



TATA TEA

Challenging for Leadership in Tea across the Globe



39th Annual Report

2001-2002

Challenging for Leadership in Tea across the Globe

All of us in Tata Tea and Tetley now experience a unified vision of where we want to take this great combined enterprise. It is global leadership in the domain of Tea which is our Holy Grail.

As a member of this large family, I can feel the passion run through the mainstream of the new enterprise that is emerging, giving every task and joint effort, new vigour and direction. Given the track records of both organisations, the spirit of the people working across the world, their competence and commitment, I believe that we will achieve what we are setting out to achieve.

Mr. R. K. Krishna Kumar

*Vice Chairman, Tata Tea Ltd.
Chairman, The Tetley Group, UK*

Tata Tea, a business that spans both Plantations & Brands, has been the significant force in Tea in India. The acquisition of Tetley now provides new resources and a global platform for our combined ambition.

"Challenging for Leadership in Tea across the Globe"

The word "challenging" describes a state of mind throughout these organisations - never being satisfied with the status quo, constantly striving to be better and to do new things in new ways.

Homi R. Khusrokhhan

Managing Director, Tata Tea Ltd.

Ken Pringle

CEO, The Tetley Group Ltd.

Tata Tea Limited

**Annual General Meeting on
Monday, 16th September, 2002
at The Oberoi Grand,
15, Jawaharlal Nehru Road,
Kolkata 700 013**

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Tata Tea Limited

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 Tata Share Registry Limited.

Any shareholder wishing to know the details of the scheme may kindly write to Tata Share Registry Ltd., Army & Navy Building, 148, Mahatma Gandhi Road, Mumbai 400 001 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*)
N.A. Soonawala
A.S. Bam
Y.H. Malgani
D.N. Ghosh
D.B. Engineer
R.R. Kavarana
K. Pringle
U.M. Rao (*Nominee Director of GIC*)
H.R. Khusrakhan (*Managing Director*)
P.T. Sigamoria (*Deputy Managing Director*)
A. Mazumdar (*Whole-time Director*)
V. Venkateswaran (*Whole-time Director*)
P.D. Unsworth (*Alternate Director to Mr. K. Pringle*)

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

Registered Office

1, Bishop Lefroy Road, Kolkata - 700 020.
 Telephone : 2011607/3709/3779/3891/4422
 Fax : 2011199

Registrars

- i) **Equity Shares**
 Tata Share Registry Limited,
 (Unit : Tata Tea Ltd.)
 Army & Navy Building,
 145, Mahatma Gandhi Road,
 Mumbai 400 001.
 Telephone : 2873831 Fax : 2844160
 Website : www.tata.com/tslr
- ii) **Fixed Deposit**
 Tata Consultancy Services
 5th Floor, Room No. 506,
 Narayani Building, 27, Brabourne Road,
 Kolkata 700 001.
 Telephone : 2437655

Solicitors and Legal Advisors

Knaitan & Co
 Orr, Dignam & Co.

Auditors

M.M. Rajji & Co.
 Lovelock & Jewes

Bankers

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

Board Committees**Remuneration Committee**

1. Mr. D.N. Ghosh - Chairman
2. Mr. N.A. Soonawala
3. Mr. D.B. Engineer
4. Mr. R.K. Krishna Kumar

Audit Committee

1. Mr. Y.H. Malgani - Chairman
2. Mr. R.K. Krishna Kumar
3. Mr. U.M. Rao

Shareholders'/Investors' Grievance Committee

1. Mr. D.B. Engineer - Chairman
2. Mr. U.M. Rao

Ethics & Compliance Committee

1. Mr. D.N. Ghosh - Chairman
2. Mr. H.R. Khusrakhan



NOTICE

Notice is hereby given that the thirty-ninth Annual General Meeting of the Members of Tata Tea Limited will be held at The Oberoi Grand, 15, Jawaharlal Nehru Road, Kolkata 700013 on 16th September, 2002 at 11 a.m. to transact the following business :

1. To receive and adopt the Profit and Loss Account for the year ended 31st March, 2002, and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To confirm the declaration and payment of interim dividend.
3. To appoint a Director in place of Mr. R. N. Tata who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. Y. H. Malegam who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr. K. Pringle who retires by rotation and is eligible for reappointment.
6. To appoint a Director in place of Mr. V. Venkiteswaran who was appointed an Additional Director of the Company by the Board of Directors with effect from 1.5.2002 and who holds office up to the date of the forthcoming Annual General Meeting but who is eligible for reappointment and in respect of whom, the Company has received a notice in writing from a member proposing his candidature for the office of a Director under the provisions of Section 257 of the Companies Act, 1956.

