts considered good | 44998.26 | 44813.92 |
| Debts considered doubtful | 1195.37 | 1107.83 |
| | <u>46193.63</u> | <u>45921.75</u> |
| [^] Includes Rs. Nil (Rs. 190.58 Lakhs) on consolidation of an Indian subsidiary. | | |
| Schedule 9 | | |
| CASH & BANK BALANCES | | |
| Cash, Cheques in hand and Remittance in transit | 751.62 | 69.45 |
| With Banks on: | | |
| Current Accounts | 10782.57 | 10161.25 |
| Deposit Accounts | 97380.89 | 122088.90 |
| | 108163.46 | 132250.15 |
| | <u>108915.08</u> | <u>132319.60</u> |

Tata Tea Limited
Schedules forming part of the Consolidated Balance Sheet

| | Rs. in Lakhs | |
|---|---------------------|-------------|
| | 2009 | 2008 |
| Schedule 10 | | |
| OTHER CURRENT ASSETS | | |
| Interest accrued * | 2959.98 | 5490.78 |
| Receivable from Amalgamated Plantations Pvt. Ltd. | 21274.22 | 28481.94 |
| | 24234.20 | 33972.72 |
| * Interest pertaining to Consideration receivable from Amalgamated Plantations Pvt. Ltd. on transfer of North India Plantation Division - Rs. Nil (Rs. 862.33 Lakhs) | | |
| Schedule 11 | | |
| LOANS & ADVANCES | | |
| (Unsecured and considered good unless otherwise stated) | | |
| Loans/Intercompany Loans | 181854.35 | 7020.00 |
| (including secured loans amounting to Rs. 31893.69 Lakhs (Rs. 3500 Lakhs)) | | |
| Advances recoverable in cash or in kind or for value to be received | | |
| Considered good | 14165.01 | 11541.12 |
| Considered doubtful | 166.83 | 150.25 |
| | 14331.84 | 11691.37 |
| Less : Provision for doubtful advances | 166.83 | 150.25 |
| | 14165.01 | 11541.12 |
| Deposits | | |
| Considered good | 4096.80 | 8337.83 |
| Considered doubtful | 65.14 | 64.97 |
| | 4161.94 | 8402.80 |
| Less : Provision for doubtful deposits | 65.14 | 64.97 |
| | 4096.80 | 8337.83 |
| MAT Credit Entitlement | 271.46 | 276.00 |
| Balance in Escrow Account | 5475.44 | 39986.02 |
| Balances with Excise Authorities, Port Trust etc. | 199.44 | 93.44 |
| | 206062.50 | 67254.41 |

Note:

Deposits include:

Rs. 2276.96 Lakhs (Rs. 7019.81 Lakhs) deposited with NABARD in the Tea/Coffee Development Account under Section 33AB of the Income Tax Act, 1961.

Schedules forming part of the Consolidated Balance Sheet

| | 2009 | 2008 |
|------------------------------|------------------|------------------|
| Schedule 12 | | |
| LIABILITIES | | |
| Sundry Creditors | 89958.05 | 76949.10 |
| Interest accrued but not due | 3321.21 | 2076.47 |
| Pension Liabilities* | 8593.32 | 6507.19 |
| Other Liabilities | 27439.68 | 18621.29 |
| | <u>129312.26</u> | <u>104154.05</u> |

Notes:

* Represents estimated pension liability for an overseas subsidiary payable over seven years.

Schedule 13

PROVISIONS

| | | |
|--------------------------------|-----------------|-----------------|
| Taxation less advance payments | 19680.72 | 6326.47 |
| Proposed Dividend | 10821.97 | 21643.95 |
| Tax on Dividend* | 1839.19 | 3678.39 |
| | <u>32341.88</u> | <u>31648.81</u> |

* Provision for tax on dividend is net of **Rs. 127.72 Lakhs** (Rs. Nil) relating to previous year.

Schedule 14

DEFERRED TAXATION

| | | |
|------------------------|----------------|----------------|
| Deferred Tax Liability | 13785.28 | 18641.52 |
| Deferred Tax Asset | (8947.94) | (14963.41) |
| | <u>4837.34</u> | <u>3678.11</u> |

Tata Tea Limited
Schedules forming part of the Consolidated Profit and Loss Account

| | | Rs. in Lakhs |
|--|------------------|--------------|
| | 2009 | 2008 |
| Schedule 15 | | |
| SALES & SERVICES | | |
| Tea | 376760.47 | 340701.10 |
| Coffee | 101251.07 | 83940.86 |
| Pepper | 1050.34 | 1208.62 |
| Cardamom | 87.13 | 56.79 |
| Spices & Others | 150.29 | 192.98 |
| Timber (Net) | 130.94 | 159.47 |
| Veneer/Plywood | 813.57 | 748.11 |
| Trading Sales | 2232.74 | 2336.20 |
| Mineral Water | 2199.43 | 1552.34 |
| Services Rendered | 218.49 | 207.61 |
| | 484894.47 | 431104.08 |
| Less: Excise Duty | (106.99) | (139.45) |
| | 484787.48 | 430964.63 |
| Schedule 16 | | |
| OTHER OPERATING INCOME | | |
| Miscellaneous Receipts * | 1423.85 | 1903.40 |
| Liabilities no longer required written back | 1120.79 | 394.28 |
| Provision for debts and advances write back net of write off** | - | 107.49 |
| Profit on sale/discard of Fixed Assets (net) | - | 185.76 |
| Rent received | 78.25 | 70.91 |
| | 2622.89 | 2661.84 |
| * Includes Exchange gain Rs. Nil (Rs. 802.39 Lakhs). | | |
| ** Net of debts and advances written off Rs. Nil (Rs. 79.79 Lakhs). | | |
| Schedule 17 | | |
| INVESTMENT INCOME | | |
| Income from long term investments | | |
| Interest | 317.43 | 508.15 |
| Dividend | 1877.79 | 1555.52 |
| Dividend from current investments | 941.34 | 1244.21 |
| Profit on sale of current investments (net) | 183.34 | 651.29 |
| Profit on sale of long term investments | - | 10.95 |
| | 3319.90 | 3970.12 |
| Schedule 18 | | |
| PURCHASES | | |
| Tea | 17839.45 | 15224.72 |
| Trading Goods | 1797.18 | 2042.09 |
| | 19636.63 | 17266.81 |

Schedules forming part of the Consolidated Profit and Loss Account

| | 2009 | 2008 |
|---|-------------------------|------------------|
| Rs. in Lakhs | | |
| Schedule 19 | | |
| RAW MATERIALS CONSUMED | | |
| Opening Stock | 25755.70 | 20521.38 |
| Add : Stock of an Indian Subsidiary as on the date of acquisition | – | 24.42 |
| Add : Purchases | <u>174636.01</u> | <u>126467.01</u> |
| | 200391.71 | 147012.81 |
| Less : Closing Stock | <u>37581.36</u> | <u>25755.70</u> |
| | <u>162810.35</u> | <u>121257.11</u> |
| Schedule 20 | | |
| EXPENSES | | |
| Salaries, Wages and Bonus * | 48563.43 | 44569.21 |
| Contribution to Provident Fund and other Funds | 4513.34 | 2705.29 |
| Workmen and Staff Welfare Expenses | 1946.24 | 1269.01 |
| Cultivation, Plucking and Manufacturing Expenses | 5741.17 | 4357.76 |
| Consumption of Packing Materials | 35425.05 | 33276.79 |
| Consumption of Stores and Spare Parts | 1940.11 | 1782.13 |
| Power and Fuel | 5881.16 | 4848.22 |
| Repairs to Plant and Machinery | 2212.30 | 1662.04 |
| Repairs to Buildings | 958.22 | 881.19 |
| General Repairs | 1072.19 | 1226.38 |
| Rent | 4109.65 | 3318.01 |
| Rates & Taxes | 1049.12 | 1025.85 |
| Advertisement and Sale Charges | 88023.97 | 82521.18 |
| Commission on Sales | 7978.19 | 6596.96 |
| Brokerage and Discount | 130.98 | 50.03 |
| Freight | 14180.96 | 13290.26 |
| Insurance | 1864.64 | 1797.71 |
| Miscellaneous Expenses** | 20874.23 | 15772.45 |
| Provision for Doubtful Debts and Advances | 105.26 | 73.37 |
| Diminution in value of Long Term Investments | 333.54 | 152.10 |
| Loss on sale of fixed assets | 134.24 | – |
| Debts and Advances written off *** | 44.00 | – |
| | <u>247081.99</u> | <u>221175.94</u> |

* Excludes **Rs. 392.65 Lakhs** (Rs. 358.80 Lakhs) debited to other expenditure heads and includes net credit of **Rs. 201.88 Lakhs** (Rs. Nil) relating to earlier years of the holding company.

** Includes Exchange Loss **Rs. 3433.19 Lakhs** (Rs. Nil)

*** Net of provision for debts and advances written back **Rs. 0.97 Lakhs** (Rs. Nil).

Tata Tea Limited
Schedules forming part of the Consolidated Profit and Loss Account

| | Rs. in Lakhs | |
|--|------------------|-----------------|
| | 2009 | 2008 |
| Schedule 21 | | |
| (ACCRETION)/DECRETION TO STOCK/WORK-IN-PROGRESS | | |
| Stock as at 1st April | | |
| Tea | 16150.56 | 18457.16 |
| Coffee | 6420.58 | 7133.16 |
| Pepper | 202.60 | 231.89 |
| Cardamom | 0.32 | 32.74 |
| Spices & Others | 64.72 | 54.45 |
| Veneer/Plywood | 39.14 | 12.18 |
| Trading Stock | 316.42 | 269.50 |
| Mineral Water | 95.46 | – |
| Work-in-Progress | 406.03 | 454.31 |
| | 23695.83 | 26645.39 |
| Add : Stock of an Indian | | |
| Subsidiary as on the date of acquisition | – | 111.83 |
| | 23695.83 | 26757.22 |
| Stock as at 31st March | | |
| Tea | 17366.33 | 16150.56 |
| Coffee | 12291.47 | 6420.58 |
| Pepper | 573.30 | 202.60 |
| Cardamom | 24.97 | 0.32 |
| Spices & Others | 24.83 | 64.72 |
| Veneer/Plywood | 37.86 | 39.14 |
| Trading Stock | 229.38 | 316.42 |
| Mineral Water | 124.88 | 95.46 |
| Work-in-Progress | 191.71 | 406.03 |
| | 30864.73 | 23695.83 |
| | (7168.90) | 3061.39 |
| Schedule 22 | | |
| PROVISION FOR TAXATION | | |
| Income Tax * | 43113.82 | 14224.48 |
| Fringe Benefit Tax | 301.05 | 290.60 |
| Deferred Tax | (996.62) | 816.47 |
| Wealth Tax # | 23.00 | 8.21 |
| | 42441.25 | 15339.76 |

* net of reversal of provisions relating to earlier year of the holding company **Rs. Nil** (Rs. 414.30 Lakhs)

net of reversal of provisions relating to earlier year of the holding company **Rs. Nil** (Rs. 14.79 Lakhs)

Schedules forming part of the Consolidated Profit and Loss Account

| | 2009 | 2008 | Rs. in Lakhs |
|--|------------------|-----------|--------------|
| Schedule 23 | | | |
| EXCEPTIONAL INCOME/(EXPENDITURE) | | | |
| Income | | | |
| Profit on sale of Investments in Energy Brands Inc. | – | 160751.71 | |
| Profit on sale of assets of South India operations of holding company | – | 329.17 | |
| Profit on transfer of North India Plantation Division of holding company | – | 8086.32 | |
| Profit on sale of long term Investments | 513.72 | – | |
| | 513.72 | | 169167.20 |
| Expenditure | | | |
| Unamortised refinance costs written off relating to EBI | – | (5201.93) | |
| Re-organisation costs | (2376.12) | (3711.22) | |
| Expenses on new business initiatives | (594.93) | – | |
| Actuarial (Loss)/Gain on defined benefit schemes | (5487.20) | (2728.39) | |
| Amortisation of expenditure on employee separation scheme | (897.39) | (905.18) | (12546.72) |
| | (8841.92) | (905.18) | 156620.48 |

Tata Tea Limited
Consolidated Notes on Accounts
Schedule 24
1. Significant Accounting Policies
a) Basis of Consolidation

The consolidated financial statements comprises of the financial statements of Tata Tea Ltd. (the Holding Company), its Subsidiaries and Associates. The consolidated financial statements are prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements", Accounting Standard 23 on "Accounting for Associates in Consolidated Financial Statements" and Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures".

The consolidated financial statements are prepared on the following basis:

(i) Investment in Subsidiaries

- The financial statements of the Holding Company and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances, intra-group transactions and unrealized profits or losses thereon have been fully eliminated.
- The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Holding Company.
- The excess value of the consideration given over the net value of the identifiable assets acquired in the subsidiary companies is recognized as goodwill/capital reserve. Goodwill is disclosed under fixed assets and is not amortized.
- Joint ventures of subsidiaries have been accounted for by the subsidiaries in their consolidated financial statements using the proportionate consolidation method whereby a venturer's share of each of the assets, liabilities, income and expenses of the jointly controlled entity is accounted for on a *pro-rata* basis.

(ii) Investment in Associates

- Investments in associates have been accounted for using the equity method whereby the investment is initially recorded at cost and adjusted thereafter for post acquisition change in the Holding Company's share of net assets. The difference between the cost of acquisition and the Holding Company's share of equity of the associates on the respective dates of acquisition is recognized as goodwill/capital reserve. Goodwill is disclosed under fixed assets and is not amortized.

b) (i) The subsidiaries and associates considered in the consolidated financial statements are:

| Name of Subsidiaries | Country of Incorporation | Voting power held as at 31.03.2009 | Effective voting power held as at 31.03.2009 by the holding company |
|--|---------------------------------|---|--|
| Tata Tea GB Ltd. (48.73% through subsidiaries) | U K | 78.79% | 78.79% |
| Subsidiaries consolidated | | | |
| Tetley Group Holdings Ltd. | U K | 100.00% | 78.79% |
| The Tetley Group Ltd. | U K | 100.00% | 78.79% |
| Tetley GB Ltd. | U K | 100.00% | 78.79% |
| Tetley Overseas Holdings Ltd. | U K | 100.00% | 78.79% |

Consolidated Notes on Accounts

Schedule 24 (Continued)

| Name of Subsidiaries | Country of Incorporation | Voting power held as at 31.03.2009 | Effective voting power held as at 31.03.2009 by the holding company |
|---|--------------------------|------------------------------------|---|
| Tetley Overseas Ltd. | U K | 100.00% | 78.79% |
| Lyons Tetley Ltd. | U K | 100.00% | 78.79% |
| Tetley US Holdings Inc. | USA | 100.00% | 78.79% |
| Tetley USA Inc. | USA | 100.00% | 78.79% |
| Tetley Canada Inc. | Canada | 100.00% | 78.79% |
| Tetley Australia Pty Ltd. | Australia | 100.00% | 78.79% |
| Stansand Ltd. | U K | 100.00% | 78.79% |
| Stansand (Brokers) Ltd. | U K | 100.00% | 78.79% |
| Stansand (Africa) Ltd. | Kenya | 100.00% | 78.79% |
| Stansand (Central Africa) Ltd. | Malawi | 100.00% | 78.79% |
| Tetley Polska sp.zo.o | Poland | 100.00% | 78.79% |
| Drassington Ltd. | U K | 95.00% | 74.85% |
| Good Earth Corporation | USA | 100.00% | 78.79% |
| Good Earth Teas Inc. (formerly known as F Mali Herb Inc.) | USA | 100.00% | 78.79% |
| Teapigs Ltd. | U K | 100.00% | 78.79% |
| Jemca a.s. | Czech Republic | 100.00% | 78.79% |
| Tata Tea (GB) Investments Ltd. | U K | 100.00% | 78.79% |
| Campestres Holdings Ltd. | Cyprus | 100.00% | 78.79% |
| Kahutara Holdings Ltd. | Cyprus | 100.00% | 78.79% |
| Joint ventures of Tata Tea (GB) Ltd. consolidated | | | |
| Tetley ACI (Bangladesh) Ltd. | Bangladesh | 50.00% | 39.40% |
| Empirical Group LLC | USA | 56.00% | 44.12% |
| Southern Tea LLC | USA | 50.00% | 39.40% |
| Tetley Clover (Pvt.) Ltd. | Pakistan | 50.00% | 39.40% |
| Joekels Tea Packers (Proprietary) Ltd. | South Africa | 33.33% | 26.26% |
| Tata Tea (GB) Capital Ltd. | U K | 100.00% | 100.00% |
| Tata Coffee Ltd. | India | 57.48% | 57.48% |
| Subsidiaries consolidated | | | |
| Consolidated Coffee Inc. * | USA | 50.08% | 78.70% |
| Subsidiary company | | | |
| Eight O'Clock Coffee Company * | USA | 50.08% | 78.70% |
| Alliance Coffee Ltd. | India | 51.00% | 29.31% |

Tata Tea Limited
Consolidated Notes on Accounts
Schedule 24 (Continued)

| Name of Subsidiaries | Country of Incorporation | Voting power held as at 31.03.2009 | Effective voting power held as at 31.03.2009 by the holding company |
|---|---------------------------------|---|--|
| Joint venture of Tata Coffee Ltd. consolidated | | | |
| Tata Coffee (Uganda) Ltd. | Uganda | 50.00% | 28.74% |
| Tata Tea Inc | USA | 100.00% | 100.00% |
| Zhejiang Tata Tea Extraction Company Limited | China | 70.00% | 70.00% |
| Tata Tea Holdings Private Limited | India | 100.00% | 100.00% |
| Mount Everest Mineral Water Limited | India | 35.99% | 35.99% |
| Name of Associates | | | |
| Rallis India Ltd. | India | | 24.52% |
| Rallis Australasia Pty Ltd. (Subsidiary of Rallis India Ltd.) | Australia | | 24.52% |
| Estate Management Services Pvt. Ltd. | Sri Lanka | | 49.00% |
| Watawala Plantations Ltd. (Subsidiary of Estate Management Services Pvt. Ltd.) | Sri Lanka | | 28.79% |
| Amalgamated Plantations Private Ltd. | India | | 49.98% |

* The effective voting power is after considering 49.92% held by the holding company and its overseas subsidiary Tata Tea (GB) Capital Ltd.

- (ii) The holding company has purchased an additional 4.26% stake in Mount Everest Mineral Water Limited (MEMWL) from the market thereby increasing the stake of the holding company to 35.99%. As in previous year and in accordance with the Articles of Association of MEMWL and shareholders' agreement with its promoters the holding company controls the composition of the Board of Directors of MEMWL and based on a legal opinion received, MEMWL has been considered as a subsidiary and consolidated.
- (iii) Consequent to the conversion of the Loan Notes held by the holding Company in Tata Tea (GB) Ltd. into equity shares, the percentage holding in Tata Tea (GB) Ltd. has increased from 77.78% to 78.79%.
- (iv) Tata Tea (GB) Capital Ltd. a 100% subsidiary of the holding company has acquired 16.70% stake of Consolidated Coffee Inc. resulting in the entire shareholding held by the group, which translates into effective voting power of 78.70%.
- (v) Tata Tea (GB) Ltd. increased investments in Drassington Ltd. thereby taking up its shareholding from 94% to 95%.
- (vi) Tata Tea (GB) Investments Ltd., a 100% subsidiary of Tata Tea (GB) Ltd. purchased 100% shares of Campestres Holdings Limited on February 3, 2009. Subsequently, Campestres Holdings Limited acquired 100% shareholding in Kahutara Holdings Limited on March 25, 2009.

