



TATA TEA

FROM
STRENGTH

TO
STRENGTH

43rd Annual Report 2005-2006

Our Vision

“Challenging for leadership in tea around the world”

• Challenging...

A state of mind throughout the organisation, never being satisfied with the status quo, constantly striving to be better and to do new things, in new ways. And a principle by which we manage our brands in the market place, creating relevant differentiation and confidently projecting clear brand identities.

• Leadership...

Not just in size, but more importantly in the eyes of our customers and consumers, through our thoughts, ideas, behaviour and achievements. Through innovation which will enable us to build stronger relationships with our existing consumers, reach out to new consumers and keep the category vibrant.

• Tea...

The product scope of our vision, encompassing the widest definition of the category, the production and marketing of black and green teas, speciality fruit and herbal teas, ready-to-drink teas, tea serving systems and retailing of tea

• The World...

The geographic scope of our vision; building a global business by leveraging and building our brands and forging partnerships to mutual advantage.

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Our Values

We believe that our customers and consumers define the success of our organisation and that they should be top-of-mind in everything that we do.

We believe that our people are at the heart of our organisation, and that we should give them the freedom to achieve, through clarity of direction and the creation of an informal, barrier-free culture.

We believe in tea and in our products, and their role in adding to the well-being of people the world over.

We believe in earning the respect of all those who know us.

We believe in making a positive contribution to the people and communities our business touches.

We believe that by striving to deliver our vision and by living our values, we shall create more valuable business and hence, over the long-term, increase returns to our shareholders.

Tata Tea Limited

**Annual General Meeting on
Tuesday, 8th August, 2006
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 TSR Darashaw Limited.

Any shareholder wishing to know the details of the scheme may kindly write to TSR Darashaw Limited, 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 (Retired from 1.4.2006)
Y.H. Malegam
D.N. Ghosh (Retired from 1.4.2006)
D.B. Engineer
F.K. Kavarana
K. Pringle
U.M. Rao
Dr. Amrita Patel (Ms.) (Joined from 29.6.2006)
P.T. Siganporia (Managing Director)
V. Venkiteswaran (Whole-time Director)
S. Talwar (Ms.) (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 : 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.)
 Army & Navy Building,
 148, Mahatma Gandhi Road,
 Mumbai 400 001.
 Telephone : 022-66568484 Fax : 022-66568494
 Website : www.tsrdarashaw.com
 Kolkata Office:
 1st Floor, Tata Centre, 43,
 Chowringhee Road,
 Kolkata 700 016
 Telephone : 033-22883087
 Fax : 033-22883062

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 Banking Corporation Limited
 Standard Chartered Bank
 State Bank of India
 State Bank of Travancore
 The Hongkong and Shanghai Banking Corporation Limited

Board Committees
Audit Committee

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

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. N.A. Soonawala
3. Mr. R.K. Krishna Kumar

Executive Committee

1. Mr. R.N. Tata - Chairman
2. Mr. R.K. Krishna Kumar
3. Mr. N.A. Soonawala
4. Mr. U.M. Rao
5. Mr. K. Pringle
6. Managing Director, all Executive Directors & CFO

Nomination Committee

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

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. Mr. P.C. Tyagi - Expert Member (former Chairman of Central Pollution Control Board)
3. Mr. P.T. Siganporia

NOTICE

Notice is hereby given that the forty third Annual General Meeting of the Members of Tata Tea Limited will be held at The Oberoi Grand, 15, Jawaharlal Nehru Road, Kolkata 700013 on Tuesday, 8th August, 2006 at 10.30 a.m. to transact the following business :-

1. To receive and adopt the Profit and Loss Account for the year ended 31st March, 2006, 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.R.K.Krishna Kumar 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. D. B. Engineer who retires by rotation and is eligible for reappointment.
6. To appoint Auditors and fix their remuneration.
7. **Revision in Terms of Remuneration of Managing & Executive Directors**