7. **Appointment of Mr. V. Venkiteswaran as Wholetime Director**

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

"RESOLVED that pursuant to Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the appointment and terms of remuneration of Mr. V. Venkiteswaran who has been appointed by the Board of Directors of the Company as a Wholetime Director of the Company for a period of 3 years with effect from 1.5.2002 upon the terms and conditions set out in the agreement submitted to this meeting and initialled for identification by a Director of the Company, which agreement is hereby specifically approved with liberty to the Board of Directors of the Company 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 Mr. Venkiteswaran."

8. **Appointment of Auditors**

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 224A and other applicable provisions, if any, of the Companies Act, 1956, Messrs. N. M. Raiji & Co. and Messrs. Lovelock & Lewes, the retiring Auditors of the Company, be and they are hereby re-appointed Auditors of the Company to hold office from the conclusion of this meeting up to the conclusion of the next Annual General Meeting of the Company on a remuneration of Rs. 22,00,000 plus reimbursement of service tax, out-of-pocket, travelling expenses and other expenses in connection with the audit."

The Register of Members of the Company will remain closed from 27th August, 2002 to 14th September, 2002, both days inclusive.

By Order of the Board

(D.K. SEN)

Vice President & Secretary

Registered Office :
1, Bishop Lefroy Road
Kolkata - 700 020
Date : 30th July, 2002

Tata Tea Limited

Notes:

1. An Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, in respect of the items of business specified in the Notice at Item Nos. 6 & 7 and the relevant details in respect of Item Nos. 3, 4 & 5 pursuant to clause 49 of the Listing Agreements with the Stock Exchanges are annexed hereto/given hereunder.
2. The Board of Directors at their meeting held on 17.5.2002 had declared payment of an interim dividend of Rs. 7.00 per share for the financial year 2001-02 which has already been paid to the shareholders registered in the books of the Company on 30.5.2002. At the Board Meeting held on 27.6.2002, the Board had decided not to recommend any further final dividend.
3. **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.**
4. Shareholders are requested to notify their bank particulars giving the name of the bank and the branch and the nature of account and also any change of address to the Company's Registrar and Share Transfer Agent, Tata Share Registry Limited. Shareholders are hereby intimated that under instructions from the Securities And Exchange Board of India, furnishing of bank particulars by the shareholders has become mandatory.
5. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividends up to the financial year 1993/94 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not yet encashed the Dividend warrants for the said period are requested to forward their claims in the prescribed format to the Registrar of Companies, West Bengal at their office at Nizam Palace, 11nd M.S.O. Building, 234/4 A.J.C. Bose Road, Kolkata 700 020.

Consequent upon introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid or unclaimed for a period of 7 years from the date they become due for payment, will have to be transferred to the Investor Education and Protection Fund set up by the Government of India and no payment shall be made in respect of any such unpaid dividend either by the Company or the Fund.

6. Shareholders are hereby informed that the bank particulars given by them at the time of opening a depository account will be used by the Company for printing on the dividend warrants. This would ensure that the dividend warrants cannot be deposited in any account other than the one specified on the warrants. For the safety and interest of the shareholders, it is important that bank account details are correctly provided to the depository participants. The bank mandate for shares held in physical form will not be applied for shares held in electronic form.

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DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING REAPPOINTMENT
(In Pursuance of Clause 49 of the Listing Agreement)