Consolidated Notes on Accounts

Schedule 24 (Continued)

- (vii) Tata Tea (GB) Group entered into an agreement to acquire 51% stake in a Russia Venture through a joint venture with European Bank for Reconstruction and Development, subject to satisfaction of conditions precedent.
 - (viii) The holding company has entered into a put option agreement with International Finance Corporation (IFC) in relation to their investment in Amalgamated Plantations Private Limited (APPL). In terms of the said agreement, IFC has the right to exercise a put option whereby the holding company is obliged to purchase a maximum of 30 million shares in APPL if certain conditions or events stipulated in the said agreement do not occur.
 - (ix) The holding company has entered into a put option agreement with two erstwhile promoters of Mount Everest Mineral Water Limited (MEMW) in relation to their investments in MEMW. In terms of the said agreement, the two erstwhile promoters have the right to exercise a put option whereby the holding company is obliged to purchase a maximum of 3.11 million shares in MEMW if certain conditions or events stipulated in the said agreement do not occur.
- c) **Accounting Convention**
- The financial statements have been prepared in accordance with the historical cost convention.
- d) **Fixed Assets and Depreciation**
- Fixed Assets are carried at cost of acquisition less depreciation. Impairment loss, if any, ascertained as per the Accounting Standard-28 (Impairment of Assets) issued by the Institute of Chartered Accountants of India is recognized. The cost of extension planting of cultivable land including cost of development is capitalized.
- Assets acquired on hire purchase, for which ownership will vest at a future date, are capitalized at cash cost. Depreciation on fixed assets, including assets created on lands under lease is provided under straight-line method over the remaining useful life of the asset except for certain assets amounting to Rs. 10615.76 Lakhs (Gross Block) of an Indian subsidiary, in respect of which depreciation is provided under written down value method (accumulated depreciation Rs. 4136.92 Lakhs). In one of the subsidiary, the assets having value lower than Rs. 0.15 Lakh are provided at 100% depreciation once they are put to use. The premium paid for leasehold land is amortized over the lease period except for perpetual lease where renewal is assumed consistent with past practice. Leasehold buildings are depreciated over the remaining term of the lease. Expenditure on software and related implementation costs capitalized are amortized on a straight line basis over its estimated useful life and generally does not exceed 10 years.
- Non-compete fees paid by the holding company in connection with business acquisition is being amortized on a straight line basis over a period of ten years.
- Intangible assets are amortized over their estimated useful life on a straight line basis except in case of brands acquired by an overseas subsidiary which have not been amortized as the directors of that subsidiary have concluded that the brands have an indefinite useful life, on account of the strength of the brands acquired and their market positions and is annually tested for impairment.
- Subsidies receivable from government in respect of fixed assets are deducted from the cost of respective assets as and when they accrue.
- e) **Leases**
- Rentals in respect of operating leases are charged off to profit and loss account.

Tata Tea Limited**Consolidated Notes on Accounts****Schedule 24 (Continued)**

f) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized. The other costs are charged to the profit and loss account. Borrowing costs include amortization of issue/ancillary costs relating to borrowings and in the case of relevant overseas subsidiaries such costs relating to borrowings are being amortized at a constant rate on the carrying amount over the expected term of the borrowing.

g) Investments

Investments of a long-term nature are stated at cost, less adjustment for any diminution, other than temporary, in the value thereof. Current investments are stated at lower of cost or market value.

h) Inventories

Inventories are stated at cost or net realizable value whichever is lower except for an Indian subsidiary, where stores and spare parts and raw materials are valued at cost and certain minor products at realizable value and another Indian subsidiary where packing material, stores and spare parts and raw materials are valued at cost. In an overseas associate produced stock are valued at cost.

Cost is determined on weighted-average/FIFO method for all categories of inventories other than for auction bought teas in which case cost is considered as actual cost for each line. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and includes, where applicable, appropriate overheads based on the normal level of activity. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

i) Foreign Currency Transactions

Transactions in foreign currency are recorded at average weekly/fortnightly spot rates or the exchange rate applicable on the transaction date. Exchange difference resulting from settled transactions are adjusted in the Profit and Loss Account. In one of the Indian subsidiary Current Assets and Liabilities covered by Forward cover are stated at forward cover rates and resulting exchange differences adjusted in the Profit and Loss Account. Year end balances of monetary items are restated at the year end exchange rates and the resultant net gain or loss is adjusted in the profit and loss account.

The income and expenditure of overseas subsidiaries are translated at the average of month end exchange rates. Year-end balances of all assets and liabilities are restated at the year-end exchange rates. Exchange differences arising on retranslation at year-end exchange rates, of the net investment in foreign undertakings, are taken to reserves.

j) Sales and Services

(i) Sales are recognized on passing of property in goods i.e. delivery as per terms of sale or on completion of auction in case of auction sale.

(ii) In the case of an overseas subsidiary, sales are recognized when risk of loss and title have transferred to customer, which is typically upon receipt of the product by the customer. Provisions for sales returns and other allowances are recorded based on past experience.

(iii) Fees and income from services are accounted as per terms of relevant arrangements.

Consolidated Notes on Accounts

Schedule 24 (Continued)

- k) Other Income
Export incentives, interest income and income from investments etc. are accounted on accrual basis.
- l) Replanting/Rejuvenation
Cost of replanting/ rejuvenating tea/ coffee bushes/ fuel trees is charged to revenue.
Related Tea/Coffee Board subsidies are accrued as other income on obtaining approval from Tea/Coffee Board.
- m) Compensation of Land
Compensation, if any, in respect of land surrendered/vested in Governments under various State Land Legislations in India is accounted for as and when received.
- n) Employee Benefits
 - (i) Post retirement employee benefits:
Contribution to post retirement benefits like Provident Fund, Defined Contribution Superannuation Schemes and other defined contribution schemes are accounted for on accrual basis by the Group.
Liabilities for Defined Benefit plans like Gratuity, Superannuation schemes and Post retiral Medical Benefits are determined through independent year end actuarial valuation and charge recognized in the books.
The Group recognizes in the profit and loss account, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.
 - (ii) Other Employee Benefits:
Other employee benefits are accounted for on accrual basis. Liabilities for Compensated absences are determined based on independent year end actuarial valuation and charge recognized in the profit and loss account for the holding company and its Indian subsidiaries. Short-term Employee Benefits are recognized on an undiscounted basis whereas Long-term Employee Benefits are recognized on a discounted basis.
 - (iii) With regard to overseas subsidiaries and associates, liabilities for retirement benefits are determined as per the regulations and principles followed in the respective countries.
- o) Research and Development
Research and Development expenditure of revenue nature is charged to revenue and capital expenditure is treated as fixed assets.
- p) Deferred Taxation
Provision for deferred taxation is made using the liability method, on all timing differences to the extent that it is probable that a liability or asset will crystallize. As at the balance sheet date, unless there is evidence to the contrary of management's expectation of future profits for set off, deferred tax assets pertaining to business loss are only recognized to the extent that there are deferred tax liabilities offsetting them.
- q) Miscellaneous Expenditure to the extent not written off or adjusted
Payments to employees who have opted for the Employee Separation Scheme (ESS) along with additional liabilities towards retirement benefits arising pursuant to the ESS are amortized over a period of sixty months but not later than April 1, 2010.

Tata Tea Limited

Consolidated Notes on Accounts

Schedule 24 (Continued)

r) Financial Instruments

Premium or discount on forward contracts where there are underlying assets/liabilities are amortised over the life of the contract. Such foreign exchange forward contracts are revalued at the balance sheet date and the exchange differences between the spot rate at the date of the contract and the spot rate on the balance sheet date is recognized as gain/loss in the profit and loss account.

Foreign currency forward contracts and options are also used to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Group designates these hedging instruments as cash flow hedges.

Hedging instruments are initially measured at fair value and re-measured at subsequent reporting dates. Gain or loss of the fair value of hedging instrument in respect of effective portion of the cash flow hedges are recognized in the hedging reserve account. The portion of the gain or loss on the hedging instruments if determined to be an ineffective cash flow hedge is recognized in the profit and loss account. Fair value hedges are marked to market on the balance sheet date and gain or loss recognized in the profit and loss account.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March, 2009 aggregated **Rs. 3068.89 Lakhs** (Rs. 1177.54 Lakhs), including **Rs. Nil** for computer software (Rs. 11.80 Lakhs).

3. Contingent Liabilities not provided for in respect of :

- a) Bills discounted and remaining unpaid as at March 31, 2009 aggregated **Rs. 195.63 Lakhs** (Rs. 1217.73 Lakhs).
- b) Claims under adjudication not acknowledged as debts:

| | Rs. in Lakhs | |
|--------------------------------------|----------------|---------|
| | 2009 | 2008 |
| Taxes, Statutory Duties/ Levies etc. | 2074.39 | 1289.97 |
| Commercial and other Claims | 475.86 | 310.01 |

- c) Labour disputes under adjudication relating to some staff – amount not ascertainable for holding company and **Rs. 241.25 Lakhs** (Rs. 220.56 Lakhs) for an Indian subsidiary.
- d) In the case of an overseas subsidiary there are contingent liabilities in respect of forward exchange contracts, operating leases, outstanding letters of credit and financing arrangements of joint ventures. All of these arrangements have been undertaken in the normal course of trade. Because the value of many of these liabilities is dependent on future market price movements, the directors believe that it is not practically possible to provide an estimate of the Group's potential liability under such arrangements. Moreover, there are certain litigations, relating principally to the USA. The directors of the overseas subsidiary believe that adequate provision has been made in the accounts for any potential costs and expect no material effect on the net asset position of the Group.
- e) Guarantee given in connection with acquisition of an Indian subsidiary company – **Rs. 300.00 Lakhs** (Rs. 250.00 Lakhs).
- f) Bank and other guarantees – include Counter guarantee given by the holding company on behalf of an Indian Associate Company **Rs. 52.69 Lakhs** (Rs. 91.46 Lakhs).

Consolidated Notes on Accounts

Schedule 24 (Continued)

4. Directors remuneration (Holding Company)

| | Rs. in Lakhs | |
|--|---------------------|--------|
| | 2009 | 2008 |
| (i) Managing Director/Whole-time Director : | | |
| Salary | 76.30 | 67.20 |
| Commission current year | 90.00 | 200.00 |
| Short/(Excess) Provision of earlier year provided/written back | (25.00) | 35.00 |
| Expenditure on Gratuity and Superannuation schemes | 17.81 | 15.68 |
| Estimated value of other benefits | 123.44 | 80.87 |
| | 282.55 | 398.75 |
| (ii) Other Directors - Commission | 160.00 | 150.00 |
| - Sitting Fees | 15.35 | 9.65 |
| Short/(Excess) Provision of earlier year provided/written back | 10.00 | (2.00) |
| | 185.35 | 157.65 |
| | 467.90 | 556.40 |
| (iii) The above does not include share of recurring retirement benefits payable to a former Managing Director, bonus/commission of Rs. 28.82 Lakhs (Rs. 11.27 Lakhs) paid to certain Directors of the holding company by two subsidiaries and salary of Rs. 34.28 Lakhs (Rs. Nil) to the Managing Director of the holding company from an overseas subsidiary company. | | |

5. Research & Development Expenditure:

| | Rs. in Lakhs | |
|---------|---------------------|--------|
| | 2009 | 2008 |
| Capital | 57.78 | 99.17 |
| Revenue | 956.16 | 726.69 |
| Total | 1013.94 | 825.86 |

6. Disclosure in respect of operating leases:

| | | |
|--|-----------------|----------|
| Total minimum lease payments under Non-cancellable operating lease | 14790.98 | 14942.52 |
| Within One Year | 2719.71 | 1933.86 |
| Later than one year and not later than five years | 6865.76 | 7658.92 |
| Later than five years | 5205.51 | 5349.74 |
| Lease payments recognized in the statement of Profit/Loss | 2635.39 | 1731.06 |

An overseas subsidiary has taken on lease office/factory buildings and the leases expire between 2010 and 2023.

7. Exchange gain represents gain made by conversion/translation on short term deployment of cash of Rs. 81390.67 Lakhs, (including realized gain of Rs. 47111.00 Lakhs) by a UK Subsidiary.
8. Basic and Diluted Earnings per Share (EPS) has been computed with reference to net profits attributable to equity shareholders of **Rs. 70054.64 Lakhs** (Rs. 154254.71 Lakhs) and the weighted average equity shares outstanding (Nominal value – Rs. 10 per share) at the end of the year of 618.40 Lakhs shares (616.02 Lakhs shares).

Tata Tea Limited**Consolidated Notes on Accounts****Schedule 24 (Continued)**

9. The major components of the Deferred Tax Assets / Liabilities, based on the tax effect of the timing differences, as at March 31, 2009 are as under:

| | Rs. in Lakhs | |
|--|---------------------|-------------|
| | 2009 | 2008 |
| Deferred Tax Liabilities | | |
| Depreciation | 12866.84 | 18366.52 |
| Others | 918.44 | 275.00 |
| Total | 13785.28 | 18641.52 |
| Deferred Tax Assets | | |
| Provision for Doubtful Debts / Advances | 324.45 | 300.12 |
| Other Assets | 7607.89 | 13710.73 |
| Carry forward agricultural income tax loss | 404.00 | 445.00 |
| Accrued promotions & repairs | 611.60 | 507.56 |
| Total | 8947.94 | 14963.41 |

10. The proportionate share of the assets, liabilities, income and expenditure of the joint venture of subsidiary companies (refer Note 1(b) above) included in these consolidated financial statements are given below:

Consolidated Notes on Accounts

Schedule 24 (Continued)

Balance Sheet as at March 31, 2009

| | 2009 | Rs. in Lakhs 2008 |
|---|----------------|----------------------|
| SOURCES OF FUNDS | | |
| Shareholders' Funds- Reserves & Surplus | 2221.66 | 1304.78 |
| Loan Funds | | |
| Secured Loans | 1650.20 | 1795.48 |
| Unsecured Loans | 101.98 | 423.42 |
| Deferred Tax Liability | 3.90 | 1.23 |
| Total | 3977.74 | 3524.91 |
| APPLICATION OF FUNDS | | |
| Fixed Assets | | |
| Gross Block | 1241.97 | 880.18 |
| Depreciation till date | (623.97) | (393.61) |
| Net Block | 618.00 | 486.57 |
| Capital Work in Progress | 117.39 | 168.84 |
| | 735.39 | 655.41 |
| Current Assets, Loans and Advances | | |
| Inventories | 3452.73 | 2294.11 |
| Sundry Debtors | 1718.97 | 1409.05 |
| Cash and Bank balances | 233.17 | 868.69 |
| Other Current Assets | 305.33 | 191.89 |
| | 5710.20 | 4763.74 |
| Current Liabilities and Provisions | | |
| Liabilities | 3252.83 | 2652.43 |
| Provisions | (784.58) | (757.92) |
| | 2468.25 | 1894.51 |
| Net Current assets | 3241.95 | 2869.23 |
| Miscellaneous Expenditure to the extent not written off or adjusted | 0.40 | 0.27 |
| Total | 3977.74 | 3524.91 |

Profit and Loss Account for the year ended March 31, 2009

| | 2009 | Rs. in Lakhs 2008 |
|---|-----------------|----------------------|
| INCOME | | |
| Sales and Services | 28027.24 | 24186.71 |
| EXPENSES | | |
| Purchases | 7205.20 | 6188.38 |
| Raw Materials Consumed | 8393.96 | 6546.68 |
| Expenses | 9980.74 | 9031.50 |
| Depreciation | 160.97 | 133.21 |
| (Accretion)/Decretion to Stock | (254.46) | (6.05) |
| Total | 25486.41 | 21893.72 |
| Profit before Tax and Exceptional Items | 2540.83 | 2292.99 |
| Exceptional Items | (18.79) | (15.59) |
| Profit before Tax | 2522.04 | 2277.40 |
| Provision for Taxation | 26.14 | 34.42 |
| Profit after Tax | 2495.90 | 2242.98 |

Tata Tea Limited
Consolidated Notes on Accounts
Schedule 24 (Continued)
11. a) Consolidated Related Party Disclosure
Particulars of transactions during the year ended March 31, 2009
Rs. in Lakhs

| Nature of Transactions | Associates | Promoter | Key Management Personnel/Relatives | Total |
|---|-------------------|-----------------|---|-----------------|
| Sale of Goods and Services | — | — | — | — |
| | — | (0.59) | — | (0.59) |
| Purchase of Goods and Services | 19351.85 | — | 10.11 | 19361.96 |
| | (17800.07) | — | (5.21) | (17805.28) |
| Rent Paid | — | 25.22 | — | 25.22 |
| | — | (13.50) | — | (13.50) |
| Consideration for Transfer of North India Plantation Division | — | — | — | — |
| | (36565.02) | — | — | (36565.02) |
| Cost arising out of Transfer of North India Plantation Division | — | — | — | — |
| | (307.21) | — | — | (307.21) |
| Other Expenses (net) | 732.56 | 773.10 | — | 1505.66 |
| | — | (723.08) | — | (723.08) |
| Deposits Given | — | 250.00 | — | 250.00 |
| | — | — | — | — |
| Directors Remuneration | — | — | 1651.81 | 1651.81 |
| | — | — | (2459.12) | (2459.12) |
| Dividend Paid | — | 5500.58 | 0.27 | 5500.85 |
| | — | (2365.69) | (0.11) | (2365.80) |
| Investments Sold | — | — | — | — |
| | — | — | (0.25) | (0.25) |
| Investments Made | 6700.00 | — | — | 6700.00 |
| | — | — | — | — |
| Dividend/Interest Received | 3031.29 | 122.85 | — | 3154.14 |
| | (1510.14) | (122.85) | — | (1632.99) |
| Share Capital Subscribed | — | — | — | — |
| | — | (18229.88) | — | (18229.88) |
| Balances Outstanding Debit | 29865.02 | — | — | 29865.02 |
| | (36565.02) | — | — | (36565.02) |
| Credit | 1313.97 | 350.97 | 90.00 | 1754.94 |
| | (2210.06) | (491.05) | (200.00) | (2901.11) |

Consolidated Notes on Accounts

Schedule 24 (Continued)

Related Parties

Promoter

Tata Sons Ltd.

Associates

Rallis India Ltd.

Estate Management Services Pvt. Ltd.

Amalgamated Plantations Pvt. Ltd.

Subsidiary of an Associate

Rallis Australasia Pty. Ltd.

Watawala Plantations Ltd.

Joint Ventures of Subsidiary

Tetley ACI (Bangladesh) Limited

Empirical Group LLC, USA

Southern Tea LLC, USA

Tetley Clover Pvt. Ltd., Pakistan

Joekels Tea Packers Proprietary Ltd. (South Africa)

Tata Coffee (Uganda) Ltd.

Key Management Personnel

Mr. P T Siganporia - Managing Director, Tata Tea Ltd.