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

"RESOLVED that in partial modification of Resolution No. 7 passed at the Annual General Meeting held on 16th September 2002, Resolution Nos. 8,10 and 12 passed at the Annual General Meeting of the Company held on 8th September 2004 and Resolution No.8 passed at the Annual General Meeting held on 9th August 2005 and in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956('the Act') read with Schedule XIII of the Act, the Company hereby approves the revision in the perquisites and allowances payable to Mr. P. T. Siganporia, Managing Director, Mr. V. Venkiteswaran and Ms. Sangeeta Talwar, Executive Directors, (including the remuneration payable in the event of loss or inadequacy of profits in any financial year during the tenure of their respective appointments) which would be effective from 1st April 2005 for the remainder of the tenure of their respective contracts as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to take all such steps as may be necessary , proper and expedient to give effect to this Resolution."

The Register of Members of the Company will remain closed from Tuesday, 25th July, 2006 to 8th August, 2006, both days inclusive.

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 Dr. Amrita Patel who was appointed by the Board of Directors as an Additional Director of the Company with effect from 29th June, 2006 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 Director of the Company be and she is hereby appointed a Director of the Company."

By Order of the Board



(D. K. SEN)

Vice President & Secretary

Registered Office :
1, Bishop Lefroy Road
Kolkata – 700 020
Date : 4th July, 2006

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 under Item Nos. 7 and 8 and the relevant details in respect of Item Nos. 3, 4 & 5 pursuant to clause 49 of the Listing Agreement with the Stock Exchanges are annexed hereto.
2. The dividend that may be declared by the Company will be paid on or after 11th August, 2006 to those members of the Company holding shares in physical form whose names appear on the Register of Members as on 25th July, 2006. In respect of shares held in electronic form, the dividend will be paid to the beneficial owners of the shares as on beginning of 25th July, 2006 as per details provided by the Depositories for this purpose.
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. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be backed by appropriate resolution/authority as applicable, issued on behalf of the nominating organisation.
4. **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 has 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.**
5. 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 31.3.2006 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 are hereby informed 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 2006-07.
 - a. Dividend paid on 20.9.1999 in respect of the financial year 1998-99
 - b. Interest on deposits paid during 1.4.1999 to 31.3.2000
 - c. Payments of principal amounts on maturity of deposits during 1.4.1999 to 31.3.2000..

Shareholders/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. Paragraph 11 of the Corporate Governance Report gives further details about such transfers and the last date by which claims are to be submitted by the shareholders/depositors.
6. 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.**
7. 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 Limited. **Shareholders holding shares in electronic form must advise their respective depository participants about change in address and not to the Company.**

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT

(In Pursuance of Clause 49 of the Listing Agreement)

| Particulars | Mr. R. K. Krishna Kuma | Mr. Y. H. Malegam | Mr. D. B. Engineer | Dr. Amrita Patel |
|---------------------------------------|---|---|--|--|
| Date of Birth | 18.7.1938 | 24.9.1933 | 2.5.1933 | 13.11.1943 |
| Date of Appointment | 5.5.1987 | 8.2.1977 | 9.8.1988 | 29.6.2006 |
| Qualifications | M.A. | Chartered Accountant | B.A. (Hons.) LL.B | Bachelor of Veterinary Science & Animal Husbandry |
| Number of shares of the Company held | 9,000 | 3,196 | Nil | 1264 |
| Expertise in specific functional area | Mr. Krishna Kumar served as the Managing Director of the Company from May 1991 to January 1998. He was appointed Vice Chairman and Managing Director in 1997. In 1998, he ceased to be the Managing Director to take over as the Managing Director of The Indian Hotels Co. Ltd. He is also on the Boards of a number of Tata Group companies including Tata Sons Ltd. and Tata Industries Ltd. He is also the Trustee of several important Tata Trusts. Mr. Krishna Kumar is associated with the Tea industry for over 40 years. He has long experience of overall business management of Indian and overseas corporate bodies | 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. | Dr. Patel is an eminent professional in the field of Dairy Development, Co-operatives, Rural Management, Animal Husbandry, Ecological & Environmental matters. She is currently the Chairman of National Dairy Development Board, Mother Dairy Fruit & Vegetable Ltd. and several other companies as mentioned below. She has been conferred the Padma Bhushan by the Government of India. |