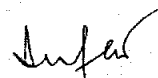
Particulars	Mr.R. N.Tata	Mr.Y.H.Malegam	Mr.K.Pringle
Date of Birth	28.12.1937	24.9.1933	4.4.1948
Date of Appointment	18.1.1991	8.2.1977	16.6.2000
Qualifications	B.Sc.(Architecture) AMP (Harvard)	Chartered Accountant	B.Sc.(Economics) London School of Economics
Expertise in specific functional area	Mr. Tata joined the Tata Group in 1962. Mr. Tata is the Chairman of Tata Sons Limited since 1991, the apex holding Company of the Tata Group and is the Chairman of major Tata Companies and Tata Trusts. He is also on the Central Board of the Reserve Bank of India, a Member of the Prime Minister's Council on Trade and Industry besides being a member of various international boards/committees.	Mr. Malegam is 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 & Regulations. He is a member of the Governing Board of Reserve Bank of India and has served many important committees set up by the Government/SEBI as Chairman/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. Pringle is the Chief Executive Officer of The Tetley Group Ltd. He was earlier Marketing Director of Joshua Tetley & Sons Ltd. He became Marketing Director of Lyons Tetley in 1988. He held several Senior Management positions in The Tetley Group. He is the Managing Director of Tetley GB since 1995.
Chairman/Director of other companies (excluding foreign companies)	Tata Sons Ltd. Tata Industries Ltd. Tata Iron & Steel Co. Ltd. The Tata Engineering & Locomotive Co. Ltd. The Indian Hotels Co. Ltd. The Tata Power Co. Ltd. Tata Chemicals Ltd. Videsh Sanchar Nigam Ltd.	Cabot India Ltd. Tata Coffee Ltd. Escorts Ltd. Motor Industries Co. Ltd. The Antifriction Bearings Corporation Ltd. Hindustan Construction Co. Ltd. National Stock Exchange of India Ltd.	Redmill Snacks, UK Unicorn Training, UK The Tetley Group Ltd., UK Tetley GB Ltd., UK Continental Foods, UK Tetley USA Inc., USA S & A Foods Tea Trade Health Research Association

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	Information Technology Park Ltd. Tata Auto Comp Systems Ltd. The Bombay Dyeing & Manufacturing Co. Ltd. Antrix Corporation Ltd.	Bayer (India) Ltd. National Securities Clearing Corporation Ltd. Bayer Industries Pvt. Ltd. Nicholas Piramal India Ltd. Siemens Ltd. Deloitte Touche Tohmatsu India Pvt. Ltd. The Clearing Corporation of India Ltd.	
Chairman/Member of Committees* of the Boards of Companies of which he is a Director	Tata Iron & Steel Co. Ltd. - <i>Remuneration</i> Tata Engineering & Locomotive Co. Ltd. <i>Remuneration</i> The Indian Hotels Co. Ltd. <i>Remuneration</i> Tata Chemicals Ltd. <i>Remuneration</i> Tata Auto Comp Systems Ltd. <i>Remuneration</i>	Tata Tea Ltd. <i>Audit</i> Tata Coffee Ltd. <i>Audit</i> <i>Remuneration</i> Motor Industries Ltd. <i>Audit</i> <i>Investors' Grievance</i> Cabot India Ltd. <i>Audit</i> Siemens Ltd. <i>Audit</i> National Stock Exchange of India Ltd. <i>Audit</i> Nicholas Piramal Ltd. <i>Audit</i> Bayer (India) Ltd. <i>Audit</i>	Nil

* Includes Audit, Remuneration and Shareholders'/Investors' Grievance Committees as clarified by SEBI in its notification dated 12.9.2000.

For TATA TEA LIMITED



(D. K. Sen)

Vice President & Secretary

Kolkata,
Date : 30th July, 2002

Explanatory Statement

Pursuant to Section 173(2) of the Companies Act, 1956

Item Nos. 6 & 7

At a meeting of the Board of Directors of the Company, ('the Board') held on 29.4.2002, the Board decided to appoint Mr. V. Venkiteswaran as a Director and Executive Director of the Company for a period of 3 years with effect from 1st May, 2002, subject to the approval of the members of the Company.

The shareholders would recall that the Board had, in January 2001, appointed Mr. V. Venkiteswaran as a Wholetime Director of the Company. Mr. Venkiteswaran who was then posted as Director and CEO of the Company's wholly owned subsidiary, Tata Tea Inc. in USA, was unable to join the services of the Company due to certain pressing assignments in USA. On completion of his assignment abroad, Mr. Venkiteswaran returned to India and joined the services of the Company from 1st April, 2002 immediately before which, he resigned as a Director of the Company. At the next Board Meeting held on 29th April, 2002, the Board appointed Mr. Venkiteswaran as an Additional Director and simultaneously as a Wholetime Director of the Company for a period of 3 years from 1st May, 2002.

Mr. Venkiteswaran is a Graduate in Mechanical Engineering and has been in the services of the Company for over 30 years in various senior positions. Mr. Venkiteswaran has worked for over 22 years in the South India Plantation Division followed by a stint of 3 years as General Manager and President of Tata Tetley Limited, Cochin after which, he spent about 5 years as Director and CEO of Tata Tea Inc., USA. Mr. Venkiteswaran has wide experience in marketing management and knowledge of the tea industry including packet tea industry. Mr. Venkiteswaran is 55 years' old and as a Wholetime Director of the Company, he will be responsible for the operations of the South India Plantation Division including Instant Tea Division. Mr. Venkiteswaran is not at present member of any Committee of the Board.