Ms. Sangeeta Talwar - Executive Director, Tata Tea Ltd.

Mr. M H Ashraff - Managing Director, Tata Coffee Ltd.

Mr. Hamid Huq - Executive Director, Tata Coffee Ltd.

Mr. A Sengupta - Executive Director, Tata Coffee Ltd.

Mr. P D Unsworth, Director & CEO, Tata Tea GB Ltd.

Mr. J R Nicholas, Director, Tata Tea GB Ltd.

Mr. L Krishna Kumar, Director & Group CFO, Tata Tea GB Ltd.

Mr. A Bhardwaj, Director, CEO, Tata Tea Inc. (Till 06.05.2008)

Mr. A Bhardwaj, Director, Zhejiang Tata Tea Extraction Co. Ltd. (w.e.f. 01.10.2008)

Mr. S. Ravi, Director, CEO, Tata Tea Inc. (w.e.f. 07.05.2008)

Mr. Pradeep Poddar, Managing Director, Mount Everest Mineral Water Ltd.

Ms. Abanti Sankarnarayanan, Director, Mount Everest Mineral Water Ltd.

Relative of Key Management Personnel

Ms. Farah Ashraff (Daughter of Mr. M H Ashraff)

Salary paid as an employee.

11. b) Disclosures in respect of transactions in excess of 10% of the total related party transactions of the same type

| | | | | Rs. in Lakhs |
|-----|---|-----------------------------------|----------|--------------|
| | | | 2009 | 2008 |
| 1. | Purchase of Goods and Services | Amalgamated Plantations Pvt. Ltd. | 19312.37 | 17054.62 |
| 2. | Rent Paid | Tata Sons Ltd. | 25.22 | 13.50 |
| 3. | Other Expenses (Net) | Tata Sons Ltd. | 773.10 | 723.08 |
| | | Amalgamated Plantations Pvt. Ltd. | 732.56 | - |
| 4. | Cost arising out of Transfer of North India Plantation Division | Amalgamated Plantations Pvt. Ltd. | - | 307.21 |
| 5. | Dividend and Interest Received | Amalgamated Plantations Pvt. Ltd. | 2405.03 | 1114.99 |
| | | Rallis India Ltd. | 560.19 | 325.10 |
| | | Tata Sons Ltd. | 122.85 | 122.85 |
| 6. | Dividend Paid | Tata Sons Ltd. | 5500.58 | 2365.69 |
| 7. | Consideration for Transfer of North India Plantation Division | Amalgamated Plantations Pvt. Ltd. | - | 36565.02 |
| 8. | Deposits Given | Tata Sons Ltd. | 250.00 | - |
| 9. | Investments Made | Amalgamated Plantations Pvt. Ltd. | 6700.00 | - |
| 10. | Share Capital Subscribed | Tata Sons Ltd. | - | 18229.88 |

Tata Tea Limited
Consolidated Notes on Accounts
Schedule 24 (Continued)
12. CONSOLIDATED SEGMENT REPORTING
By Business Segments:
Rs. in Lakhs

| | Tea | Coffee and Other Produce | Others | Un allocated | Total |
|--|----------------------------------|-------------------------------------|--------------------------------|---------------------------------|----------------------------------|
| Sales Revenue from external customers | 376708.88 (340898.58) | 104019.88 (86979.97) | 4058.72 (3086.08) | – | 484787.48 (430964.63) |
| Other Segment Revenue | 1805.84 (2096.97) | 692.39 (543.11) | 29.43 (5.46) | 95.23 (16.30) | 2622.89 (2661.84) |
| Total Segment Revenue | 378514.72 (342995.55) | 104712.27 (87523.08) | 4088.15 (3091.54) | 95.23 (16.30) | 487410.37 (433626.47) |
| Add : Investment Income | 2713.71 (3403.20) | 7.95 (4.87) | 437.10 (280.00) | 161.14 (282.05) | 3319.90 (3970.12) |
| Total Revenue | 381228.43 (346398.75) | 104720.22 (87527.95) | 4525.25 (3371.54) | 256.37 (298.35) | 490730.27 (437596.59) |
| Segment Result | 44604.41 (47512.61) | 14662.84 (14878.59) | (3233.03) ((279.45)) | – | 56034.22 (62111.75) |
| Add: Investment Income | 2713.71 (3403.20) | 7.95 (4.87) | 437.10 (280.00) | 161.14 (282.05) | 3319.90 (3970.12) |
| Add: Unallocable (expenditure) net of income | – | – | – | (852.66) ((409.49)) | (852.66) ((409.49)) |
| Less: Interest (net) | (1526.84) ((14645.79)) | (3463.63) ((6773.11)) | 144.36 (13.08) | (573.41) ((577.59)) | (5419.52) ((21983.41)) |
| | 45791.28 (36270.02) | 11207.16 (8110.35) | (2651.57) (13.63) | (1264.93) ((705.03)) | 53081.94 (43688.97) |
| Exchange Gain (Net) | 81390.67 (5618.31) | – | – | – | 81390.67 (5618.31) |
| Exceptional Income/(Expenditure) | (7534.42) (156647.62) | (1288.15) – | – | (19.35) ((27.14)) | (8841.92) (156620.48) |
| Profit before Tax | 119647.53 (198535.95) | 9919.01 (8110.35) | (2651.57) (13.63) | (1284.28) ((732.17)) | 125630.69 (205927.76) |
| Provision for Taxation | 39118.76 (11980.50) | 2193.25 (1825.25) | 19.15 (8.95) | 1110.09 (1525.06) | 42441.25 (15339.76) |
| Profit after Taxation before Share of Results of Associates and Minority Interest | 80528.77 (186555.45) | 7725.76 (6285.10) | (2670.72) (4.68) | (2394.37) ((2257.23)) | 83189.44 (190588.00) |
| Share of net Profits of Associates | 2493.22 (2886.73) | – | – | – | 2493.22 (2886.73) |
| Profit after Taxation before Minority Interests | 83021.99 (189442.18) | 7725.76 (6285.10) | (2670.72) (4.68) | (2394.37) ((2257.23)) | 85682.66 (193474.73) |
| Segment Assets | 655991.48 (560070.75) | 174941.72 (138236.17) | 7742.83 (4002.67) | – | 838676.03 (702309.59) |
| Investments | 32648.10 (123911.39) | 1409.24 (3926.84) | 577.77 (7061.83) | 495.30 (4200.60) | 35130.41 (139100.66) |
| Unallocated Assets | – | – | – | 2512.36 (1575.52) | 2512.36 (1575.52) |
| Total Assets | 688639.58 (683982.14) | 176350.96 (142163.01) | 8320.60 (11064.50) | 3007.66 (5776.12) | 876318.80 (842985.77) |
| Segment Liabilities | 305855.41 (322985.49) | 72480.27 (58336.49) | 792.28 (947.60) | – | 379127.96 (382269.58) |
| Unallocated Liabilities | – | – | – | 30470.61 (18142.03) | 30470.61 (18142.03) |
| Total Liabilities | 305855.41 (322985.49) | 72480.27 (58336.49) | 792.28 (947.60) | 30470.61 (18142.03) | 409598.57 (400411.61) |
| Capital Expenditure | 3966.89 (6782.07) | 1930.44 (1503.94) | 265.97 (2537.09) | – | – |
| Depreciation & Amortisation | 6354.56 (6117.09) | 2994.40 (2333.97) | 202.49 (169.36) | 317.29 (542.54) | – |
| Amortisation of expenditure on employee separation scheme | 878.04 (878.04) | – | – | 19.35 (27.14) | – |
| Non Cash Expenditure other than depreciation and amortisation | (4.60) (13.27) | 27.80 (47.56) | 126.06 (0.17) | – | – |

Consolidated Notes on Accounts

Schedule 24 (Continued)

By Geographical Segments:

| | Rs. in Lakhs | | | | |
|---------------------|---------------------------------|---------------------------------|---------------------------------|-------------------------------|---------------------------------|
| | India | UK | USA & Canada | Rest of the World | Total |
| Sales Revenue | 150816.83 (114637.21) | 123942.34 (139019.27) | 144671.83 (128226.18) | 65356.48 (49081.97) | 484787.48 (430964.63) |
| Segment Assets | 248298.28 (218057.02) | 395586.42 (413105.07) | 169965.64 (48918.56) | 24825.69 (22228.94) | 838676.03 (702309.59) |
| Capital Expenditure | 2532.85 (4822.24) | 1766.91 (1868.51) | 1808.82 (1204.34) | 54.72 (2928.01) | 6163.30 (10823.10) |

Notes:

- a) Business Segments : The internal business segmentation and the activities encompassed therein are as follows:
 - Tea : Cultivation and manufacture of black tea and instant tea, tea buying/ blending and sale of tea in bulk or value added form.
 - Coffee and Other Produce : Growing of coffee, pepper and other plantation crops and conversion of coffee into value added products such as roast and ground coffee and instant coffee.
 - Others : Sale of natural mineral water, other minor crops, curing operations of coffee and trading of items required for coffee plantations.
- b) Geographical segments : Segmentation is on the basis of the geographical location of the customers.
- c) The segment wise revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. Unallocable income/expenditure include income/expenses incurred on common services at the corporate level and relate to an Indian subsidiary.
- d) Pricing of inter segment transfers are based on benchmark market prices.

Tata Tea Limited
Consolidated Notes on Accounts
Schedule 24 (Continued)
13. Amounts recognized in the Balance Sheet are as follows:

The Group operates defined contribution schemes like provident fund and defined contribution superannuation schemes. For these schemes, contributions are made by the Group, based on current salaries, to funds maintained by the Group and for certain categories contributions are made to State Plans. For certain schemes contributions are also made by the employees. An amount of **Rs. 1412.96 Lakhs** (Rs. 1739.48 Lakhs) has been charged to the Profit and Loss Account on account of defined contribution schemes.

The Group also operates defined benefit schemes like retirement gratuity, defined superannuation benefits and post retirement medical benefits. The superannuation benefits and medical benefits are restricted to certain categories of employees. The defined benefit schemes offer specified benefits to the employees on retirement. Annual actuarial valuations are carried out by independent actuaries. Wherever funds have been set up, annual contributions are also made by the Group. Employees are not required to make any contribution.

| | Rs. in Lakhs | | | | | |
|--|---------------------|----------|-----------------|---------|----------------|---------|
| | Pension | | Gratuity | | Medical | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Present value of funded obligation | 53360.70 | 63365.27 | 4116.08 | 3405.02 | - | - |
| Fair Value of Plan Assets | 41383.12 | 54466.42 | 3197.45 | 3183.59 | - | - |
| | 11977.58 | 8898.85 | 918.63 | 221.43 | - | - |
| Present Value of Unfunded Obligation | 336.91 | 371.58 | - | - | 2472.52 | 2060.22 |
| Amount not recognized as an asset (limit in Para 59 (b) of AS -15) | 6.29 | - | - | 0.45 | - | - |
| Net Liability | 12320.78 | 9270.43 | 918.63 | 221.88 | 2472.52 | 2060.22 |

Amounts recognized in the Profit and Loss Account and charged to Contribution to Provident Fund and other Funds, Workmen and Staff, Welfare Expenses and Insurance are as follows:

| | Rs. in Lakhs | | | | | |
|--|---------------------|-----------|-----------------|----------|----------------|----------|
| | Pension | | Gratuity | | Medical | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Current Service Cost | - | - | 194.59 | 154.88 | 64.06 | 73.39 |
| Interest on obligation | 3578.16 | 3599.47 | 268.85 | 232.13 | 157.77 | 165.04 |
| Expected Return on plan assets | (3411.31) | (4139.36) | (270.23) | (256.06) | - | - |
| Net actuarial loss/(gain) recognized during the year | 5521.47 | 2581.78 | 725.15 | 125.68 | 428.94 | (112.49) |
| Other Credits | - | (94.31) | - | (44.80) | - | - |
| Effects of the limit in Para 59(b) | 6.29 | - | (0.45) | 0.45 | - | - |
| Total recognized in Profit and Loss Account | 5694.61 | 1947.58 | 917.91 | 212.28 | 650.77 | 125.94 |

Consolidated Notes on Accounts

Schedule 24 (Continued)

Reconciliation of opening and closing balances of the present value of the obligations:

Rs. in Lakhs

| | Pension | | Gratuity | | Medical | |
|---|------------------|-----------|-----------------|-----------|-----------------|----------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Opening defined benefit obligation | 63736.85 | 71636.60 | 3405.02 | 5896.78 | 2060.22 | 1983.23 |
| Current Service Cost | - | - | 194.59 | 154.88 | 64.06 | 73.39 |
| Interest Cost | 3578.16 | 3599.47 | 268.85 | 232.13 | 157.77 | 165.04 |
| Actuarial loss/(gain) | (5968.94) | (2882.26) | 693.58 | 205.53 | 428.94 | (112.49) |
| Liabilities extinguished on settlements | (159.85) | (454.28) | - | - | - | - |
| Liabilities assumed on Acquisition/ (settled on Divestiture) etc. | - | (429.04) | - | (2791.32) | (165.59) | - |
| Exchange Rate Variation | (5361.22) | (4909.52) | - | - | - | - |
| Benefit Paid | (2127.39) | (2824.12) | (445.96) | (292.98) | (72.88) | (48.95) |
| Closing Defined Benefit Obligation | 53697.61 | 63736.85 | 4116.08 | 3405.02 | 2472.52 | 2060.22 |

Reconciliation of opening and closing balances of the fair value of plan assets:

Rs. in Lakhs

| | Pension | | Gratuity | |
|---|-------------------|-----------|-----------------|-----------|
| | 2009 | 2008 | 2009 | 2008 |
| Opening fair value of Plan Assets | 54466.42 | 61158.88 | 3183.59 | 5727.95 |
| Expected Return on plan assets | 3411.31 | 4139.36 | 270.23 | 256.06 |
| Actuarial gain/(loss) | (11490.41) | (5464.04) | (31.57) | 79.85 |
| Asset distributed on settlement | (159.85) | (454.28) | - | - |
| Contribution/(Withdrawal) by employer | 1834.27 | 2050.56 | 221.16 | 204.03 |
| Assets acquired on Acquisition/(settled on Divestiture) | - | - | - | (2791.32) |
| Exchange Rate Variation | (4584.41) | (4171.57) | - | - |
| Benefits Paid | (2094.21) | (2792.49) | (445.96) | (292.98) |
| Closing Fair Value of Plan Assets | 41383.12 | 54466.42 | 3197.45 | 3183.59 |

| | | | | |
|------------------------------|------------------|-----------|---------------|--------|
| Actual Return on Plan Assets | (8079.10) | (1324.68) | 238.66 | 335.91 |
|------------------------------|------------------|-----------|---------------|--------|

Major Categories of Plan Assets as a percentage of fair value of the total plan assets:

| | 2009 | 2008 |
|---------------------------|-------------|------|
| Govt. of India Securities | 0% | 1% |
| Equity | 37% | 38% |
| Bonds | 41% | 34% |
| Insurance managed Funds | 10% | 14% |
| Property | 10% | 12% |
| Others | 2% | 1% |
| Total | 100% | 100% |

Tata Tea Limited
Consolidated Notes on Accounts
Schedule 24 (Continued)
Effect of increase/decrease of one percentage point in the assumed medical inflation rates:
Rs. in Lakhs

| | Increase | | Decrease | |
|---|---------------|--------|-----------------|----------|
| | 2009 | 2008 | 2009 | 2008 |
| Effect on aggregate of interest cost and current service cost | 23.90 | 22.87 | (61.12) | (30.49) |
| Effect on defined benefit obligation | 179.15 | 155.63 | (162.87) | (141.48) |

Principal Actuarial assumptions used:

| | 2009 | 2008 |
|--|---|---|
| Discount rates | 6.90%/ 7.30%/ 7.95%/ 8.00% | 6.40%/ 7.50%/ 8.10%/ 8.20% |
| Expected rate of return on plan assets | 7.50%/ 9.40% | 7.50%/ 8.00%/ 9.35% |
| Expected salary increase rates | 4.00%/ 5.00%/ 7.00% based on employee category | 4.00%/ 5.00%/ 7.00% based on employee category |
| Medical inflation rate | 8.00% | 8.00% |
| Mortality rates | LIC 1994-96 mortality tables/ other approved norms for overseas schemes | LIC 1994-96 mortality tables/ other approved norms for overseas schemes |

The estimates of future salary increases considered in the actuarial valuation takes into account factors like inflation, future salary increases, supply and demand in the employment market etc. The expected return on plan assets is based on actuarial expectation of the average long-term rate of return expected on investments of the Funds during the estimated term of the obligations.

Experience adjustment on Plan Liabilities include **Rs. 836.11 Lakhs** (2008 Rs. 1527.87 Lakhs) and on Plan Assets **Rs. (2.73) Lakhs** (2008 Rs. 92.53 Lakhs)

The contribution expected to be made by the Group for the year ending March 31, 2010 is not readily ascertainable.

14. Unless otherwise stated, figures in brackets relate to the previous year and have been rearranged/regrouped, wherever necessary.