Tata Tea Limited

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|--|--|--|--|--|
| Chairman/Director of other companies (excluding foreign companies) | Tata Coffee Ltd. Ewart Investments Ltd. Tata Housing Development Co. Ltd. Indian Resort Hotels Ltd.* Piem Hotels Ltd. Oriental Hotels Ltd. The Indian Hotels Co. Ltd. Tata Industries Ltd. Taj GVK Hotels & Resorts Ltd. Tata Sons Ltd. E2E SerWiz Solutions Ltd. | Cabot India Ltd. Tata Coffee Ltd. ABC Bearings Ltd. Hindustan Construction Co. Ltd. National Stock Exchange of India Ltd. Bayer Crop Science (I) Ltd. National Securities Clearing Corporation Ltd. Bayer Material Science Pvt. Ltd. Nicholas Piramal India Ltd. Siemens Ltd. The Clearing Corporation of India Ltd. Bharatiya Reserve Bank –Note Mudran (P) Ltd. | Fiora Services Ltd. Forvol International Services Ltd. Zuari Industries Ltd. Bayer Diagnostics (India) Ltd. Prudential ICICI Asset Management Co. Ltd. Atlas Copco Ltd. PCS Industries Ltd. Welspun India Ltd. Foods & Inns Ltd. Forbes Gokak Ltd. Nilkamal Plastics Ltd. National Peroxide Ltd. S.P.Sanghi Airconditioning Pvt. Ltd. Protos Engineering Co. Pvt. Ltd. Zoroastrian Investment Corporation Pvt. Ltd. | Mother Dairy Fruit & Vegetables Pvt. Ltd. Dhara Vegetable Oil & Foods Co. Ltd. IDMC Ltd. Indian Immunologicals Ltd. IndiaGen Ltd. |
| Chairman/Member of Committees* of the Boards of Companies of which he/she is a Director | Tata Coffee Ltd. <i>Shareholders'/Investors' Grievance</i> <i>Remuneration</i> Tata Sons Ltd. <i>Remuneration</i> Oriental Hotels Ltd. <i>Remuneration</i> Tata Tea Ltd. <i>Audit</i> <i>Remuneration</i> The Indian Hotels Co. Ltd. <i>Remuneration</i> <i>Shareholders'/Investors' Grievance</i> | Tata Tea Ltd. <i>Audit</i> Tata Coffee Ltd. <i>Audit</i> <i>Remuneration</i> Cabot India Ltd. <i>Audit</i> Siemens Ltd. <i>Audit</i> <i>Remuneration</i> Nicholas Piramal India Ltd. <i>Audit</i> Bayer Crop Science Ltd. <i>Audit</i> National Stock Exchange of India Ltd. <i>Audit</i> Bharatiya Reserve Bank-Note Mudran (P) Ltd. <i>Audit</i> | Tata Tea Ltd. <i>Remuneration</i> <i>Shareholders'/Investors' Grievance</i> Zuari Industries Ltd. <i>Audit</i> <i>Shareholders'/Investors' Grievance</i> Atlas Copco Ltd. <i>Audit</i> <i>Shareholders'/Investors' Grievance</i> Forbes Gokak Ltd. <i>Audit</i> Bayer Diagnostics (I) Ltd. <i>Audit</i> | Indian Immunologicals Ltd. <i>Remuneration</i> |

* Includes Audit, Remuneration and Shareholders'/Investors/Grievance Committee.

@ Since resigned.

For TATA TEA LIMITED



(D. K. SEN)

Vice President & Secretary

Kolkata
Date : 4th July, 2006

EXPLANATORY STATEMENT

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

Item No. 7

Mr V. Venkiteswaran was appointed/reappointed Executive Director of the Company on the terms and conditions and remuneration approved by the shareholders of the Company at the Annual General Meeting held on 16th September, 2002/9th August, 2005 respectively. Mr. P. T. Siganporia was appointed as Managing Director and Ms. Sangeeta Talwar was appointed as Executive Director of the Company on the terms and conditions and remuneration approved by the shareholders of the Company at the Annual General Meeting held on 8th September 2004.