The principal terms and conditions of service of Mr. Venkiteswaran as contained in the agreement with the Company are as follows :

- i. **Salary** – in the scale of Rs. 25,000 – Rs. 1,25,000 per month with authority to the Board to fix his salary within this scale. The annual increment will be merit-based and take into account the Company's performance. The increment will be effective from 1st April every year or such other date as the Board may decide.
- ii. **Perquisites and Allowances** – the Wholetime Director will be entitled to the following perquisites and allowances. The perquisites and allowances may be granted to the Wholetime Director in such form and manner as the Board may decide subject to a ceiling of 125% of the annual salary of the Wholetime director in any financial year.

Furnished accommodation with expenditure on gas, electricity, water and maintenance and repair thereof, or, House Rent Allowance and House Maintenance Allowance with expenditure on gas, electricity, water and furnishings, Personal Allowance, Leave Travel Allowance for self and family, medical expenses and medical insurance for self and family, fees of clubs, Personal Accident Insurance, and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed to by the Board of Directors.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per the Income tax Rules wherever applicable and in the absence of any such Rules, perquisites shall be evaluated at actual cost.

Provision for use of Company's cars and telephones at residence (including payment only for local calls and long distance official calls) shall not be included in the computation of perquisites and allowances for the purpose of calculating such ceiling.

Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income tax Act. Gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of limits for remuneration or perquisites as aforesaid.

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Note – Family for this purpose shall mean the spouse, the dependent children and the dependent parents of the appointees.

- iii. **Incentive Remuneration** – not exceeding 150% of the annual salary at the discretion of the Board of Directors based on certain performance criterion evaluated by the Board.
- iv. **Commission** – such remuneration by way of commission, in addition to the salary, perquisites, allowances and incentive remuneration payable, as may be determined by the Board of Directors of the Company at the end of each financial year but not exceeding 1% of the profit after tax of the relevant financial year for the appointee, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956. The specific amount payable will be based on performance as evaluated by the Board and will be payable annually after the annual accounts of each year have been approved by the Board of Directors.
- v. **Minimum Remuneration** – notwithstanding anything to the contrary herein, where in any financial year, during the currency of the tenure of the appointees, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the appointees by way of salary, perquisites, allowances and incentive remuneration as specified above.
- vi. The Wholtime Director will be entitled to leave according to the Company's Leave Rules applicable to its Wholtime Directors.
- vii. The Wholtime Director will not be entitled to sitting fees for attending meetings of the Board or any Committee thereof.
- viii. The terms and conditions of this appointment and/or Agreement may be altered and varied from time to time by the Board as it may in its discretion deem fit within the maximum amount payable to the Wholtime Director in accordance with Schedule XIII to the Act or any amendment thereto.
- ix. The Agreement between the Wholtime Director and the Company may be terminated by giving to the other party three months' written notice or the Company paying three months' remuneration in lieu of notice.
- x. If at anytime, Mr. Venkiteswaran ceases to be a Wholtime Director of the Company for any reason whatsoever, he shall also cease to be a Director of the Company.
- xi. If at anytime Mr. Venkiteswaran ceases to be a Director of the Company for any reason whatsoever, he shall also cease to be a Wholtime Director of the Company.
- xii. Mr. Venkiteswaran is appointed by virtue of his employment in the Company and his employment is subject to the provisions of Section 283 (1)(l) of the Act. If at anytime, Mr. Venkiteswaran ceases to be in the employment of the Company for any reason whatsoever, he shall also cease to be a Director of the Company.
- xiii. The Wholtime Director shall not be entitled to supplement his earnings under this Agreement with any buying or selling commission. He shall also not be interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without prior approval of the Central Government.

The Company has received a notice from a member of the Company informing that at the next Annual General Meeting, he would like to propose Mr. Venkiteswaran as a Director of the Company.

The Company had earlier sent to the members, an abstract of the terms of appointment of Mr. Venkiteswaran as required under Section 302 of the Companies Act, 1956.

The Agreement between the Company and Mr. Venkiteswaran is available for inspection by the members of the Company at the Registered Office from 10 a.m. to 12 noon on any working day except Saturday upto the date of the Annual General Meeting.