Consolidated Cash Flow Statement for the year ended March 31, 2009

| | Year ended March 31, 2009 | Rs. in Lakhs Year ended March 31, 2008 |
|---|------------------------------|--|
| A. Cash Flow from Operating Activities | | |
| Net Profit before Tax | 125630.69 | 205927.76 |
| Adjusted for : | | |
| Depreciation and amortisation (net of withdrawals from Revaluation Reserve) | 9868.74 | 9162.96 |
| Investment Income | (3136.56) | (3307.88) |
| Profit on sale of current investments (net) | (183.34) | (662.24) |
| Unrealised foreign exchange (gain)/loss | 1062.62 | 124.34 |
| Interest expense | 21012.80 | 30625.27 |
| Interest income | (15593.28) | (8641.86) |
| Provision for doubtful debts and advances | 105.26 | 73.37 |
| Liabilities no longer required written back | (1120.79) | (394.28) |
| Debts and advances written off | 44.97 | 79.79 |
| Provision for doubtful debts and advances no longer required written back | (0.97) | (187.28) |
| (Profit)/loss on sale/discard of fixed assets (net) | 134.24 | (185.76) |
| Exceptional Expense/(Income) (net) | 8841.92 | (156620.48) |
| Exchange Gain on short-term deployment of cash in foreign currency | (81390.67) | (5618.31) |
| Operating Profit before working capital changes | 65275.63 | 70375.40 |
| Adjustments for: | | |
| Trade and other receivables | 1918.87 | (7013.36) |
| Inventories | (19667.89) | (2422.60) |
| Trade payables | 1385.44 | 6029.70 |
| | (16363.58) | (3406.26) |
| Cash generated from operations | 48912.05 | 66969.14 |
| Reorganisational costs/Funding of pension | (2028.51) | (3711.22) |
| Direct taxes paid | (29465.48) | (11798.28) |
| | (31493.99) | (15509.50) |
| Net Cash from Operating Activities | 17418.06 | 51459.64 |
| B. Cash Flow from Investing Activities | | |
| Cost arising out of transfer of North India Plantation Division | - | (336.96) |
| Purchase of fixed assets | (7591.95) | (7743.07) |
| Sale of fixed assets | 766.31 | 785.13 |
| Purchase of long term investments | (489.05) | (3886.24) |
| Sale of long-term investments (net of deposits in Escrow account) | 11604.18 | 362791.12 |
| Investments in Subsidiaries | (1719.48) | (15434.83) |
| Expenses on new business initiatives | (594.93) | - |
| (Purchase)/sale of current investments (net) | 104428.12 | (77095.29) |
| Investment income (Refer Note 4) | 6002.61 | 4863.66 |
| Interest received | 16883.04 | 4050.61 |
| Inter corporate loans (net) | (80125.56) | 95.50 |
| Other deposits | (632.55) | (493.08) |
| Net cash from Investing Activities | 48530.74 | 267596.55 |

Tata Tea Limited
Consolidated Cash Flow Statement for the year ended March 31, 2009

| | Year ended March 31, 2009 | Rs. in Lakhs Year ended March 31, 2008 |
|---|------------------------------|--|
| C. Cash Flow from Financing Activities | | |
| Proceeds from issuance of shares on preferential basis | - | 18229.88 |
| Proceeds from issuance of share capital | - | 477.07 |
| Proceeds from issue of Commercial Paper | 52140.40 | - |
| Redemption of Commercial Papers | (39100.00) | - |
| Proceeds from issuance of Non Convertible Debentures | - | 32500.00 |
| Debenture/share issue expenses | - | (114.61) |
| Proceeds from long-term borrowings | 1484.28 | (20225.42) |
| Repayment of long-term borrowings | (28208.02) | (159874.95) |
| Proceeds from short-term borrowings (net) | 17027.49 | 16484.37 |
| Repayment of short-term Loans | (22000.00) | (55000.00) |
| Working capital facilities (net) | (10116.96) | 12153.95 |
| Dividend paid | (27398.27) | (13773.73) |
| Dividend tax paid | (3550.67) | (1576.45) |
| Interest paid | (18682.66) | (29179.36) |
| Net Cash used in Financing Activities | (78404.41) | (199899.25) |
| Net increase/(decrease) in Cash and Cash Equivalents | (12455.61) | 119156.94 |
| D. Cash and Cash Equivalents | | |
| Opening Balance | 132319.60 | 11876.49 |
| Cash balance vested on Acquisition of MEMW | - | 921.31 |
| Cash balance transferred on transfer of NIPD | - | (23.57) |
| Exchange Gain/(loss) on translation of foreign currency cash/cash equivalents | (10948.91) | 388.43 |
| Closing Balance | 108915.08 | 132319.60 |

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard on "Cash Flow Statements (AS - 3)" issued by the Institute of Chartered Accountants of India.
- Previous year's figures have been rearranged/regrouped wherever necessary.
- During the year 670 Lakhs Preference shares @ Rs. 10 each were issued by Amalgamated Plantations Private Limited in partial discharge of purchase consideration without payment being made in cash and hence not considered in Cash Flow Statement.
- Investment income includes dividend income **Rs. 2819.13 Lakhs** (Rs. 2800.73 Lakhs) and interest income **Rs. 3183.48 Lakhs** (Rs. 2062.93 Lakhs)

This is the Cash Flow Statement referred to in our Report of even date.

For **N M Raiji & Co.**
Chartered Accountants
J. M. Gandhi
Membership No. 37924
Partner

For **Lovelock & Lewes**
Chartered Accountants
Partha Mitra
Membership No. 50553
Partner

R.N. Tata
Chairman
R.K. Krishna Kumar
Vice Chairman

Y.H. Malegam
D.B. Engineer
U.M. Rao
A.R. Gandhi
J.S. Bilimoria
V. Leeladhar
P.D. Unsworth
Directors

P.T. Siganporia
Managing Director
Ms. Sangeeta Talwar
Wholtime Director
D.K. Sen
Vice President &
Secretary

Mumbai, June 10, 2009

Subsidiary Companies Financial Highlights - 2008/09

| | | Rs. in Lakhs | | | | |
|--|-----------------------------------|------------------------------|-------------------|-------------------------------------|----------------------------|----------------------------------|
| Item | Tata Coffee Ltd. (Consolidated) @ | Tata Coffee Ltd. Stand-alone | Tata Tea Inc. | Tata Tea (GB) Ltd. (Consolidated) # | Tata Tea (GB) Capital Ltd. | Mount Everest Mineral Water Ltd. |
| 1 Capital | 1867.70 | 1867.70 | 7099.40 | 170441.14 | 64969.73 | 3399.60 |
| 2 Reserves | 31590.24 | 28405.60 | 11774.87 | 230278.35 | - | 3707.89 |
| 3 Minority Interest | 17189.63 | - | - | 124.59 | - | - |
| 4 Total Assets | 185029.21 | 62314.06 | 26321.50 | 583418.05 | 75192.97 | 7766.70 |
| 5 Total Liabilities | 134381.64 | 32040.76 | 7447.23 | 182573.97 | 10213.81 | 659.21 |
| 6 Turnover | 112375.32 | 33678.62 | 8967.73 | 240681.37 | 5114.66 | 2655.28 |
| 7 Profit before Taxation | 7034.91 | 2840.60 | 2154.13 | 109319.12 | 5114.44 | (2777.65) |
| 8 Provision for Taxation | 3177.43 | 976.18 | 376.72 | 31742.04 | - | 19.15 |
| 9 Profit after Taxation | 3857.48 | 1864.42 | 1777.41 | 77577.08 | 5114.44 | (2796.80) |
| 10 Proposed Dividend | 1120.62 | 1120.62 | - | - | - | - |
| 11 Dividend Paid | - | - | - | 13413.29 | 5105.05 | - |
| 12 Investments (Other than Subsidiaries and holding company.) | 1904.54 | 495.30 | - | - | - | - |
| Reporting currency | Indian Rupees | Indian Rupees | US Dollars | Pound Sterling | Pound Sterling | Indian Rupees |
| Exchange rate used for conversion: | | | | | | |
| Average Yearly rates for P&L Items | | | 45.93 | 70.94 | 70.94 | |
| Year end rates for Balance Sheet Items | | | 50.71 | 72.51 | 72.51 | |

@ Includes Consolidated figure of Tata Coffee Ltd. (India) and its subsidiaries (as per list below)

List of Subsidiaries.

- 1 Alliance Coffee Ltd., India (Unlisted)
- 2 Eight 'O' clock Coffee Company, U.S.A
- 3 Consolidated Coffee Inc., USA

Includes Consolidated figures of Tata Tea (GB) Ltd. (U.K.), and its 23 Subsidiaries (as per list below)

List of Subsidiaries.

- | | |
|---------------------------------|--|
| 1 Tetley Group Holdings Ltd. | 13 Stansand(Africa) Ltd. |
| 2 The Tetley Group Ltd.,UK | 14 Stansand(Central Africa) Ltd. |
| 3 Tetley GB Ltd. | 15 Tetley Polska sp. zo.o. |
| 4 Tetley Overseas Holdings Ltd. | 16 Drassington Limited, UK |
| 5 Tetley Overseas Ltd. | 17 Good Earth Corporation |
| 6 Lyons Tetley Ltd. | 18 Good Earth Teas Inc. (formerly Fmali Herb Inc.) |
| 7 Tetley US Holdings Inc. | 19 Teapigs Ltd. |
| 8 Tetley USA Inc. | 20 Jemca a.s. |
| 9 Tetley Canada Inc. | 21 Tata Tea (GB) Investments Ltd. |
| 10 Tetley Australia Pty. Ltd. | 22 Campestris Holdings Limited |
| 11 Stansand Ltd. | 23 Kahutara Holdings Limited |
| 12 Stansand(Brokers) Ltd. | |

Notes: (1) Zhejiang Tata Tea Extraction Co. Ltd., China, a joint venture with a Chinese Partner, became a subsidiary of the Company in December 2007. The Company is in the process of setting up its manufacturing plant in China and has not yet started its operations.

(2) Tata Tea Holdings Pvt. Ltd., a wholly owned subsidiary of the company was incorporated on 24th October, 2008 and had no activities till 31.03.2009.

Accounts of Tata Tea (GB) Limited, U.K.

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Board of Directors

S A Hasan

F K Kavarana

R K Krishna Kumar

J R Nicholas

P T Siganporia

P D Unsworth

A R Gandhi

L Krishna Kumar

S A Hasan is an alternate director to F K Kavarana

Tata Tea (GB) Limited**Report of the Directors**

The Directors present their annual report and the audited financial statements for the period from 6 April 2008 to 31 March 2009. The Group has changed its financial year end to 31 March to be consistent with that of the ultimate parent company.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activities of the Group are the processing, marketing and distribution of tea products. The Group operates in the UK and has significant businesses in the US, Canada, Australia, Poland and the Czech Republic as well as a number of joint ventures in South Africa, Pakistan and Bangladesh.

The Group is a member of the Ethical Tea Partnership, which promotes social responsibility in the tea trade and ensures the ethical sourcing of tea.

The Directors are pleased to report that it has been a successful and profitable period for the Group. The Group achieved sales of £238.0m (2008: £226.4m) and pre-exceptional operating profit of £31.9m (2008: £32.2m).

The reported profit after tax of £101.4m was £117.7m lower than last year mainly on account of the profit on disposal of Energy Brands Inc. in the prior year.

The Group continues to be significantly cash generative with cash flows from operating activities of £26.6m (2008: £33.6m).

The market performance of the Group's principal subsidiaries remains strong. The Group has a UK market share in value terms of 26.1% (2008: 27.0%) which reflects the achievement of better quality sales at the expense of a marginal loss in volumes. In Canada, the Group's second largest market, leadership was further consolidated with a share of 37.0% (2008: 36.6%). Market performance in the Group's other markets was satisfactory.

During the year, a programme commenced to integrate the Group's US commercial operations under one management structure with the US coffee interests held by Tata Tea Limited, in order to achieve a unified operation of the branded tea and coffee businesses in that market. It is envisaged that Tata Tea group companies engaged in branded business outside India, including acquisitions as and when they arise, will be held directly by the Group in due course.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group takes a proactive approach to the management of the various risks that it faces. Of these risks the principal ones are raw tea pricing, currency movements, interest rate movements and the current dependence on black tea. These are managed in the following ways:

Raw tea pricing – raw tea is the Group's single largest cost. Climatic conditions in the different countries from which raw tea is sourced can lead to fluctuations in price. However, these raw teas are blended before packing which allows some flexibility to manage these fluctuations by substitution. Historically the Group has been successful in passing on significant increases in input prices to the market.

Currency movements – foreign exchange risk in relation to export revenues and import costs is managed by Group Treasury using forward exchange contracts and options.

Interest rate movements – Interest rate risk has been reduced by the use of interest rate swaps fixing the level of interest payable on a proportion of the Group's debt.

Dependence on black tea - Much of the Group's current trading is in black tea in markets that are in slow decline. Management's strategy is to develop the business in growing product categories other than black tea and to expand into new geographies.

The Group's activities and future prospects have been reviewed and the Group plans to continue trading within the tea market. The Group is looking to maximise the value of its portfolio of brands and to increase its presence in the wider beverage market.

TREASURY POLICY AND FINANCIAL RISK MANAGEMENT

The Group's operations and debt financing expose it to a variety of financial risks that include the effects of changes in foreign currency exchange rates, interest rates, credit risks and liquidity. The board approves treasury policies that seek to limit the adverse effect of these risks on financial performance. The application of the policies, together with the management of day-to-day treasury operations, is managed by the Group's central treasury function. Treasury activities are reported to the board on a regular basis and are subject to periodic independent reviews and audits, both internal and external.

Treasury policies are designed to manage the main financial risks faced by the Group in relation to funding and hedging. These policies ensure that the borrowings and investments are with high quality counterparties and are limited to specific instruments. They also ensure that the exposure to any one counterparty or type of instrument is controlled and the Group's exposure to interest rate and exchange rate movements is maintained within set limits.

The treasury function enters into derivative transactions, principally interest rate swaps, forward currency contracts and options. The purpose of these transactions is to manage the interest rate and currency risks arising from the Group's underlying business operations.

In the context of the Group's business operations, no transactions are undertaken which are speculative in nature.

With regard to the proceeds arising from the Group's disposal of Energy Brands Inc. in 2008, the Group has been pursuing a number of acquisitions in which to invest these proceeds. However due to the turbulent financial markets, a lack of available debt funding and a sharp drop in global asset values witnessed during the year, many of these acquisitions have had to be aborted or delayed. In the interim, the group has invested the cash in a combination of short term bank deposits and loans to other corporations.

Liquidity risk

The Group ensures that there are always sufficient borrowings available to fund growth and has committed borrowing facilities comfortably exceeding its expected peak funding requirements.

Interest rate risk

The Group seeks to partially limit the exposure arising from its sterling borrowings to changes in sterling interest rates which is achieved through the use of interest rate swaps. No change to the existing hedging structure is permitted without approval of the Board. Group treasury is responsible for monitoring long term interest exposures of the Group and for recommending appropriate action to the Board.

Currency risk

Foreign exchange risk is divided into transaction risk, which arises from income and expenses denominated in foreign currencies, translation risk, which arises from equity investments and related profit or losses denominated in foreign currencies and economic risk where the business has ongoing exposures to certain currencies as part of its commercial operations.

The Group's transaction and economic risk consists mainly of a deficit in US dollars for purchasing tea and a surplus in Canadian dollars arising from export activities.

The Group hedges its economic exposures with a combination of forward contracts and options. Transactions are fully hedged at the point they are entered into. Group treasury monitors exposures through cashflow forecasts up to three months forward.

The Group has a growing exposure to Euros through export growth and stable sourcing of raw materials from the Eurozone, leaving a net residual value which is fully hedged.

The maximum period for which economic exposures may be hedged under Group policy is eighteen months.

The Group has an exposure on its foreign currency cash assets which it has been managing through the use of forward contracts and options. The currency mix in which cash assets are held is subject to review and approval by the board.

Tata Tea (GB) Limited

The currency impact on the Group's net investment in overseas subsidiaries, joint ventures and joint arrangements is calculated from the shareholders' equity and accumulated profit of foreign subsidiaries and associated companies in the consolidated balance sheet.

In accordance with the treasury policy, this net currency position is reviewed periodically.

Credit risk

The Group's credit risks are spread both geographically and through customer market areas. While the majority of customers have good credit ratings, where this is not the case other measures are used to mitigate credit risks for example risk monitoring services and credit insurance. The Group recognized no significant credit losses during 2008/09.

Price risk

The Group is exposed to changes in the price of raw tea. While the Group is not able to hedge its exposure through forward contracts, it manages its exposure through blending which enables it to source teas from different geographies limiting its exposure to supply-driven price increases in any given region.

DIVIDENDS

The company paid a dividend of £17.8m in the period. (2008: £7.6m)

HEALTH, SAFETY AND THE ENVIRONMENT

The Group operates in full compliance with all relevant environmental and health and safety legislation and has worldwide policies and ISO14001 accreditation for its UK based facilities.

As a responsible employer, the Group is aware of its position and role in the community and is continually committed to improving its environmental performance.

DISABLED PERSONS

It is the policy of the Group to employ disabled persons, whenever possible, in jobs suited to their individual circumstances and to give them, together with employees who become disabled while employed, full and fair consideration at all times in career development, training and promotion.

RESEARCH AND DEVELOPMENT EXPENDITURE

The Group is committed to growth through new product development and geographical expansion. A focused programme of research and product development is in place to meet that strategic need, building on successes, entering new and developing markets, and creating new, differentiated products that will enable the Group to penetrate new markets.

CHARITABLE AND POLITICAL CONTRIBUTIONS

The Group believes in adding value to the communities that help make its business a success and is proud of its commitment in this area. It contributes time, skills and money through a range of partnerships with charities and non-government organisations. It chooses partners with a relevance to its business.

The Group made financial contributions of £131,000 (2008: £274,000) to a range of causes in the countries where it operates, in particular The British Heart Foundation in the UK and American Forests in US.

There were no political donations during the year. (2008: £nil)

SUPPLIER PAYMENTS

The Group agrees payment terms with its suppliers when it places purchase orders for the supply of goods and services. Tea commodity purchases are subject to industry-wide purchase contracts. The Group expects to meet these payment terms provided it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

The Company has no trade creditors. (2008: £nil)

EMPLOYEE INVOLVEMENT

The Group believes in effective communication to engage its employees worldwide. This is regularly delivered via its intranet site, a monthly Core Brief and World of Tetley, a quarterly in-house magazine, supported by ad hoc mailings and face to face communication events. Together, these ensure all employees are well informed about the Group's performance and key business issues and developments.

FIXED ASSETS

The movements in tangible fixed assets are set out in note 10 to the accounts.

DIRECTORS AND THEIR INTEREST

The Directors during the period were as follows:

S A Hasan

F K Kavarana

R K Krishna Kumar

J R Nicholas

P T Siganporia

P D Unsworth

A R Gandhi

L Krishna Kumar

S A Hasan is an alternate director to F K Kavarana.

Details of directors' emoluments are given in note 6 of the financial statements.

GOING CONCERN

The Directors confirm that they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they have adopted the going concern basis in preparing the accounts.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In accordance with Section 418 of the Companies Act, 2006, the Directors report that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By Order of the Board

Peter Unsworth
Chief Executive Officer
26 May 2009

Tata Tea (GB) Limited**Statement of Directors' responsibilities in respect of
the Annual Report and the Financial Statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board

Peter Unsworth
Chief Executive Officer
26 May 2009

Independent Auditor's Report to the Members of Tata Tea (GB) Limited

We have audited the group and parent company financial statements (the "financial statements") of Tata Tea (GB) Limited for the period ended 31 March 2009 which comprise Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses, Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act, 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act, 2006, and give a true and fair view. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act, 2006;
- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2009 and of the group's profit and cash flows for the period then ended; and
- the information given in the Directors' Report is consistent with the financial statements.

Jonathan Hook

For and on behalf of PricewaterhouseCoopers LLP

Senior Statutory Auditor

Chartered Accountants and Statutory Auditors

London, UK

Tata Tea (GB) Limited**Accounting Policies****Financial Period**

This financial period ended 31 March 2009 is a 360 day period (53 weeks ended 5 April 2008).

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act, 2006 and applicable UK accounting standards. The directors consider that, for the overriding purpose to provide a true and fair view, goodwill should not be amortised where it is considered to have an indefinite useful life. The principal accounting policies are set out below.

Consolidation

The Group accounts include the results and balance sheets of its subsidiary undertakings together with the results and net assets of the Group's joint ventures, associate and joint arrangement. The results and net assets of the subsidiaries have been accounted for under the acquisition method of accounting from the date of acquisition.

Joint ventures and associates have been accounted for under the gross equity method in accordance with FRS9, 'Associates and Joint Ventures'. The Group also has certain contractual agreements with another participant to engage in joint activities in Southern Tea LLC in the United States. Southern Tea LLC meets the definition of a joint arrangement under FRS 9. The Group includes its share of assets, liabilities and cash flows in such joint arrangements, measured in accordance with the terms of the agreement governing the arrangement.

Goodwill

Goodwill represents a combination of the excess of the fair values of the investments made in The Tetley Group in March 2000, in Empirical Group LLC in September 2002, in Good Earth Corporation and Good Earth Teas Inc. (formerly Fmali Herb Inc.) in October 2005, in Jemca a.s. in May 2006 and in Joekels Tea Packers (Proprietary) Limited in October 2006.

