

**Annual General Meeting on
Friday, 22nd August, 2008
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
K. Pringle (*upto 29.2.2008*)
U. M. Rao
Dr. Amrita H. Patel (*Ms.*)
A. R. Gandhi (*Joined from 1.6.2007*)
P. D. Unsworth (*Joined from 1.3.2008*)
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 : 2281 1807/3709/3779/3891/4422
 Fax : 22811199
 Website : www.tata tea.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 : 033-22883087
 Fax : 033-22883087

Solicitors and Legal Advisors

Khaitan & Co.
 Orr, Dignam & Co.

Auditors

N. M. Raiji & 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
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
2. Mr. R. K. Krishna Kumar
3. Mr. U. M. Rao

Executive Committee

1. R. N. Tata - Chairman
2. Mr. R. K. Krishna Kumar
3. Mr. U. M. Rao
4. Mr. K. Pringle (*upto 29.2.2008*)
5. Managing Director, Executive Director & CFO

Nomination Committee

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

Ethics & Compliance Committee

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

Corporate Sustainability Reporting Committee

1. Mr. U. M. Rao
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 fifth Annual General Meeting of the Members of Tata Tea Limited will be held at The Oberoi Grand, 15, Jawaharlal Nehru Road, Kolkata 700013 on Friday, 22nd August, 2008 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, 2008, 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. U. M. Rao who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Dr. Amrita H. Patel who retires by rotation and is eligible for reappointment.
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 Mr. Peter Dylan Unsworth who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1st March, 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."

The Register of Members shall remain closed during 5th August, 2008 to 22nd August, 2008, both days inclusive.

By Order of the Board



(D. K. SEN)

Vice President & Secretary

Registered Office :
1, Bishop Lefroy Road
Kolkata – 700 020
Date : July 14, 2008

Notes :

1. The dividend that may be declared by the Company will be paid on or after 25th August, 2008, to those members of the Company holding shares in physical form whose names appear on the Register of Members as on 5th August, 2008. In respect of shares held in electronic form, the dividend will be paid to the beneficial owners of the shares as on beginning of 5th August, 2008, 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.**

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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 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.
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 31.3.2008 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 dividend/interest amounts will be due for transfer to IEPF during the financial year 2008-09 :-
 - a. Dividend paid on 28.9.2001 in respect of the financial year 2000 -2001.
 - b. Interest on fixed deposits paid during 1.4.2001 to 31.3.2002
 - c. Principal amounts on maturity of deposits due during 1.4.2001 to 31.3.2002.

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 paragraph 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 Agent, TSR Darashaw Ltd. **Shareholders holding shares in electronic form should advise their respective depository participants about change in address and not to the Company or the Registrars.**

PARTICULARS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT

Particulars	Mr. R. K. Krishna Kumar	Mr. U. M. Rao	Dr. Amrita H. Patel	Mr. P. D. Unsworth
Date of Birth	18.7.1938	2.7.1938	13.11.1943	10.7.1958
Date of Appointment	5.5.1987	1.11.2003	29.6.2006	1.3.2008
Qualifications	M.A.	B.Com.	Bachelor of Veterinary Science & Animal Husbandry	B.Sc., ACMA (London)
Number of shares of the Company held	9,000	Nil	1264	Nil
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. Rao was formerly the Managing Director of General Insurance Corporation of India from which he retired in July 1998. Mr. Rao has long experience in all facets of insurance and risk management as well as administration and management of companies.	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	Mr Unsworth is currently the Chief Executive Officer of Tetley Group of Companies .He is responsible for setting strategy, implementing them and monitor and manage all Tetley Group companies located in different parts of the world. He has long experience of financial management as well as management and administration of businesses in many overseas countries.

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Chairman/Director of other companies (excluding foreign companies)	Tata Sons Ltd. Tata Industries Ltd. The Indian Hotels Co. Ltd. Tata Coffee Ltd. Ewart Investments Ltd. THDC Ltd. Piem Hotels Ltd. Oriental Hotels Ltd. INFINITY Retail Ltd. Tata Realty & Infrastructure Ltd. Tata International Ltd.	Ispat Industries Ltd. Tata Coffee Ltd.	IDMC Ltd. Mother Dairy Fruit & Vegetable Pvt. Ltd. Dhara Vegetable Oil & Foods Co. Ltd. Indiagen Ltd. Indian Immunologicals Ltd. Safal National Exchange of India Ltd.	Nil
Chairman/Member of Committees* of the Boards of Companies of which he is a Director	Tata Coffee Ltd. <i>Shareholders'/Investors' Grievance - Chairman</i> The Indian Hotels Co. Ltd. <i>Shareholders'/Investors' Grievance - Member</i>	Ispat Industries Ltd. <i>Shareholders'/Investors' Grievance - Chairman</i> <i>Audit - Member</i>	Nil	Nil

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

For TATA TEA LIMITED



(D. K. Sen)

Vice President & Secretary

Kolkata

Date : July 14, 2008

EXPLANATORY STATEMENT

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

Item No. 7

At the Board Meeting held on 28th January, 2008, the Board of Directors of the Company ('the Board') decided to appoint Mr. Peter Dylan Unsworth as an Additional Director of the Company under Section 260 of the Companies Act, 1956. Mr. Unsworth 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 said Member would like to propose the appointment of Mr. Unsworth as a Director of the Company.