In order to give flexibility to the Board of Directors ('the Board') to decide upon the perquisites and allowances to be granted to the Managing/Executive Directors from time to time, within the overall ceiling prescribed under the Companies Act, 1956 ('the Act') it is proposed to revise the terms of remuneration relating to perquisites and allowances of Mr. Siganporia, Mr. Venkiteswaran and Ms. Talwar with effect from 1st April 2005. The Board at its meetings held on 18th April 2006 and 6th June 2006 has approved the aforesaid proposal, subject to the approval of the Members. All other terms and conditions of appointment and remuneration of Mr. Siganporia, Mr. Venkiteswaran and Ms. Talwar would remain unchanged. The revised terms of remuneration are set out below:

I. Remuneration :

- a. Salary – For Mr. P T Siganporia - Within the scale of Rs.1,00,000 to Rs.5,00,000 per month such amount as may be fixed by the Board on the recommendation of Remuneration committee, with annual increments effective from 1st April every year , as may be decided by the Board based on recommendation of Remuneration committee

Salary – For Mr. V Venkiteswaran and Ms S Talwar - Within the scale of Rs.75,000 to Rs.4,00,000 per month such amount as may be fixed by the Board on the recommendation of Remuneration committee, with annual increments effective from 1st April every year , as may be decided by the Board based on recommendation of Remuneration committee

- b. Benefits, perquisites and allowances – Such benefits , perquisites and allowances as may be determined by the Board from time to time
- c. Incentive remuneration and/or commission based on certain performance criteria to be prescribed by the Board

Minimum Remuneration –

Notwithstanding anything to the contrary contained herein, where in any financial year, the Company has no profits or its profits are inadequate the Company will pay remuneration to Mr. Siganporia, Mr. Venkiteswaran and Ms. Talwar by way of salary, incentive remuneration, perquisites and allowances, as specified above.

The aggregate of the remuneration as aforesaid shall be within the maximum limits specified under Sections 198, 309 and all other applicable provisions , if any, of the Act read with Schedule XIII of the Act as amended from time to time.

Tata Tea Limited

In compliance with the requirements of the Act the revised terms of remuneration of Mr. Siganporia, Mr. Venkiteswaran and Ms. Talwar are now placed before the Members for their approval. The Board commends the Resolution for approval by the Members.

This may be treated as an abstract under Section 302 of the Act of the revision in the terms of remuneration of Mr. Siganporia, Mr. Venkiteswaran and Ms. Talwar.

Mr. Siganporia, Mr. Venkiteswaran and Ms. Talwar are interested in the resolution at Item No 7 of the notice.

Item No. 8

The Board of Directors by a Circular Resolution dated 29th June, 2006, decided to appoint Dr. Amrita Patel as an Additional Director of the Company under Section 260 of the Companies Act, 1956. Dr. Patel holds office upto the date of the forthcoming Annual General Meeting of the Company. The Company has received a notice under Section 257 of the Companies Act, 1956, from a Member of the Company informing that at the next Annual General Meeting, the Member would like to propose the appointment of Dr. Patel as a Director of the Company.

Dr. Patel is a well known professional in the field of Dairy Development, Animal Husbandry, Co-operatives, Ecological & Environmental matters. Keeping in view the experience and expertise of Dr Patel your Directors decided to appoint Dr Patel as an additional independent Director, subject to your approval. Details of her age, qualifications, expertise, other directorships and memberships of Board Committees have been given in the Annexure attached to the Notice convening the Annual General Meeting. Dr. Patel has been conferred the Padma Bhushan by the Government of India.

Your Directors commend acceptance of the resolution by the shareholders. Dr. Patel is interested in Resolution No. 8. No other Director is interested in the resolution.

Registered Office:
1, Bishop Lefroy Road
Kolkata – 700 020
Date : 4th July, 2006

By Order of the Board



(D. K. SEN)
Vice President & Secretary