Initial goodwill arising from the acquisition of the Tetley Group of £246.6m was amortised by £12.0m during 2000/01. The directors concluded that this goodwill and the goodwill arising on the Empirical joint venture, in Good Earth Corporation and Good Earth Teas Inc, in Jemca a.s. and in Joekels Tea Packers (Proprietary) Limited has an indefinite useful economic life. As such goodwill has not been amortised.

The factors that influenced the directors' view of the durability of the goodwill are the businesses' proven

ability to maintain strong market positions, operate profitably over a long period of time, the strength of the brands, the continuing commitment to high levels of investment in brand building and innovation and the significant financial and technical barriers to new market entrants that have been built. The carrying value of the goodwill will continue to be subject to an annual impairment review based on the expected future cashflows of the businesses and adjusted to the recoverable amount if required.

Whilst this accounting treatment represents a departure from the specific requirements of the Companies Act 2006, the directors consider this to be necessary for the overriding purpose of providing a true and fair view in accordance with the Companies Act 2006 (Section 404(5)). If the Group had continued to amortise goodwill over a period of 20 years the profit before tax would have been £14.0m lower for the period (2008: £14.0m).

Intangible Assets

Intangible Assets held represents the purchase of Vitax and Flosana brands for £4.8m in April 2007.

The intangible brand assets have not been amortised as the directors have concluded that the brands have an indefinite useful life.

The primary factors that influenced the directors' view of the durability of the brands are the strength of the brands acquired and their respective market positions.

Pension and other post retirement benefit arrangements

Pensions and other post retirement benefit arrangements are accounted for in line with FRS17.

Defined Benefit Schemes

Under FRS 17, the surplus/deficit in a defined benefit scheme is the excess/shortfall of the value of the assets in the scheme over/below the present value of the scheme liabilities. The surplus/benefit is recognised in the Balance Sheet.

The change in the defined benefit asset or liability can be analysed as current service cost, the interest cost, the expected return on assets, actuarial gains and losses, past service costs and settlements and curtailments. Each of the above is recognised in the profit and loss account with the exception of the actuarial gains and losses which are recognised in the Statement of total recognised gains and losses.

Defined Contribution Schemes

Pension costs relating to defined contribution schemes represent contributions payable to the scheme for the

accounting period. They are recognised in the profit and loss account as they arise.

Further details on the Group's pension schemes are given in note 21.

Turnover

Group turnover comprises sales of goods after deduction of discounts and sales taxes. Statutory turnover is after the deduction of promotional costs required by FRS 5 Application Note G. Turnover is recognised on delivery of the products and services.

Tangible fixed assets and depreciation

Fixed assets are recorded at costs less accumulated depreciation. No depreciation is provided on freehold land. Freehold buildings are depreciated on a straight line basis over 50 years or their estimated remaining useful life, if less. Leasehold buildings are depreciated on a straight line basis over the remaining term of the lease. Other fixed assets are depreciated on a straight line basis over their expected remaining useful lives at the following rates:

| | |
|--------------------------------|---------------|
| Plant and machinery | 5 to 12 years |
| Commercial and motor vehicles | 4 to 6 years |
| Office furniture and fittings | 10 years |
| Computer hardware and software | 3 to 5 years |

Depreciation is not charged on capital work in progress until the assets are brought into operational use in the business and transferred to the appropriate asset category.

Leased Assets

Tangible fixed assets held under finance leases are capitalised and depreciated in accordance with the Group's depreciation policy or the term of the lease (if shorter). The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of the capital repayments outstanding. Operating lease charges are charged to the profit and loss account as incurred.

Research and development

Such expenditure is written off to the profit and loss account as incurred in accordance with SSAP 13.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost comprises that expenditure which has been incurred in the normal course of business in bringing the product to its present location and condition, including attributable overheads.

Deferred tax

Deferred tax is fully provided in respect of timing differences that have originated but not reversed by the balance sheet date. These are based on tax rates that are expected to apply at the time of the reversal, which will be the rates that have either been enacted, or substantially enacted, by the balance sheet date. No deferred tax is provided on permanent timing differences. Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax on un-remitted earnings of foreign subsidiaries is only provided if dividends have been accrued as receivable or there is a binding agreement to distribute past earnings in the future. Deferred tax balances are not discounted.

Foreign Currencies

The profits of overseas subsidiary and associate undertakings are translated at the weighted average of month end exchange rates. The closing balance sheets of overseas subsidiary and associate undertakings and foreign currency assets and liabilities are translated at period end exchange rates. Exchange differences arising from the restatement of opening balance sheets and profits for the period of overseas undertakings to closing exchange rates are dealt with through reserves, net of differences on related currency borrowings. Exchange differences arising on trading transactions are taken to the profit and loss account at the transaction date.

Financial Instruments

Financial instruments are used for the management of foreign currency and interest rate exposures and are held off balance sheet. Net interest receipts and payments under interest rate swap agreements are recognised over the term of the hedging instrument as part of interest payable. Foreign currency forward contracts are entered into to hedge transactional and economic exposures. Foreign currency forward contracts are retranslated at the period end rate and gains and losses arising on the contracts are matched against foreign currency gains and losses arising on the underlying transaction. Forward currency forward contracts hedging future transactions at the balance sheet date are not retranslated and are held off balance sheet. Foreign currency options are recorded at cost.

Costs incurred in arranging debt facilities are deducted from the amount raised and amortised over the life of the instrument in accordance with FRS 4. Any unamortised costs relating to financing arrangements repaid during the year are written off to the profit and loss account.

There is no difference between the results as disclosed in the profit and loss account and the results on an historical cost basis.

Tata Tea (GB) Limited
Group Profit and Loss Account for the period ended 31 March 2009

| | | Period ended 31 March 2009 | 53 week period ended 5 April 2008 |
|--|-------------|---|---|
| CONTINUING OPERATIONS | Note | £m | £m |
| TURNOVER | | | |
| Group and share of joint ventures and associates | | 296.2 | 299.3 |
| Less: share of joint venture turnover | | (21.8) | (18.0) |
| Less: share of associates turnover | | – | (14.2) |
| GROUP TURNOVER | | 274.4 | 267.1 |
| Deduction of promotional costs | | (36.4) | (40.7) |
| STATUTORY TURNOVER | 2 | 238.0 | 226.4 |
| OPERATING PROFIT | | 30.5 | 30.6 |
| Analysed as: | | | |
| GROUP OPERATING PROFIT before exceptional items | | 31.9 | 32.2 |
| Exceptional items | 3 | (1.4) | (1.6) |
| Share of operating profit from joint ventures | | 3.2 | 2.9 |
| Profit on sale of associate | | – | 207.6 |
| Share of operating (loss)/profit from associate | | – | (1.0) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST | | 33.7 | 240.1 |
| Interest receivable and similar income | 4 | 120.2 | 13.0 |
| Interest payable and similar charges | | | |
| Group | 4a | (10.8) | (28.1) |
| Joint ventures | | (0.2) | (0.1) |
| Associates | | – | 0.1 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 142.9 | 225.0 |
| Tax on profit on ordinary activities | | | |
| Group | 7 | (41.5) | (6.3) |
| Associates | | – | 0.4 |
| PROFIT AFTER TAXATION | | 101.4 | 219.1 |
| Minority interests | | – | – |
| PROFIT FOR THE FINANCIAL PERIOD | 20 | 101.4 | 219.1 |

Group Balance Sheet as at 31 March 2009

| | Note | 31 March 2009 | 5 April 2008 |
|---|--------|---------------|--------------|
| | | £m | £m |
| FIXED ASSETS | | | |
| Intangible assets | 9 | 272.0 | 272.0 |
| Tangible assets | 10 | 21.7 | 23.3 |
| Investments in joint ventures | 11 | | |
| Share of joint venture gross assets | | 5.4 | 5.3 |
| Share of joint venture gross liabilities | | (4.2) | (4.8) |
| Goodwill arising on acquisition | | 0.9 | 0.9 |
| | | 2.1 | 1.4 |
| Investments in associates | | - | - |
| | | 295.8 | 296.7 |
| CURRENT ASSETS | | | |
| Stocks | 12 | 33.4 | 25.6 |
| Debtors (amounts falling due within one year) | 13 | 255.6 | 94.7 |
| Debtors (amounts falling due after more than one year) | 14 | 85.3 | 37.0 |
| Cash at bank and in hand | 16 | 135.5 | 257.3 |
| | | 509.8 | 414.6 |
| CREDITORS (amounts falling due within one year) | 15 | (97.6) | (67.4) |
| NET CURRENT ASSETS | | 412.2 | 347.2 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 708.0 | 643.9 |
| CREDITORS (amounts falling due after more than one year) | | | |
| Borrowings and finance lease obligations | 16 | (131.3) | (150.0) |
| | | (131.3) | (150.0) |
| PROVISIONS FOR LIABILITIES AND CHARGES | | | |
| Reorganisation costs | 18(i) | (1.5) | (0.3) |
| Other provisions | 18(ii) | (4.3) | (5.1) |
| | | (5.8) | (5.4) |
| NET ASSETS EXCLUDING PENSIONS LIABILITY | | 570.9 | 488.5 |
| PENSION LIABILITY | 21 | (11.9) | (8.2) |
| NET ASSETS | | 559.0 | 480.3 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 19 | 235.1 | 235.1 |
| Profit and loss reserve | 20 | 323.9 | 245.2 |
| TOTAL SHAREHOLDERS' FUNDS | | 559.0 | 480.3 |

The financial statements on pages 140-170 were approved by the board of directors on 18 May 2009 and were signed on its behalf by:

L Krishna Kumar
Group Chief Financial Officer

P D Unsworth
Chief Executive Officer

Tata Tea (GB) Limited
Group Cash Flow Statement for the period ended 31 March 2009

| | Note | Period ended 31 March 2009 | 53 week period ended 5 April 2008 |
|---|------------|-------------------------------|---|
| | | £m | £m |
| RECONCILIATION OF OPERATING PROFIT TO NET CASHFLOW FROM OPERATING ACTIVITIES | | | |
| Operating profit | | 30.5 | 30.6 |
| Adjustment for exchange gain | | - | - |
| Depreciation | | 5.1 | 4.9 |
| (Increase)/decrease in working capital | 22A | (6.5) | 1.4 |
| Decrease in/(expenditure against) reorganisation provisions | 18 | 1.0 | (0.8) |
| Net movement on other provisions | | (0.8) | 0.2 |
| Defined benefit scheme cash contribution | | (2.7) | (2.7) |
| Cash flow from operating activities | | 26.6 | 33.6 |
| Dividends received from Joint Ventures | 11 | 2.9 | 2.9 |
| Returns on investments and servicing of finance | 22B | 4.8 | (12.6) |
| Taxation | 22C | (23.8) | (5.6) |
| Capital expenditure | 22D | (2.6) | (2.5) |
| Acquisitions and disposals | 22E | (0.5) | 501.1 |
| Equity dividend paid | | (17.8) | (7.6) |
| Financing | 22F | (123.2) | (255.0) |
| Increase in cash | 17 | (133.6) | 254.3 |
| RECONCILIATION OF CASHFLOW TO MOVEMENT IN NET DEBT / CASH | | | |
| Increase in cash | 17 | (133.6) | 254.3 |
| Decrease / (Increase) in borrowings | 17 | 11.7 | 171.7 |
| Change in net debt from cash flows | 17 | (121.9) | 426.0 |
| Borrowings acquired in the year | 17 | - | - |
| Non-cash movements | 17 | 11.3 | 3.9 |
| Movement in cash / net debt | | (110.6) | 429.9 |
| Opening cash (net debt) | 17 | 98.8 | (331.1) |
| Closing cash / (net debt) | 17 | (11.8) | 98.8 |

Company Balance Sheet as at 31 March 2009

| | Notes | 31 March 2009 £m | 5 April 2008 £m |
|---|-------|---------------------|--------------------|
| FIXED ASSETS | | | |
| Investments | 11 | 774.0 | 774.0 |
| CURRENT ASSETS | | | |
| Debtors (amounts falling due within one year) | 13 | 1.2 | 29.2 |
| Debtors (amounts falling due after more than one year) | 14 | 18.8 | – |
| Cash at bank and in hand | | – | – |
| | | 20.0 | 29.2 |
| CREDITORS (amounts falling due within one year) | 15 | (14.8) | (8.0) |
| NET CURRENT ASSETS / (LIABILITIES) | | 5.2 | 21.2 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 779.2 | 795.2 |
| CREDITORS (amounts falling due after more than one year) | | | |
| Borrowings | 16 | (535.9) | (557.5) |
| | | (535.9) | (557.5) |
| NET ASSETS | | 243.3 | 237.7 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 19 | 235.1 | 235.1 |
| Profit and loss reserve | 20 | 8.2 | 2.6 |
| TOTAL SHAREHOLDERS' FUNDS | | 243.3 | 237.7 |

Approved by the Board on 18 May 2009 and signed on its behalf by:

L Krishna Kumar
Group Chief Financial Officer

P D Unsworth
Chief Executive Officer

Tata Tea (GB) Limited

**Statement of Total Recognised Gains and Losses
for the period ended 31 March 2009**

| | Group Period ended 31 March 2009 £m | Company Period ended 31 March 2009 £m | Group 53 week period ended 5 April 2008 £m | Company 53 week period ended 5 April 2008 £m |
|--|--|--|---|---|
| Profit/loss) for the financial period | 101.4 | (8.8) | 219.1 | (13.2) |
| Actuarial (loss)/gain on retirement schemes and post retirement benefits | (7.6) | - | (3.4) | - |
| Deferred tax relating to pension liability | 1.4 | - | 0.2 | - |
| Current tax relating to pension liability | 0.8 | - | 0.8 | - |
| Movement on current tax relating to foreign exchange gain on long-term intercompany funding balances | (0.5) | - | - | - |
| Foreign exchange gain on long-term intercompany funding balances | 1.7 | - | - | - |
| Currency translation differences on foreign currency net assets and liabilities | (0.7) | - | (1.7) | - |
| Total recognised gains/(losses) for the year | 96.5 | (8.8) | 215.0 | (13.2) |

**Reconciliation of Movements in Shareholders' Funds
for the period ended 31 March 2009**

| | Group Period ended 31 March 2009 £m | Company Period ended 31 March 2009 £m | Group 53 week period ended 5 April 2008 £m | Company 53 week period ended 5 April 2008 £m |
|--|--|--|---|---|
| Profit for the financial period | 101.4 | (6.4) | 219.1 | (13.2) |
| Dividends paid | (17.8) | (17.8) | (7.6) | (7.6) |
| Dividends received | – | 29.8 | – | 23.5 |
| Retained profit for the financial period | 83.6 | 5.6 | 211.5 | 2.7 |
| Actuarial (loss)/gain on retirement schemes and post retirement benefits | (7.6) | – | (3.4) | – |
| Deferred tax relating to pension liability | 1.4 | – | 0.2 | – |
| Current tax relating to pension liability | 0.8 | – | 0.8 | – |
| Movement on current tax relating to foreign exchange gain on long-term intercompany funding balances | (0.5) | – | – | – |
| Foreign exchange gain on long-term intercompany funding balances | 1.7 | – | – | – |
| Currency translation differences on foreign currency net assets and liabilities | (0.7) | – | (1.7) | – |
| Nominal value of ordinary shares issued in the period | – | – | 10.7 | 10.7 |
| Net addition in shareholders' funds in the year | 78.7 | 5.6 | 218.1 | 13.4 |
| Opening shareholders' funds | 480.3 | 237.7 | 262.2 | 224.3 |
| Closing shareholders' funds | 559.0 | 243.3 | 480.3 | 237.7 |

Tata Tea (GB) Limited**Notes to the Financial Statements****1 FINANCIAL PERIOD**

This financial period under review runs from 6 April 2008 to 31 March 2009 and is therefore a 360 day period (prior year: 53 weeks ended 5 April 2008).

2 STATUTORY TURNOVER, NET ASSETS AND OPERATING PROFIT INFORMATION

The principal operations of the Group are the processing, marketing and distribution of tea products and are regarded by the directors as a single class of business.

The origin and destination of the Group's statutory turnover is as follows:

Period ended 31 March 2009:

| | Turnover by origin £m | Turnover by destination £m |
|------------------------------|-----------------------------|----------------------------------|
| Continuing Operations | | |
| United Kingdom | 162.3 | 130.7 |
| USA | 20.9 | 23.5 |
| Rest of the World | 54.8 | 83.8 |
| Total Group | 238.0 | 238.0 |

Period ended 5 April 2008:

| | Turnover by origin £m | Turnover by destination £m |
|------------------------------|-----------------------------|----------------------------------|
| Continuing Operations | | |
| United Kingdom | 161.3 | 131.2 |
| USA | 18.6 | 20.8 |
| Rest of the World | 46.5 | 74.4 |
| Total Group | 226.4 | 226.4 |

The United Kingdom's turnover by origin is shown after deducting inter-segmental turnover to the Rest of the World of £21.0m (2008: £19.5m).

The directors consider the segmental analysis for operating net assets by location and profit on ordinary activities before tax is commercially sensitive information. The disclosure has been excluded from the financial statements on this basis.

GROUP TURNOVER AND PROFIT INFORMATION

Further analysis of the Group's profit and loss account is provided as follows:

Period ended 31 March 2009:

| | 2009 £m | 2008 £m |
|---|-------------|-------------|
| Group turnover | 274.4 | 267.1 |
| Deduction of promotional costs | (36.4) | (40.7) |
| Statutory turnover | 238.0 | 226.4 |
| Cost of sales | (149.1) | (138.7) |
| Gross profit | 88.9 | 87.7 |
| Selling and distribution costs | (32.4) | (32.3) |
| Administrative expenses | (24.6) | (23.2) |
| Group operating profit (before exceptionals) | 31.9 | 32.2 |
| Exceptional items | (1.4) | (1.6) |
| Operating profit | 30.5 | 30.6 |

All turnover is derived from continuing activities.

The operating profit is stated after charging:

| | 2009 £m | 2008 £m |
|---|------------|------------|
| Depreciation | 5.1 | 4.9 |
| Operating lease rentals for plant and machinery | 0.3 | - |
| Other operating lease rentals, including land and buildings | 2.8 | 2.6 |
| (Profit) / loss on disposal of fixed assets | (0.1) | 0.1 |
| Research and development costs | 0.8 | 0.6 |

During the year the group (including its overseas subsidiaries) obtained the following services from the company's auditor and its associates:

| | 2009 £m | 2008 £m |
|---|------------|------------|
| Fees payable to company auditor for the audit of parent company and consolidated accounts | 0.1 | 0.1 |
| Fees payable to the company's auditor and its associates for other services: | | |
| The audit of company's subsidiaries pursuant to legislation | 0.3 | 0.4 |
| Tax services | 0.8 | 0.2 |
| Other | 0.1 | - |
| | 1.3 | 0.7 |

The Company's audit fee was £nil (2008: £nil); fees for non-audit services were £nil (2008: £nil). The Group's fees for non-audit services principally relate to advice on taxation, acquisitions and retirement benefits. The Company's fees for audit services in the period were borne by The Tetley Group Limited. Fees for non-audit services that were capitalised as acquisition costs amounted to £nil (2008: £nil).