Mr. Unsworth is a Graduate in Science and a Member of the Institute of Cost & Management Accountants in the U.K. He worked for more than ten years with the National Coal Board, U.K. and joined the Tetley Group in 1996 as the Finance & IT Director. He took over as the Group Finance Director from 1999 and thereafter, from 2002, became the Managing Director of Supply & Support in the Tetley Group. From April, 2007, Mr. Unsworth was appointed as the Chief Operating Officer of the Tetley Group and with effect from 1st March, 2008, he has been appointed CEO of the Tetley Group. Mr. Unsworth currently runs all aspects of the Tetley business including setting strategies and managing and monitoring the performance of the Tetley Group at all its establishments across the world.

Mr. Unsworth served as an Alternate Director to Mr. K. Pringle during the period 31st October, 2000 to 29th February, 2008. Keeping in view the experience and expertise of Mr. Unsworth, your Directors decided to appoint Mr. Unsworth as an Additional Director of the Company with effect from 1st March, 2008, subject to the approval of the Members of the Company. Details of Mr. Unsworth's age, qualifications, expertise and directorships and memberships of other Board and Board Committees have been given in the annexure attached to the Notice convening the Annual General Meeting. Mr. Unsworth 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 the resolution by the shareholders.

No Director of the Company other than Mr. Unsworth is interested or concerned in the Resolution.

By Order of the Board



(D. K. SEN)

Vice President & Secretary

Registered Office :
1, Bishop Lefroy Road
Kolkata – 700 020
Date : July 14, 2008

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, 2008:

	Rs. Crores		
1. Financial Results	2007-08	2006-07	
Total Income	<u>1263.29</u>	<u>1146.11</u>	
Profit before interest, depreciation, exceptional items and tax	286.17	273.44	
Deduct:			
Interest (net)	21.88	11.63	
Depreciation	<u>10.16</u>	<u>18.54</u>	
	32.04	<u>30.17</u>	
Profit before tax and exceptional items	254.13	243.27	
Exceptional items net of interest on loans for acquisitions	<u>131.73</u>	<u>106.50</u>	
Profit before tax	385.86	349.77	
Provision for tax	<u>73.00</u>	<u>43.20</u>	
Profit after Tax	312.86	306.57	
Add: Surplus brought forward from previous year	150.61	132.57	
Amount available for appropriation	463.47	439.14	
Proposed Dividend			
- normal	92.76	92.76	
- one-time special	123.68	—	
Income-tax on dividend	36.78	15.76	
Transfer to General Reserve	<u>40.00</u>	<u>180.00</u>	<u>288.52</u>
	170.25	<u>150.61</u>	

2. Operating Results

Highlights

Your Directors are pleased to report that 2007-08 turned out to be yet another record year during which your Company achieved highest ever turnover and profits. The total income for the year at Rs.1263.29 crores was 10 % higher than the previous year. Profit before tax improved to Rs.385.86 crores compared with Rs. 349.77 crores in the previous year. However provision for taxation in the current year was higher at Rs.73.00 crores (previous year Rs.43.20 crores) due to non –availability of certain tax incentives and consequently Profit after tax at Rs. 312.86 crores was marginally higher than the previous year's achievement of Rs.306.57 crores. The results of this year's performance were primarily driven by the record breaking growth in sales of our brands. During 2007-08 the branded products business grew at an enhanced rate than in preceding years. Brand volumes grew by 15% and Brand values grew by 17% over the preceding year. It is heartening to report that

during 2007-08 your Company emerged as the market leader for branded tea in terms of volume, surpassing all competitors. The Tata Tea brand is the market leader in Volume and Value terms in India.

On 9th April 2008 the Honourable High Court at Calcutta passed judgement approving the Reconstruction Scheme of North India Plantation Division (NIPD) which takes effect from 1st April, 2007. In terms of the Scheme the business and undertakings of 24 tea estates comprised in NIPD as well as other support and ancillary facilities as specified in the Scheme stand transferred to Amalgamated Plantations Private Limited (APPL) . Both your Company and APPL had filed the Order of the Calcutta High Court with the Registrar of Companies, West Bengal on close of business on 30th April 2008 as required under the provisions of the Companies Act, 1956. However the Regional Director, Eastern Region, Ministry of Corporate Affairs had filed an appeal before the Division Bench of Calcutta High Court on 15th May 2008 praying , inter-alia, for stay of the judgement of the Single Judge . On 16th June 2008 the Division Bench considered the Appeal but did not find it necessary to interfere with the Order passed by the Single Judge and the Appeal was accordingly dismissed. Effect of this transaction has been given in the accounts and results in a one-time profit of Rs.162 crores to your Company. Details of the transaction are given later in the report.

Even as the erstwhile tea estate operations are structured into a separate entity, the focus of your Company is now to address the opportunity of transformation into a global beverage company, with an appetite for growth. On a consolidated basis in 2007-08 turnover of your Company from the domestic market was 26% while 74% of the consolidated turnover was contributed by overseas operations, reflecting the international nature of our current operations.

3. Dividend

Your Directors are pleased to recommend for the approval of the shareholders a normal dividend of 150% (Rs.15 per share) on the paid-up equity share capital of the Company in respect of the financial year 2007-08 compared with 150% (Rs.15 per share) declared last year. Your Directors also recommend for approval of the shareholders a special one time dividend of 200% (Rs. 20 per share) on account of substantial exceptional income earned by the Company & its subsidiaries during 2007-08. The total outgo on account of dividend, inclusive of taxes, of Rs.253.22 crores is higher by Rs.144.70 crores over Rs.108.52 crores paid in the previous year and is the highest dividend distribution recommended in the history of your Company.

4. Preferential Issue

On 2nd May 2007 the Company allotted 28,10,000 Equity shares of Rs.10 each to the main promoter Tata Sons Ltd by way of conversion of same number of Warrants allotted on 20th November 2006. After the allotment of these shares the shareholding of the promoter group stand enhanced to 35.31% of the paid-up capital of the Company.

5. Investment in Energy Brands Inc., USA, Mount Everest Mineral Water Ltd, and Zhejiang Tata Tea Extraction Company Limited, China

As the Shareholders are aware last year the Company had acquired a 25% stake in Energy Brands Inc., USA through one of its subsidiary companies in the UK. Tata Sons Ltd had acquired 5% of equity. The

Tata Tea Limited

Coca Cola Company, USA offered to acquire the entire shareholding of EBI at an enterprise valuation of US\$4.2 billion which the management of EBI decided to accept. The Tata Group, being a minority shareholder in EBI, decided to agree to transfer its shareholding in EBI to The Coca Cola Company, USA. This transaction was completed in October 2007 for an aggregate consideration of \$1.02 billion and has resulted in a pre-tax profit, net of transaction costs, of \$421.54 million in the Tetley Group. After necessary adjustments for costs etc. the profit on sale of shares of EBI considered in the consolidated results is Rs.1607.52 crores.

During the year the Company acquired shares of Mount Everest Mineral Water Ltd (MEMW) at a price of Rs.140 per share through subscription to preferential offer, Open Offer to the shareholders of MEMW (other than promoters) in accordance with the requirements of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and purchase of shares from the former promoters of MEMW pursuant to a Share Purchase agreement. The Company currently holds 31.73% of the paid-up share capital of MEMW. In accordance with the Articles of Association of Mount Everest Mineral Water Ltd and the shareholders' agreement with its promoters the Company presently controls the Board of Directors of the Company and has management control as well. Consequently based on legal opinion, MEMW is considered as a subsidiary of the company. MEMW shares are listed with The Bombay Stock Exchange Ltd and the company owns the 'Himalayan' brand of natural mineral water. Your directors believe that the bottled water market segment offers a growing business opportunity in the domestic as well as in international markets. Plans to significantly enhance the marketing and distribution reach of the products of MEMW are currently under implementation.

During the year, your Company entered into a Joint Venture with The Zhejiang Tea Group for setting up a Green Tea Extracts and Polyphenol extraction unit in China. Your company holds 70% stake in this joint venture company Zhejiang Tata Tea Extraction Company Limited and the balance 30% being held by the Chinese partner, Zhejiang Tea Import and Export Company Limited. Currently the construction of the plant is under progress.

6. Performance of Tetley

The performance of Tetley in international branded tea markets is robust with volume of sales about 6% higher than during the previous year. The growth of the Tetley brand was enabled by customer and consumer insight relevant innovation, introduction of new products, cash generation and in pioneering the agenda for growth of the beverage portfolio. Despite global competition in all key markets, aggressive marketing efforts have grown Tetley's market share and profits in most key markets.

7. Global Branded Turnover of the Tata Tea Group

Over the last few years your Company and its subsidiaries have transformed into a branded beverage company. The consolidated turnover of the Company including all its subsidiaries was Rs. 4432 crores (previous year Rs.4103 crores) of which 90% was contributed by the Group's worldwide branded tea and coffee business.

8. Restructuring of North India Plantation Operations

In the last year's Directors' Report, the Board informed shareholders that they had first approved and then submitted the scheme of reconstruction of Company's North India plantation operations before the Hon'ble High Court at Calcutta in February 2007 for their approval. The Scheme was approved by the shareholders at the court convened meeting held on 5th April, 2007. The High Court at Calcutta vide its Order dated 9th April, 2008 approved the said Scheme. The reconstruction scheme envisages equity participation by strategic investors as well as your company in the capital of Amalgamated Plantations Private Limited (APPL), the new company floated for this purpose. The strategic investors of APPL will potentially include International Finance Corporation (an arm of the World Bank), Infrastructure Leasing & Finance Corporation Ltd., Globally Managed Services and Tata Investment Corporation Ltd. Your Company will hold a minority shareholding in APPL. In due course APPL will issue shares to its employees and work towards a social transformation of the organization. The new company, in addition to production and marketing of tea, will develop a portfolio of non-tea based activities, to diversify its income and growth. Your Directors wish to record the cooperation of the State