Tata Tea (GB) Limited
3 EXCEPTIONAL ITEMS

The following exceptional items have been charged during the period:

| | 2009 £m | 2008 £m |
|---|------------|------------|
| Within operating profit: | | |
| Group restructuring programme | 1.4 | 1.2 |
| Other | - | 0.4 |
| Costs charged to Provisions - note 18 and operating profit | 1.4 | 1.6 |

The restructuring costs incurred during the period related primarily to redundancies associated with the reorganisation of the UK manufacturing operation, the reorganisation of Tetley Poland following the Vitax and Flosana brands acquisition and the reorganisation of US business following the move to a combined branded beverage business management structure post year end.

4 INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2009 £m | 2008 £m |
|------------------------------------|--------------|-------------|
| Interest receivable | 18.0 | 7.9 |
| Interest rate swap gain on closure | - | 1.6 |
| Exchange gains | 102.2 | 3.5 |
| Total | 120.2 | 13.0 |

The exchange gains represent realised and unrealised gains on US dollar loans and cash deposits. The tax effect on these is a debit of £28.6m.

The interest rate swap net gain in 2008 includes a £2.3m credit in respect of a sterling interest rate swap closed out during the year offset by a £0.7m debit on the closure of a dollar interest rate swap. The tax effect on this was a debit of £0.5m.

4a INTEREST PAYABLE AND SIMILAR CHARGES

| | 2009 £m | 2008 £m |
|---|---------------|---------------|
| Senior debt facilities | (9.2) | (12.7) |
| Subordinated secured sterling credit facility | - | (2.8) |
| Subordinated secured US dollar credit facility | - | (3.7) |
| Subordinated convertible unsecured loan notes | - | (0.8) |
| Issue costs (2008: including write-off of £5.4m unamortised issue costs on refinancing) | (0.9) | (8.3) |
| Other interest payable | (0.5) | (0.5) |
| FRS 17 interest | (0.2) | 0.7 |
| Total | (10.8) | (28.1) |

Included within issue costs in 2008 is a write-off of £5.4m being the balance of unamortised issue costs associated with the 2006 refinancing that were written off following the prepayment of debt from the proceeds of the Energy Brands Inc. disposal. The tax effect of this was a credit of £1.6m.

5 EMPLOYEES

The average number of persons (including executive directors) employed by the Group during the period was:

| | 2009 Number | 2008 Number |
|------------------------------|----------------|----------------|
| (i) By activity | | |
| Manufacturing | 649 | 681 |
| Sales and distribution | 164 | 165 |
| Administration | 175 | 175 |
| | 988 | 1021 |
| (ii) By geographical segment | | |
| United Kingdom | 663 | 691 |
| USA | 181 | 185 |
| Rest of the World | 144 | 145 |
| | 988 | 1021 |

There were no employees in the Company.

Employee costs (including directors' remuneration) charged to the Group profit and loss account were as follows:

| | 2009 £m | 2008 £m |
|-----------------------|-------------|-------------|
| Wages and Salaries | 29.3 | 29.4 |
| Social security costs | 2.4 | 2.3 |
| Other pension costs | 1.5 | 1.5 |
| Total | 33.2 | 33.2 |

6 DIRECTORS' EMOLUMENTS

The emoluments of the Directors were as follows:

| | 2009 £m | 2008 £m |
|---|------------|------------|
| Salaries | 0.7 | 0.8 |
| Non-executive directors' fees | - | - |
| Bonuses | 0.2 | 0.7 |
| Benefits in kind | 0.1 | 0.1 |
| Compensation for loss of office | - | 0.4 |
| Agregate Directors' emoluments | 1.0 | 2.0 |
| Defined contribution Pension scheme contributions | 0.1 | 0.1 |
| Total | 1.1 | 2.1 |

Tata Tea (GB) Limited

Directors' pension arrangements at 31 March 2009 are as follows:

| | 2009 Number | 2008 Number |
|--|------------------------|----------------|
| Active members of Defined contribution pension schemes | 2 | 2 |
| Members of Defined benefit pension scheme who have benefits accruing | 1 | 1 |

Emoluments of the highest paid director were £403,095 (2008: £878,633). The accrued pension was nil (2008: £145,885). In the current year the highest paid director was a member of the defined contribution scheme (2008: defined contribution scheme).

7 TAXATION
Analysis of charge in the period

| | 2009 £m | 2009 £m | 2008 £m | 2008 £m |
|---|--------------------|--------------------|------------|------------|
| Current tax: | | | | |
| UK corporation tax on profits in the period | 42.0 | | 7.0 | |
| Less double tax relief | (0.6) | | - | |
| Adjustments in respect of previous periods | (0.1) | | - | |
| | | 41.3 | | 7.0 |
| Foreign tax | | 0.2 | | (0.5) |
| Total current tax | | 41.5 | | 6.5 |
| Deferred tax: | | | | |
| Fixed asset timing differences | (0.8) | | (0.1) | |
| Decrease / (increase) on tax losses recognised | 0.5 | | (0.6) | |
| Other timing differences | 0.3 | | (0.2) | |
| Effect of change in corporation tax rates on deferred tax | - | | 0.3 | |
| Total deferred tax | | - | | (0.6) |
| Tax on profit on ordinary activities | | 41.5 | | 5.9 |

The movements in tax losses recognised relate to accumulated tax losses in the Group's US and Australian subsidiaries. The deferred tax asset associated with these losses has been recognised to the extent that these losses are expected to be utilised in future. For disclosures relating to deferred tax assets not recognised see note 18 (Provisions).

Factors affecting the tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (28 percent prevailing during the period). The differences are explained below:

| | 2009 £m | 2008 £m |
|---|------------|------------|
| Profit on ordinary activities before tax | 142.9 | 225.0 |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 30%) | 40.0 | 67.5 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 0.9 | 0.8 |
| Depreciation for period in excess of capital allowances | 0.2 | 0.2 |
| Non-taxable profits | – | (62.1) |
| Tax losses not utilised and non-taxable income | 0.5 | 0.3 |
| Differences in tax rates on overseas earnings | 0.2 | 0.1 |
| Other items | (0.3) | (0.3) |
| Current tax charge for the period | 41.5 | 6.5 |

Factors affecting the tax charge for future periods

With effect from 1 April 2008 the applicable UK corporation tax rate has fallen from 30% to 28%.

Deferred tax assets are recognised to the extent that they are considered recoverable. Further unprovided tax assets (for instance in respect of accumulated tax losses in the group's US subsidiaries) may be recognised in future to the extent that the business considers these to have become recoverable.

8 DIVIDENDS

| | 2009 £m | 2008 £m |
|--------------------------|------------|------------|
| Equity - Ordinary | | |
| Interim paid | 17.8 | 7.6 |

9 INTANGIBLE FIXED ASSETS

| | Goodwill £m | Brands £m | Total £m |
|--|----------------|--------------|--------------|
| Cost | | | |
| At 6 April 2008 | 279.2 | 4.8 | 284.0 |
| Additions | – | – | – |
| At 31 March 2009 | 279.2 | 4.8 | 284.0 |
| Amortisation | | | |
| At 31 March 2009 and 6 April 2008 | 12.0 | – | 12.0 |
| Net book amount | | | |
| At 31 March 2009 | 267.2 | 4.8 | 272.0 |
| At 5 April 2008 | 267.2 | 4.8 | 272.0 |

Goodwill

Goodwill relates to the investments made in The Tetley Group in March 2000, in Empirical Group LLC in September 2002, in Good Earth Corporation and Good Earth Teas Inc. in October 2005 and Jemca a.s. in May 2006.

Tata Tea (GB) Limited

The carrying value of the goodwill has been, and will continue to be, subject to an annual impairment review based on the expected future cashflows of the businesses and adjusted to the higher of NRV or value in use if required.

Whilst this accounting treatment represents a departure from the specific requirements of the Companies Act, 2006, the directors consider this to be necessary for the overriding purpose of providing a true and fair view in accordance with the Companies Act, 2006 (Section 404(5)).

Brands

Brands consists of the purchase of the 'Vitax' and 'Flosana' tea brands for £4.8m in April 2007. The brands are principally sold in Poland.

The directors have assessed the durability of the brands Vitax and Flosana and concluded that they should be ascribed an indefinite useful life. The primary factors in this decision are the strength of the brands acquired and their respective market positions.

10 TANGIBLE ASSETS

| Group | Land and buildings £m | Plant, machinery, fixtures, fittings and equipment £m | Commercial and motor vehicles £m | Capital work in progress £m | Total £m |
|-------------------------|-----------------------------|--|---|--------------------------------------|-------------|
| Cost | | | | | |
| At 6 April 2008 | 6.7 | 47.6 | 0.1 | 2.3 | 56.7 |
| Additions | – | 2.2 | – | 0.9 | 3.1 |
| Acquisitions | – | – | – | – | – |
| Transfers | – | 0.3 | – | (0.3) | – |
| Disposals | – | (0.5) | (0.1) | (0.2) | (0.8) |
| Currency adjustments | 0.3 | 2.0 | – | – | 2.3 |
| At 31 March 2009 | 7.0 | 51.6 | – | 2.7 | 61.3 |
| Depreciation | | | | | |
| At 6 April 2008 | 1.1 | 32.3 | – | – | 33.4 |
| Charge for the period | 0.2 | 4.9 | 0.1 | – | 5.2 |
| Disposals | – | (0.1) | (0.1) | – | (0.2) |
| Currency adjustments | – | 1.2 | – | – | 1.2 |
| At 31 March 2009 | 1.3 | 38.3 | – | – | 39.6 |
| Net book amount | | | | | |
| At 31 March 2009 | 5.7 | 13.3 | – | 2.7 | 21.7 |
| At 5 April 2008 | 5.6 | 15.3 | 0.1 | 2.3 | 23.3 |

The net book value of £5.8m (2008: £5.6m) for land and buildings all relates to freehold property.

The book value of tangible assets held under finance lease arrangements is as follows:

Commercial and motor vehicles

| | £m |
|--|----------|
| Cost | |
| At 6 April 2008 | 0.1 |
| Disposal | (0.1) |
| At 31 March 2009 | - |
| Depreciation | |
| At 6 April 2008 | (0.1) |
| Disposal | 0.1 |
| At 31 March 2009 | - |
| Net book value at 31 March 2009 | - |
| Net book value at 5 April 2008 | - |

There are no remaining assets held under finance year following the disposal of a motor vehicle which had a net book value of nil.

11 INVESTMENTS

The movements in investments in joint ventures during the period are as follows:

| Group | Interest in Tetley ACI (Bangladesh) Limited £m | Interest in Empirical Group LLC £m | Interest in Tetley Clover (Private) Limited £m | Interest in Joekels Tea Packers (Proprietary) Limited £m | Total £m |
|-------------------------------|--|---|--|---|-------------|
| At 6 April 2008 | - | 0.4 | 0.1 | 0.9 | 1.4 |
| Additions | 0.1 | - | 0.4 | - | 0.5 |
| Loss for the financial period | (0.1) | 0.5 | (0.5) | 0.1 | - |
| Foreign exchange | - | 0.2 | - | - | 0.2 |
| At 31 March 2009 | - | 1.1 | - | 1.0 | 2.1 |

The movements in the cost of the investments in joint ventures are as follows:

| | Tetley ACI (Bangladesh) Limited £m | Empirical Group LLC £m | Tetley Clover (Private) Limited £m | Joekels Tea Packers (Proprietary) Limited £m | Total £m |
|--|---|------------------------------|---|--|-------------|
| Cost | | | | | |
| Net assets | 0.5 | - | 1.8 | - | 2.3 |
| Goodwill | - | - | - | 0.9 | 0.9 |
| Share of (loss) / profit retained by JV | (0.5) | 17.5 | (1.7) | 0.1 | 15.4 |
| Dividend received | - | (16.3) | - | - | (16.3) |
| Foreign exchange | - | (0.1) | (0.1) | - | (0.2) |
| At 31 March 2009 | - | 1.1 | - | 1.0 | 2.1 |

Tata Tea (GB) Limited**Tetley ACI (Bangladesh) Limited:**

The joint venture was set up in conjunction with a third party, ACI Limited, in November 2002. Trading began in February 2003. The purpose of the joint venture is to manufacture, market and distribute tea in Bangladesh. The Tetley Group has a 50 percent economic and voting interest in the Company and the right to appoint half the Directors of Tetley ACI (Bangladesh) Limited.

As at 31 March 2009 £nil sales had been made to the Group (5 April 2008: £nil). The Group had a balance due to Tetley ACI (Bangladesh) Limited at 31 March 2009 of £nil (31 March 2008: £nil). Share Capital and reserves in sterling terms were £(92,000) (2008: £50,000). The reported loss for the period was £100,000 (2008: £102,000) and the group's 50% share was £50,000 (2008: £51,000).

Empirical Group LLC:

The joint venture was set up in conjunction with a third party, Harris Freeman LLP, in September 2002. The purpose of the Joint venture is to market and distribute food service and food contract tea in the United States. The Tetley Group has a 56% economic and voting interest in the Company but only has the right to appoint half the Directors of Empirical Group LLC. The joint venture agreement stipulates that control of the entity is shared equally by the Group and Harris Freeman LLP.

As at 31 March 2009 there were £7,400 of sales to the Group (2008: £2,500) and £1,100 purchases from the Group (2008: £8,700), a balance owed to the Group of £5,600 (2008: £11,000) and a balance owed by the Group of £2,100 (2008: £nil). Share capital and reserves in sterling terms were £2.0m (2008: £0.6m). The reported profit for the period was £6.3m (2008: £4.9m), before dividends paid of £5.2m (2008: £5.3m). The Group's 56% share of the profit for the period was £3.4m (2008: £2.8m), before dividends paid of £2.9m (2008: £2.9m).

Tetley Clover (Private) Limited:

The joint venture was set up in conjunction with a third party, Clover Limited, in April 2003. Trading began in December 2003. The purpose of the joint venture is to manufacture, market and distribute tea in Pakistan. The Tetley Group has a 50 percent economic and voting interest in the Company and the right to appoint half the Directors of Tetley Clover (Private) Limited.

As at 31 March 2009 £nil sales and £3.7m purchases had been made from the Group (2008 sales: £nil and purchases: £3.2m). The Group had a balance due from Tetley Clover (Private) Limited at 31 March 2009 of £0.2m (2008: £0.7m). Share capital and reserves in sterling terms were £16,000 (2008: £0.3m). The reported loss for the period was £0.8m (2008: £0.1m). The Group's 50% share of the loss for the period was £422,000 (2008: £48,000).

Joekels Tea Packers (Proprietary) Limited

The joint venture was set up in conjunction with two individuals namely, Jonathan Mortimore Kelsey and Johannes Jakobus Swart, in October 2006. Goodwill arising on acquisition amounted to £0.9m. Trading began in October 2006. The purpose of the joint venture is to manufacture, market and distribute tea in South Africa. The Tetley Group has a 33.3% economic and voting interest in the Company and the right to appoint a third of the directors of Joekels Tea Packers (Proprietary) Limited. It also plays an active role in setting the operating and financial policies of the company and the shareholders' agreement specifies a list of significant items that may not be determined without the unanimous consent of the Board.

As at 31 March 2009 £nil sales and £nil purchases had been made from the Group (2008 sales: £nil and purchases: £nil). The Group had a balance due from Joekels Tea Packers (Proprietary) Limited at 31 March 2009 of £82,000 (2008: £105,000). Share capital and reserves in sterling terms were £504,000 (2008: £144,000). The reported profit for the period was £225,000 (2008: £144,000). The Group's 33.3% share of the profit for the period was £75,000 (2008: £48,000).

The movements in investments held by the company during the period are as follows:

| COMPANY | Total Shares in Group undertakings £m |
|-------------------------|--|
| Cost | |
| At 6 April 2008 | 774 |
| Additions | – |
| At 31 March 2009 | 774 |

There were no additions made during the year.

The principal subsidiary and associated undertakings within the Group are detailed in note 28. All undertakings are included within the consolidated accounts. The Company has confirmed that it will provide certain subsidiary undertakings with sufficient funds to enable them to meet their obligations and commitments as and when they fall due. The directors believe that these arrangements will not have an adverse impact on the company.

12 STOCKS

| Group | 2009 £m | 2008 £m |
|-------------------------------|--------------------|------------|
| Raw materials and consumables | 23.7 | 15.2 |
| Work in progress | 0.2 | 0.3 |
| Finished goods | 9.5 | 10.1 |
| Total | 33.4 | 25.6 |

The difference between the amount shown above for total stocks is not materially different from their replacement cost to the Group.

The company held no stock at 31 March 2009.

13 DEBTORS (amounts falling due within one year)

| | Group 2009 £m | Company 2009 £m | Group 2008 £m | Company 2008 £m |
|--|------------------------------|--------------------------------|---------------------|-----------------------|
| Amounts due withing one year: | | | | |
| Trade debtors | 36.3 | – | 35.7 | – |
| Amounts owned by subsidiary undertakings | – | – | – | 28.4 |
| Amounts held in escrow | 7.5 | – | 50.2 | – |
| Loans to Tata Tea companies | 6.3 | – | – | – |
| Loans to other Tata corproations | 195.8 | – | – | – |
| Other debtors, pre-payments and accrued Income | 4.8 | 1.2 | 3.9 | 0.8 |
| Other taxes and social security | 1.3 | – | 2.0 | – |
| Deferred tax | 3.6 | – | 2.9 | – |
| | 255.6 | 1.2 | 94.7 | 29.2 |

Amounts held in escrow represent funds due to the Group following the disposal of its investment in Energy Brands Inc. and are receivable within six months of the balance sheet date. Loans to Tata Tea companies represents a loan to Tata Tea Inc. (USA) of £6.3m charged at a rate of 6.25% and which is a company under common control of the Group's ultimate parent company (see note 28).

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14 DEBTORS (amounts falling due after more than one year)

| | Group 2009 £m | Company 2009 £m | Group 2008 £m | Company 2008 £m |
|--|------------------------------|--------------------------------|------------------------------|--------------------------------|
| Amounts due after more than one year: | | | | |
| Amounts owed by subsidiary undertakings | - | 18.8 | - | - |
| Loans to Tata Tea companies | 46.1 | - | 37.0 | - |
| Loans to other Tata corporations | 39.2 | - | - | - |
| | 85.3 | 18.8 | 37.0 | - |

Loans to Tata Tea companies represents a loan to Eight O'clock Coffee (USA) of £46.1m charged at a margin over LIBOR of 4.5% and which is a company under common control of the Group's ultimate parent company (see note 28).

15 CREDITORS (amounts falling due within one year)

| | Group 2009 £m | Company 2009 £m | Group 2008 £m | Company 2008 £m |
|--------------------------------------|------------------------------|--------------------------------|------------------------------|--------------------------------|
| Bank overdrafts | 0.7 | - | 0.2 | . |
| Senior debt | 16.1 | 15.0 | 8.4 | 8.4 |
| Issue costs | (0.8) | (0.8) | (0.8) | (0.8) |
| Trade creditors | 22.2 | - | 24.0 | - |
| Amounts owed to subsidiary companies | - | - | - | - |
| Corporation tax | 21.8 | - | 3.5 | - |
| Other taxes and social security | 0.9 | - | 0.8 | - |
| Other creditors and accruals | 36.7 | 0.6 | 31.3 | 0.4 |
| | 97.6 | 14.8 | 67.4 | 8.0 |

Details of security given in respect of the bank overdrafts and the senior debt are provided in note 16.

16 TREASURY
Borrowings

| | Group 2009 £m | Company 2009 £m | Group 2008 £m | Company 2008 £m |
|--|------------------------------|--------------------------------|------------------------------|--------------------------------|
| Amounts falling due after more than one year: | | | | |
| Senior debt facilities | 133.2 | 133.2 | 152.6 | 152.6 |
| Issue costs | (1.9) | (1.9) | (2.6) | (2.6) |
| Amounts owed to subsidiary undertakings | - | 404.6 | - | 407.5 |
| Group borrowings | 131.3 | 535.9 | 150.0 | 557.5 |

Group treasury activities are managed centrally by Group Treasury within the policies approved by the Board. The main financial risks faced by the Group are movements in interest rates affecting its borrowing costs and fluctuations in foreign exchange rates in relation to its general trading. Foreign exchange risk in relation to export revenues and import costs is managed by Group Treasury using forward exchange contracts and currency options. No transactions of a speculative nature are undertaken.

The terms of the main funding facilities of the Company are as follows:

| Facility | Facility commitment 2009 £m | Amount Drawn 2009 £m | Margin above LIBOR** | Maturity |
|-------------------------------------|--|---|-------------------------------------|--|
| Senior term Tranche A | 68.2 | 68.2 | 1.575% | 2012 (by semi-annual repayment) |
| Senior term Tranche B | 67.6 | 67.6 | 1.775% | 2013 (by two terminal bullet repayments) |
| Senior revolving facility Tranche C | 40.0 | 12.4 | 1.575% | 2012 (final repayment date) * |

* The senior revolving facility can be drawn down to a maximum of £40.0m. Repaid amounts can be redrawn and any balance outstanding is repayable in one instalment in October 2012.

** Margins quoted apply to non-collateralised debt (see below).

The company has provided a series of undertakings and covenants to the lenders in connection with the Group's performance consistent with usual practice in such financing arrangements.

The senior credit facility is secured by specific security over the assets of the principal subsidiaries and these arrangements are consistent with the security arrangements for previous financing structures. Lenders under these facilities have no recourse to Tata Tea (GB) Investments Limited other than to the extent that Tata Tea (GB) Investments Limited offered a proportion of its cash deposits as collateral against the Company's borrowings under the senior credit facility for an agreed fixed term. The Company was able to borrow at LIBOR plus 0.20% on collateralised debt until the expiry of the fixed term in September 2008.

Issue costs arising on the facility are being amortised at a constant rate on the carrying amount over the expected term of the facility.

The analysis of Group borrowings, excluding short-term bank overdrafts, by expected repayment date is as follows:

| | 2009 £m | 2008 £m |
|--|--------------------|--------------------|
| Between one and two years | 19.3 | 14.2 |
| Between two and five years | 112.0 | 91.3 |
| After five years by instalments | 0.0 | 44.5 |
| Total borrowings greater than one year | 131.3 | 150.0 |
| Repayable within one year (note 15) | 15.3 | 7.6 |
| Group borrowings | 146.6 | 157.6 |

Tata Tea (GB) Limited
Cash investments

| | 2009 | 2008 |
|-------------------------------|--------------|-------|
| | £m | £m |
| Bank deposits | 135.3 | 7.3 |
| US dollar money market funds | – | 87.6 |
| Sterling money market funds | 0.2 | 12.2 |
| US dollar structured deposits | – | 100.0 |
| Sterling structured deposits | – | 50.2 |
| Total | 135.5 | 257.3 |

The Group has invested the surplus cash arising from the proceeds of the disposal of Energy Brands Inc. in a portfolio of short term deposits.

Derivative financial instruments
Interest rate swaps

The Group enters into interest rate swap arrangements to fix the LIBOR cost of a proportion of its borrowings. At the balance sheet date, the Group had two two-year sterling fixed rate interest rate swaps both in a notional principal amount of £22.5m with a fixed rate of 2.67%. The mark to market value of these swaps at the balance sheet date was a loss of £1.1m.

Foreign exchange options

The group has entered into a number of foreign exchange option contracts to hedge its trading exposures. These derivatives are intended to secure a favourable foreign currency conversion rate over a number of fixing dates.

The fair value of these option contracts is a gain of £0.7m at the balance sheet date.

Forward foreign exchange contracts

The group had the following forward foreign exchange contracts outstanding at year end:

| | 2009 | 2008 |
|------------|-------------------------------|------------------------|
| | Amount to buy/(sell) | Amount to buy/(sell) |
| | (millions of currency) | (millions of currency) |
| USD | (30.0) | 25.4 |
| AUD | 5.5 | 4.9 |
| PLN | (15.0) | (15.0) |
| EUR | (1.0) | (0.8) |
| CZK | (217.1) | (217.2) |
| CAD | (2.0) | (14.4) |
| ZAR | (1.0) | - |

The USD forward foreign exchange contracts reflect USD 50 million purchased in respect of its tea buying commitments offset by USD 80 million of forward sales in respect of its cash assets.

The Group does not fair value account for forward foreign exchange contracts. However, the fair value of these contracts is not materially different to the valuation under the Group's accounting policy for financial instruments.

17 ANALYSIS OF NET DEBT

| | At 5 April 2008 £m | Cashflow £m | Non-cash movements £m | At 31 March 2009 £m |
|------------------------------|--------------------------|----------------|-----------------------------|---------------------------|
| Cash at bank and in hand | 7.3 | 9.7 | 1.0 | 18.0 |
| Other liquid resources | 250.0 | (142.8) | 10.3 | 117.5 |
| Bank Overdraft | (0.2) | (0.5) | – | (0.7) |
| | 257.1 | (133.6) | 11.3 | 134.8 |
| Borrowings: | | | | |
| Due within one year | (8.3) | (7.0) | – | (15.3) |
| Due after more than one year | (150.0) | 18.7 | – | (131.3) |
| | (158.3) | 11.7 | – | (146.6) |
| Total | 98.8 | (121.9) | 11.3 | (11.8) |

Non-cash movements on cash at bank and in hand relate to a foreign exchange gain on the retranslation of opening foreign currency balances. Non-cash movements on other liquid resources relate to a foreign exchange gain on the retranslation of US dollar denominated assets during the year.

18 PROVISIONS FOR LIABILITIES AND CHARGES

(i) Re-organisation costs

| Group | Total £m |
|-----------------------------|-------------|
| At 6 April 2008 | 0.3 |
| Charged to operating profit | 1.4 |
| Utilised in period | (0.4) |
| Currency adjustments | 0.2 |
| At 31 March 2009 | 1.5 |

The re-organisation costs provision relates primarily to the re-organisation of US businesses and the UK factory operations.

(ii) Other Provisions

| Group | Deferred Tax £m | Post retirement benefits £m | Other provisions £m | Total £m |
|-------------------------------------|-----------------------|--------------------------------------|---------------------------|-------------|
| At 6 April 2008 | 2.8 | 1.5 | 0.8 | 5.1 |
| Credited to profit and loss account | (0.7) | – | (0.8) | (1.5) |
| Released in period | (0.1) | (0.1) | – | (0.2) |
| Transfers | 0.6 | – | – | 0.6 |
| Utilised in period | – | – | – | – |
| Currency adjustments | – | 0.2 | 0.1 | 0.3 |
| At 31 March 2009 | 2.6 | 1.6 | 0.1 | 4.3 |

Other provisions of £0.1m are principally for liabilities in respect of litigation costs which are expected to crystallise in the future.

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The timing of the utilisation of the deferred tax provisions is uncertain. The major components of the deferred tax balance are as follows:

| | 2009 | 2008 |
|-----------------------------------|--------------|-------|
| | £m | £m |
| Fixed asset timing differences | 1.7 | 2.9 |
| Other timing differences | 0.9 | (0.1) |
| Deferred tax assets (see note 13) | (3.6) | (2.9) |
| | (1.0) | (0.1) |

Deferred tax assets not provided within the accounts were as follows:

| | 2009 | 2008 |
|--------------------------------|---------------|-------|
| | £m | £m |
| Pension and retirement schemes | (0.3) | (0.2) |
| Overseas tax losses | (5.9) | (3.8) |
| Overseas tax assets acquired | (4.7) | (3.7) |
| Other timing differences | (1.1) | (1.2) |
| | (12.0) | (8.9) |

Overseas tax losses relate to unprovided deferred tax on accumulated tax losses in US subsidiaries. Overseas tax assets acquired relate to a deferred tax asset arising from an election exercised in 2007 to amortise the goodwill arising on acquisition of the Good Earth companies. There is no unprovided deferred tax in respect of the Company.

19 SHARE CAPITAL

| Group and Company | Number (millions) | Share Capital £m |
|-------------------------------------|----------------------|---------------------|
| Allotted, called up and fully paid: | | |
| Ordinary shares of £1 each | | |
| At 6 April 2008 | 235.1 | 235.1 |
| Allotted during the period | - | - |
| At 31 March 2009 | 235.1 | 235.1 |

The authorised share capital of Tata Tea (GB) Limited was £500m on 31 March 2009 (5 April 2008: £500m) and the authorised number of shares on 31 March 2009 was 500m (5 April 2008: 500m).

20 PROFIT AND LOSS RESERVE

| | GROUP £m | COMPANY £m |
|--|--------------|---------------|
| At 6 April 2008 | 245.2 | 2.6 |
| Profit for the financial year | 101.4 | (8.8) |
| Dividends | (17.8) | 12.0 |
| | 83.6 | 3.2 |
| Actuarial loss on pension scheme | (7.6) | – |
| Movement on deferred tax relating to pension liability | 1.4 | – |
| Movement on current tax relating to pensions liability | 0.8 | – |
| Movement on current tax relating to foreign exchange gain on long-term intercompany funding balances | (0.5) | – |
| Foreign exchange gain on long-term intercompany funding balances | 1.7 | – |
| Currency translation differences on foreign currency net assets/liabilities | (0.7) | – |
| At 31 March 2009 | 323.9 | 5.8 |

Tata Tea (GB) Limited has not presented its own profit and loss account as permitted by Section 408(4) of the Companies Act, 2006. The result for the period is disclosed in the Reconciliation of movements in shareholders' funds.

21 PENSIONS

Total pension costs charged to the Group profit in the period were £1.4m (2008: charge of £0.9m). Of this, a charge of £1.2m (2008: £1.5m) was in respect of defined contribution schemes including £27,644 (2008: £0.2m) in respect of overseas pension schemes. Following the closure of the defined benefit scheme to future accrual on 6 April 2005, there was no charge to operating profit in relation to this scheme over the year.

Additionally in the USA there is a provision for post-retirement liabilities amounting to £0.7m (2008: £0.5m).

UK

The Group sponsors a defined benefit pension plan, the Tetley GB Final Salary Scheme (the "Scheme"), in the UK with benefits based on final salary.

The Group closed the Scheme to future accrual with effect from 6 April 2005. At this point, all active Scheme members moved to a deferred status under the Scheme. All such Scheme members were eligible to join the UK defined contribution plan.

The latest valuation of the Scheme for funding purposes was carried out at 6 April 2005 and revealed a deficit of £19.1 million, and with effect from April 2006, the Company has agreed to pay contributions of £2.7 million per annum for 10 years to remove this deficit.

Over the year to 31 March 2009, the Company has paid contributions to the Scheme of £2.7m and expects to contribute the same amount over the following accounting period.

We set out below disclosures on this Scheme in accordance with Financial Reporting Standard 17, "Retirement Benefits".

The disclosures below are drawn from an actuarial valuation for accounting purposes only as at 31 March 2009, performed by an independent, professionally qualified actuary.

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The major financial assumptions used by the actuary were:

| | 31 March 2009 | 5 April 2008 | 31 March 2007 |
|---|----------------------|--------------|---------------|
| | % | % | % |
| Discount rate | 6.90 | 6.40 | 5.30 |
| Inflation assumption | 3.00 | 3.50 | 3.15 |
| Rate of increase in salaries | N/A | N/A | N/A |
| Rate of increase in pensions in payment | 3.40 | 3.65 | 3.40 |
| Rate of increase in pensions in deferment | 3.00 | 3.50 | 3.15 |

The assets in the scheme and the expected rates of return were:

| | Expected return on assets 31 March 2009 | Value at 31 March 2009 £m | Expected return on assets 5 April 2008 | Value at 5 April 2008 £m | Expected return on assets 31 March 2007 | Value at 31 March 2007 £m |
|-------------------------------------|--|--|---|-----------------------------------|---|------------------------------------|
| Equities | 8.0% | 23.0 | 7.6% | 30.5 | 7.8% | 42.7 |
| Bonds | 6.4% | 25.4 | 6.5% | 26.3 | 5.4% | 14.7 |
| Property | 7.3% | 6.2 | 6.9% | 9.1 | 7.1% | 10.3 |
| Cash | 4.5% | 0.6 | 4.5% | 0.5 | 4.5% | 0.9 |
| Total market value of assets | | 55.2 | | 66.4 | | 68.6 |
| Present value of scheme liabilities | | (71.7) | | (77.8) | | (80.0) |
| Deficit in the scheme | | (16.5) | | (11.4) | | (11.4) |
| Related deferred tax asset | | 4.6 | | 3.2 | | 3.4 |
| Net pension liability | | (11.9) | | (8.2) | | (8.0) |

| Reconciliation of the present value of Scheme liabilities | 2009 £m | 2008 £m |
|--|--------------------|------------|
| Opening value | 77.8 | 80.0 |
| Current service cost | – | – |
| Interest cost | 4.9 | 4.2 |
| Contributions by participants | – | – |
| Actuarial (gains) / losses | (8.5) | (3.4) |
| Benefits paid | (2.5) | (3.0) |
| Past service cost | – | – |
| Curtailments | – | – |
| Settlements | – | – |
| Other | – | – |
| Closing value | 71.7 | 77.8 |

| Reconciliation of the fair value of the assets | 2009 £m | 2008 £m |
|---|--------------------|--------------------|
| Opening value | 66.4 | 68.6 |
| Expected return | 4.7 | 4.9 |
| Actuarial gains / (losses) | (16.1) | (6.8) |
| Contributions by the employer | 2.7 | 2.7 |
| Contributions by participants | – | – |
| Benefits paid | (2.5) | (3.0) |
| Settlements | – | – |
| Other | – | – |
| Closing value | 55.2 | 66.4 |

Scheme assets do not include any of Tata Tea (GB) Limited's own financial instruments or any property occupied by Tata Tea (GB) Limited.

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed asset investments are based on gross redemption yields at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was £(11.4)m (2008: £(1.9)m).

Expense recognised in profit or loss for period to 31 March 2009

| | Period to 31 March 2009 £m | Period to 5 April 2008 £m |
|--|---|--|
| Expected return on pension scheme assets | 4.7 | 4.9 |
| Interest on pension scheme liabilities | (4.9) | (4.2) |
| Net return | (0.2) | 0.7 |

Analysis of amount recognised in Statement of Total Recognised Gains and Losses (STRGL)

| | Period to 31 March 2009 £m | Period to 5 April 2008 £m |
|---|---|--|
| Actual return less expected return on pension scheme assets | (16.1) | (6.8) |
| Experience gains and losses arising on the scheme liabilities | (0.7) | (2.1) |
| Changes in demographic and financial assumptions underlying the present value of the scheme liabilities | 9.2 | 5.5 |
| Actuarial (loss) / gain recognised in the statement of recognised gains and losses | (7.6) | (3.4) |

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Movement in deficit during the period

| | Period to 31 March 2009 £m | Period to 5 April 2008 £m |
|--|---|---------------------------------|
| Deficit in the scheme at beginning of the period | (11.4) | (11.4) |
| <i>Movement in period</i> | | |
| Current service cost | – | – |
| Employer contributions | 2.7 | 2.7 |
| Past service costs | – | – |
| Curtailment gain | – | – |
| Other finance income | (0.2) | 0.7 |
| Actuarial (loss) / gain recognised in statement of recognised gains and losses | (7.6) | (3.4) |
| Deficit in scheme at end of period | (16.5) | (11.4) |

History of experience gains and losses

| | Period to 31 March 2009 £m | Period to 5 April 2008 £m | Period to 31 March 2007 £m | Period to 1 April 2006 £m | Period to 2 April 2005 £m |
|---|---|------------------------------------|-------------------------------------|------------------------------------|------------------------------------|
| <i>Difference between the expected and actual return on scheme assets:</i> | | | | | |
| Amount | (16.1) | (6.8) | 0.3 | 9.0 | 2.2 |
| Percentage of scheme assets at period end | (29.2%) | (10.2%) | 0.4% | 14.4% | 4.3% |
| <i>Experience gains and losses of scheme liabilities:</i> | | | | | |
| Amount | (0.7) | (2.1) | 1.0 | (1.2) | (0.3) |
| Percentage of the present value of the scheme liabilities at period end | (1.0%) | (2.7%) | 1.3% | (1.5%) | (0.4%) |
| <i>Total amount recognised in statement of total recognised gains and losses:</i> | | | | | |
| Amount | (7.6) | (3.4) | 3.2 | (3.6) | 0.8 |
| Percentage of the present value of the scheme liabilities at period end | (10.6%) | (4.4%) | 4.0% | (4.4%) | 1.2% |

The cumulative amount of actuarial losses recognised since 1 January 2002 in the statement of recognised gains and losses is £(32.8)m.

The Group has also established a defined contribution scheme, administered by independent pension advisers and invested by external managers for employees joining the Group after July 1995. The contributions made during the year were £1.2m (2008: £1.4m). At the end of the year, contributions of £0.1m (2008: £0.1m), representing the unpaid contributions for April 2009, were outstanding.

USA

The US 401(k) employee savings investment plan, a defined contribution scheme, is the main US scheme. The Group contributes to this scheme at varying levels with further discretionary contributions if certain business objectives are met.

There are other post-retirement liabilities that arise principally in the USA. In particular, unfunded life assurance benefits are offered for some retirees in the USA. A full actuarial valuation was carried out as at 31 March 2009

by a qualified independent actuary. This showed liabilities of £0.7m calculated using a discount rate of 6.0%. No current employees will be entitled to this benefit on retirement.

Other overseas

The Group also participates in various other defined benefit and defined contribution schemes for employees outside the UK and USA. These schemes remain funded at the appropriate levels and contributions are made in accordance with respective obligations under each plan.

Directors' pension arrangements

Details of directors' pension arrangements are included in Note 6.

22. CASH FLOW ANALYSIS

A Movement in Working Capital

| | 2009 £m | 2008 £m |
|-----------------------|------------|------------|
| Increase in stock | (7.8) | (1.7) |
| Increase in debtors | (0.9) | (3.5) |
| Increase in creditors | 2.2 | 6.6 |
| | (6.5) | 1.4 |

B Returns on Investments and Servicing of Finance

| | 2009 £m | 2008 £m |
|---|------------|------------|
| Issue costs on borrowings and non-equity shares | (0.1) | (1.7) |
| Interest received | 19.5 | 7.9 |
| Interest paid | (9.0) | (22.3) |
| Exchange (losses) / gains | (5.6) | 3.5 |
| | 4.8 | (12.6) |

C Taxation

| | 2009 £m | 2008 £m |
|----------|------------|------------|
| Tax paid | (23.8) | (5.6) |

D Capital Expenditure and Financial Investment

| | 2009 £m | 2008 £m |
|-----------------------------------|------------|------------|
| Purchase of tangible fixed assets | (2.6) | (2.5) |

E Acquisitions and Disposals

| | 2009 £m | 2008 £m |
|---|------------|------------|
| Cash injections into Joint Ventures | (0.5) | (0.4) |
| Purchase of trade and net assets | – | (4.8) |
| Disposal of associates | – | 506.3 |
| Net cash inflow / (outflow) arising from acquisitions | (0.5) | 501.1 |

Tata Tea (GB) Limited
F Financing

| | 2009 | 2008 |
|---|----------------|---------|
| | £m | £m |
| Repayment of Senior debt | (12.5) | (38.1) |
| Repayment of Subordinated convertible unsecured loan notes (2013) | – | (0.3) |
| Repayment of Subordinated revolving credit facility | – | (55.8) |
| Repayment of Subordinated US dollar credit facility | – | (74.5) |
| Capital element of finance lease repayments | – | (0.2) |
| Loans to Tata corporations | (169.0) | (37.0) |
| Escrow proceeds received | 58.3 | (49.1) |
| Net cash (outflow) / inflow from financing | (123.2) | (255.0) |

23 CONTINGENT LIABILITIES
Group

There were contingent liabilities at 31 March 2009 in respect of forward exchange contracts, operating leases, outstanding letters of credit and financing arrangements of joint ventures. All of these arrangements have been undertaken in the normal course of trade and are centrally monitored by Group Treasury. Because the value of many of these liabilities is dependent on future market price movements, the directors believe that it is not practicably possible to provide an estimate of the Group's potential liability under such arrangements.

The Group is involved in certain litigation, relating principally to the USA. The directors believe that adequate provision has been made within these accounts for any potential costs (see note 18) and expect no material effect on the net asset position of the Group.

Company

At 31 March 2009 the Company had given certain guarantees in respect of the financing arrangements and trading activities of subsidiary undertakings, all in the ordinary course of their business. The directors believe that it is not practicable to provide an estimate of the potential liability under these guarantees, but the potential liability is not anticipated to be material to the results of the Company.

24 OPERATING LEASES

The Group had annual commitments under non-cancellable operating leases, as follows:

| Commitment expires: | Land and buildings | Other | Land and buildings | Other |
|----------------------------|---------------------------|--------------|--------------------|-------|
| Within one year | 0.1 | – | 0.1 | 0.2 |
| Between one and five years | 1.6 | 0.8 | 0.9 | 0.3 |
| After five years | 1.4 | – | 1.4 | – |
| | 3.1 | 0.8 | 2.4 | 0.5 |

25 RELATED PARTY TRANSACTIONS

There have been no related party transactions other than those disclosed in notes 11 and 13 entered into during the year which require disclosure under FRS 8.

26 CAPITAL COMMITMENTS

Capital expenditure authorised by the Board and contracted for at 31 March 2009 was £0.4m (2008: £0.6m). This amount is not provided for within the Group's financial statements.

27 POST BALANCE SHEET EVENTS

No material post balance sheet events have occurred.

28 ULTIMATE PARENT COMPANY

The company's shares are owned by Tata Tea Limited, a company incorporated in India (30.1 percent); Tata Sons Limited, a company incorporated in India (4.3 percent), Tata Tea Inc, a company incorporated in the USA (10.6 percent), Tata Limited, a company incorporated in the UK (6.4 percent), Tata Enterprises (Overseas) AG, a company incorporated in Switzerland (10.6 percent) and Tata Tea (GB) Capital Limited, a company incorporated in the UK (38.1 percent). Tata Tea Limited, either directly or through its wholly owned subsidiaries, Tata Tea Inc. and Tata Tea (GB) Capital Limited, owns 78.8% of the Company. The Company's ultimate holding company and controlling party is Tata Tea Limited, a company incorporated in India. The consolidated financial statements of the ultimate holding company are available from Tata Tea Limited, 1 Bishop Lefroy Road, Calcutta, 700 020.

Principal Subsidiary Undertakings and Associates

| NAME OF UNDERTAKING | COUNTRY OF INCORPORATION | PROPORTION OF EQUITY AND VOTING RIGHTS HELD | ACCOUNTING YEAR-END DATE |
|---|--------------------------|---|--------------------------|
| The Tetley Group Limited | UK | 100% | 31 March |
| Tetley GB Limited | UK | 100% | 31 March |
| Tetley USA Inc. | USA | 100% | 31 March |
| Tetley Canada Inc. | Canada | 100% | 31 March |
| Tetley Australia Pty. Ltd. | Australia | 100% | 31 March |
| Tetley Overseas Limited | UK | 100% | 31 March |
| Stansand (Africa) Limited | Kenya | 100% | 31 March |
| Stansand (Central Africa) Limited | Malawi | 100% | 31 March |
| Tetley Polska Sp. z.o.o. | Poland | 100% | 31 March |
| Empirical Group LLC | USA | 56% | 31 March |
| Southern Tea LLC | USA | 50% | 31 December |
| Tetley ACI (Bangladesh) Limited | Bangladesh | 50% | 31 December |
| Tetley Clover (Private) Limited | Pakistan | 50% | 30 June |
| Drassington Limited | UK | 95% | 31 March |
| Good Earth Corporation | USA | 100% | 31 March |
| Good Earth Teas Inc | USA | 100% | 31 March |
| Teapigs Ltd. | UK | 100% | 31 March |
| Tata Tea (GB) Investments Limited | UK | 100% | 31 March |
| Jemca a.s. | Czech Republic | 100% | 31 March |
| Joekels Tea Packers (Proprietary) Limited | South Africa | 33.3% | 31 March |
| Campestres Holdings Limited | Cyprus | 100% | 31 March |
| Kahutara Holdings Limited | Cyprus | 100% | 31 March |

Southern Tea LLC meets the definition of a joint arrangement and has been accounted for in accordance with FRS9, 'Associates and Joint Ventures'. Southern Tea accounts are consolidated for the period from 6 April 2008 to 31 March 2009.

Empirical Group LLC, Tetley ACI (Bangladesh) Limited, Tetley Clover (Private) Limited and Joekels Tea Packers (Proprietary) Ltd. meet the definition of a joint venture and have been accounted for in accordance with FRS9. Tetley ACI (Bangladesh) accounts are consolidated from 6 April 2008 to 31 March 2009.

All undertakings operate within their country of incorporation, in the tea sector and are included within the consolidated financial statements.

Tata Tea (GB) Limited

The company has taken advantage of s400 of the Companies Act, 2006 not to present the full list of its subsidiary undertakings.

The company's shares are owned by Tata Tea Limited, a company incorporated in India (30.1 percent); Tata Sons Limited, a company incorporated in India (4.3 percent), Tata Tea Inc., a company incorporated in the USA (10.6 percent), Tata Limited, a company incorporated in the UK (6.4 percent), Tata Enterprises (Overseas) AG, a company incorporated in Switzerland (10.6 percent) and Tata Tea (GB) Capital Limited, a company incorporated in the UK (38.1 percent).

Tata Tea Limited owns 100% of Tata Tea Inc. and Tata Tea (GB) Capital Limited and therefore holds 78.8% of the share capital of Tata Tea (GB) Limited. The Group is exempt under FRS8, 'Related Party Disclosures', from disclosing related party transactions between Group companies.

Drassington Limited meets the definition of a subsidiary and has been accounted for in accordance with FRS2, 'Accounting for Subsidiary Undertakings'. During the year the group increased its investment in Drassington Limited by purchasing £260,000 of shares. This increased the group's share from 94% to 95%.

Tata Tea (GB) Investments Limited acquired 100% shareholding in Campestres Holdings Limited on 3 February 2009 for total consideration of £2,100. Campestres Holdings Limited acquired 100% shareholding in Kahutara Holdings Limited for total consideration of £2,000 on 25 March 2009.

FORM 2B

(See rules 4 CCC and 5 D)

NOMINATION FORM

(To be filled in by individual applying singly or jointly)

I/We, _____ the holder(s) of Shares/Debentures/Deposits bearing Folio/Receipt Number _____ and accruals thereon of Tata Tea Limited wish to make a nomination and do hereby nominate the following person in whom all rights of transfer and/or amount payable in respect of shares/debentures/deposits shall vest in the event of my/our death.

Name and Address of Nominee

Name : _____

Address : _____

_____ Pincode : _____

Date of Birth* : _____

(to be furnished in case
the nominee is minor)

Signature of Nominee
(Optional)

*The nominee is a minor whose Guardian is -
Name and Address of Guardian _____

Signature(s) of Holder(s)

Signature : _____
(1st Holder)

Signature : _____
(1st Joint holder, if any)

Name : _____

Name : _____

Address : _____

Address : _____

Date : _____

Date : _____

Signature of Two Witnesses

| | Name and Address | Signature with Date |
|----|------------------|---------------------|
| 1. | | |
| 2. | | |

Instructions :

1. The Nomination can be made by individuals only applying/holding shares/debentures/deposits on their own behalf singly or jointly upto two persons. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. If the securities are held jointly, all joint holders will sign the Nomination Form.
2. A minor can be nominated by holders of shares/debentures/deposits and in that event the name and address of the Guardian shall be given by the holders.
3. The nominee shall not be a Trust, Society, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family or a Power of Attorney holder. A Non-resident Indian can be a nominee on repatriable basis provided RBI approval granted to the nominee is registered with the Company.
4. Nomination shall stand rescinded upon transfer of shares/debentures.
5. Transfer of shares/debentures in favour of a nominee and repayment of amount of deposits to nominee shall be valid discharge by a Company against the legal heir.

FOR OFFICE USE ONLY

Nomination Regn. No. : _____ Checked by : _____

Date of Registration : _____ Signature of Employee : _____

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GUIDELINES FOR NOMINATION

1. **Nomination per Folio -**

Nomination for only one folio can be made on this Form. In case you have many folios, then you may take a photocopy of this Form and nominate separately.

2. **Signatures -**

The sole/joint holders should sign as per the specimen signature recorded with the Company, else the Form is liable to be rejected.

3. **Registration of Nomination -**

Upon receipt of a duly executed Nomination Form, TSR Darashaw Limited will register the nomination and allot a Registration number. This number will be furnished to the holder. All the subsequent correspondence regarding the nomination may please be done quoting the Registration number.

4. **Change of Nomination -**

The holder(s) can override (delete or change) an earlier nomination by executing a fresh Nomination Form for which a fresh Registration number will be allotted. The earlier nomination will automatically stand cancelled.

5. **Change in Composition of the Account -**

Nomination stands rescinded upon transfer of shares/debentures. Whenever the shares/debentures in the given folio are transferred/transposed/transmitted/dematerialised/amalgamated with some other folio, then this nomination stands void. A new Nomination Form will have to be filled by the person(s) in whose name(s) the shares/debentures have been transferred/transposed/transmitted/amalgamated.

6. **Electronic Holding -**

The nomination given in the Form would be considered for the physical holding only. In case securities are held in electronic form, then the holder(s) have to approach the Depository Participant for registering their nomination.

7. **Accruals and Acquisitions -**

Once a nomination is registered by a Company for a given folio, the same is valid for all future accruals and acquisitions made by the holder(s) in that folio unless notified to the contrary by the holder(s). The accruals could be in the form of Rights, Bonus, Purchases from open market under the same folio etc.

8. **Validity of Nomination -**

The nomination made through Form 2B will be considered valid and recognised by the Company if the nomination made by the holder(s) of the shares/debentures/deposits is registered with the Company before the death of the holder(s) of the shares/debentures/deposits.

9. **Entitlement of Nominee -**

The nominee will be entitled to all the rights in the shares/debentures/deposits of the Company only in the event of the death of the Sole/all holders in the account. The nominee will be required to approach the Company for transmitting the securities in his/her name and will be required to produce the death certificate of the holder(s), the shares/debentures/deposit certificates and proof of identity as required by the Board of Directors of the Company. The Registration number under which the nomination was registered should also be provided to the Company.

10. **Date of Execution -**

Kindly note that nomination being a legal document should be dated by the nominator and the witnesses certifying that the Form has been signed by the nominator in their presence. Furthermore the date of execution on the Nomination Form should match with the date of witnesses, witnessing the document.



Registered Office : 1 Bishop Lefroy Road, Kolkata 700 020

Dear Shareholder,

SUB : PAYMENT OF DIVIDEND THROUGH ELECTRONIC CLEARING SERVICE (ECS)

Securities and Exchange Board of India (SEBI) has made it MANDATORY for all the companies to use the bank account details furnished by the investors for distributing dividends through Electronic Clearing Service (ECS) to the investors wherever ECS and bank details are available in the absence of ECS facility, the companies are required to print the bank account details, if available, on the payment instrument, for the distribution of dividends to the investors.

Salient features of the scheme:

• **Instant Credit**

This facility provides instant credit of dividend amount to your bank account electronically at no cost. **ECS also eliminates the delay in postal transit and fraudulent encashment of warrants.**

• **Coverage**

ECS through RBI clearing is presently available at Mumbai, New Delhi, Kolkata, Chennai, Ahmedabad, Bangalore, Hyderabad, Kanpur, Nagpur, Jaipur, Chandigarh, Patna, Bhubaneswar, Guwahati and Thiruvananthapuram. ECS facility is also available at other center through State Bank of India.

• **Procedure for credit**

Under this facility, the amount of dividend payable to you would be directly credited to your bank account. Your bank branch will credit your account and indicate the credit entry as 'ECS transaction' in your passbook/statement of account.

In case ECS facility is not made available to you by the Company/their Bankers at a particular centre the dividend amount due to you would be remitted by means of a dividend warrant which would be posted to your address with the particulars of the bank branch and account number furnished by you, duly incorporated on it.

If you wish to avail of this facility & hold shares in physical form, kindly fill the Form printed overleaf and return the same alongwith a **xerox copy of the cheque** pertaining to the Bank Account where you would like the amount to be credited. Please send the same to our above mentioned address or any of our branch addresses as mentioned below, to enable us to credit the future dividend entitlements, if any to your account through ECS.

This arrangement is subject to the RBI guidelines issued from time to time.

Bank particulars to be incorporated on warrants

If you do not wish to opt for ECS facility, we request you to provide us your bank details for printing the same on the dividend warrants which will be mailed to you in future, in the space provided overleaf. In case you have already furnished these particulars, and if there is any change/correction in the same, kindly fill up the required details.

In case if you have dematerialised your shares and hold shares in electronic form, kindly convey necessary bank details to your Depository Participant.

Thanking you!

Yours faithfully,

For TSR DARASHAW LIMITED

Centralised Correspondence Cell

**TSR DARASHAW LIMITED
BRANCH OFFICES**

TSR DARASHAW LIMITED
503, BARTON CENTRE, 5TH FLOOR
84, MAHATMA GANDHI ROAD,
BANGALORE - 560 001.
TELEPHONE : 080-25320321
FAX : 080-25580019
E-MAIL: tsrdlbg@tsrdarashaw.com

TSR DARASHAW LIMITED
PLOT NO. 2 /24, SANT VIHAR,
ANSARI ROAD, DARYAGANJ,
NEW DELHI - 110 002.
TELEPHONE : 011-23271805
FAX : 011-23271802
E-MAIL: tsrdldel@tsrdarashaw.com

TSR DARASHAW LIMITED
TATA CENTRE, 1ST FLOOR,
43, CHOWRINGHEE ROAD,
KOLKATA - 700 071.
TELEPHONE : 033-22883087
FAX : 033-22883062
E-MAIL: tsrdlcal@tsrdarashaw.com

TSR DARASHAW LIMITED
"E" ROAD, NORTHERN TOWN,
BISTUPUR,
JAMSHEDPUR - 831 001.
TELEPHONE : 0657-2426616
FAX : 0657-2426937
E-MAIL: tsrdljpr@tsrdarashaw.com

All queries to be addressed to the Company's Registrars & Transfer Agent :

TSR DARASHAW LIMITED
(Unit: Tata Tea Limited)

6-10 Haji Moosa Patrawala Ind. Estate, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011.
Tel.: 022-66568484 • Fax : 022-66568494
E-mail : csg-unit@tsrdarashaw.com • Website : www.tsrdarashaw.com

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SR.NO.:

| | | |
|----------------|----------|----------|
| E-mail ID | | |
| Telephone No.: | STD Code | Tel. No. |
| | | |

TSR DARASHAW LIMITED
6-10, Haji Moosa Patrawala Ind. Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011.

UNIT: TATA TEA LIMITED

Dear Sir,

This has reference to your circular dated printed overleaf.

I request the Company to register the bank details against my account as given below:

FOLIO NO. :

NAME(S) OF THE HOLDERS :

NAME & ADDRESS OF THE BANK BRANCH :

ACCOUNT TYPE : ☐ SAVINGS ☐ CURRENT ☐ CASH CREDIT

ACCOUNT NO. :

| | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

We request you to kindly :

(PLEASE TICK ☒ FOR THE FACILITY YOU OPT)

1. ☐ Mail the warrant directly to the bank.
2. ☐ Mail the warrant at my registered address with the bank particulars incorporated.
- 3*. ☐ Directly credit to the account through Electronic Clearing System (ECS).

* **If opted for ECS, kindly provide the following information.**

9 DIGIT CODE NUMBER OF THE BANK AND BRANCH AS
APPEARING ON THE MICR CHEQUE ISSUED BY THE BANK

LEDGER FOLIO NO. (IF ANY) OF YOUR ACCOUNT

| | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

(in case if you have opted for ECS, affix photocopy of your cheque here)

I hereby declare that the particulars given are correct and complete. If the payment transaction through ECS is delayed or not effected at all for any reasons, I would not hold the Company responsible.

Date : _____

Signature of the first holder

31st July, 2009

Dear Shareholders,

Submission of PAN Details

We had, vide our letters dated 13.8.2007, 31.10.2007 and 25.7.2008 requested you to submit details of your **Income Tax Permanent Account Number (PAN)** as in terms of directive of Securities and Exchange Board of India, submission of these details by every participant in the securities/capital market has become mandatory.

Kindly return the slip appended below, duly filled in and signed with self-attested copies of PAN cards of all holders including jointholders, to the Company or the Registrars. If you are holding shares in electronic form, please furnish these details to your Depository Participant.

In case you have already submitted the PAN details, kindly ignore this letter.

For **TATA TEA LIMITED**



D. K. Sen
Vice President & Secretary

----- Tear Here -----

From :

Name :

Address :

To,
TSR Darashaw Limited
Unit: Tata Tea Limited
6-10, Haji Moosa Patrawala Ind. Estate
20 Dr. E. Moses Road
Mahalaxmi, Mumbai - 400 011

We give below the PAN details together with self-attested photocopies of the PAN card which kindly record against my/our names.

Folio No.

Tel.: _____

DP ID/Clinet ID No.:

E-mail : _____

| Name of the Shareholder | PAN No. | *Signature |
|-------------------------|---------|------------|
| | | |
| | | |
| | | |

*In case of account holder(s) other than individuals, kindly submit an attested copy of the required authorization along with the specimen signatures of the authorized signatories.

