



## Board of Directors

**R. N. Tata** (*Chairman*)  
**R. K. Krishna Kumar** (*Vice Chairman*)  
**F.K. Kavarana**  
**U.M. Rao**  
**A.R. Gandhi**  
**M. Srinivasan (Ms.)**  
**A. Singh**  
**J.S. Bilimoria**  
**V. Leeladhar** (*Joined from 24.4.2009*)  
**Ranjana Kumar (Ms.)** (*Joined from 29.1.2010*)  
**Ajay Shankar** (*Joined from 30.4.2010*)  
**P. D. Unsworth**  
**P.T. Siganporia** (*Managing Director*)  
**S. Talwar (Ms.)** (*Whole-time Director*)

**V. Madan** (*Vice President & Secretary*)

## Registered Office

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

## Solicitors and Legal Advisors

Khaitan & Co.  
 Orr, Dignam & Co.  
 Amarchand & Mangaldas & Suresh. A. Shroff & Co.  
 AZB Partners

## 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

## Auditors

N.M. Raiji & Co.  
 Lovelock & Lewes

## Bankers

AXIS Bank Limited  
 Bank of America  
 Bank of Baroda  
 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  
 The Royal Bank of Scotland N.V.

## Board Committees

### Audit Committee

1. Mr. J.S. Bilimoria - Chairman
2. Mr. R.K. Krishna Kumar
3. Mr. U.M. Rao
4. Mr. V. Leeladhar
5. Mr. A.R. Gandhi
6. Mrs. Ranjana Kumar (From 29.1.2010)

### Shareholders'/Investors' Grievance Committee

1. Mr. F.K. Kavarana - Chairman
2. Mr. U.M. Rao
3. Mr. Ajay Shankar (From 30.4.2010)

### Remuneration Committee

1. Mrs. Ranjana Kumar - Chairman (From 29.1.2010)
2. Mr. R.K. Krishna Kumar
3. Mr. U.M. Rao
4. Mr. A.R. Gandhi
5. Mr. V. Leeladhar
6. Mr. J.S. Bilimoria

### 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. F.K. Kavarana
4. 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 is hereby given that the Forty-seventh Annual General Meeting of the Members of Tata Global Beverages Limited (formerly Tata Tea Limited) will be held at The Oberoi Grand, 15, Jawaharlal Nehru Road, Kolkata 700 013 on Monday, 23rd August, 2010, at 10.30 a.m. to transact the following businesses :-

### Ordinary Business:

1. To receive and adopt the Profit and Loss Account for the year ended 31st March, 2010 and the Balance Sheet as 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. N. Tata who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. F. K. Kavarana who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. U. M. Rao who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and fix their remuneration.

### Special Business:

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 Mrs. Ranjana Kumar who was appointed by the Board of Directors as an Additional Director of the Company with effect from 29th January, 2010, 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. Ajay Shankar who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th April, 2010, 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 8th August 2010 to 23rd August 2010, both days inclusive.

By Order of the Board  
For Tata Global Beverages Limited



(V. MADAN)

Vice President & Secretary

### Registered Office:

1, Bishop Lefroy Road  
Kolkata – 700 020

Date: -----, 2010

**Notes:**

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business is annexed hereto. Information under Clause 49(VIA) of the Listing Agreement relating to Directors proposed to be reappointed is provided in Annexure to this Notice.
2. The dividend that may be declared by the Company will be paid on or after 27th August, 2010, to those members of the Company holding shares in physical form whose names appear on the Register of Members as on 8th August, 2010. In respect of shares held in electronic form, the dividend will be paid to the beneficial owners of the shares as on beginning of 8th August, 2010 as per details that may be 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 accompanied 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, 10 digits MICR number, the nature of account and their Core Banking account number (CBS A/c No.) to the Company's Registrar and Share Transfer Agent, TSR Darashaw Limited in respect of shares held in physical form and to their Depository Participant in case of shares held in electronic form. Shareholders may note that the bank details registered against their account in physical form will not be applicable to their electronic account and vice versa. It is in interest of the shareholders to register their bank details against their account and avail of NECS (National Electronic Clearing Service) facility being extended by the Company for receiving dividend payment. 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 205A of the Companies Act, 1956 all unclaimed/unpaid dividend, debenture interest and interest on deposits as well as principal amount of deposits upto 31.3.2010 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/debenture holders/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/ debenture holder/ 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 2010-11:-
  - a) Dividend paid on 10th September, 2003 in respect of the financial year 2002-2003
  - b) Interest on fixed deposits paid during 1.4.2003 to 31.3.2004
  - c) Principal amounts on maturity of deposits due during 1.4.2003 to 31.3.2004.

Shareholders/debenture holders/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.
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 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.

## Explanatory Statement

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

### Item Nos. 7 and 8

#### Appointment of Additional Directors

At the Board Meeting held on 28th January, 2010, the Board of Directors of the Company ('the Board') appointed Mrs. Ranjana Kumar as an Additional Director of the Company under Section 260 of the Companies Act, 1956 with effect from 29th January, 2010, being the date of her receiving the Director Identification Number .

At the Board Meeting held on 30th April, 2010 , the Board had appointed Mr. Ajay Shankar as an Additional Director of the Company in terms of Section 260 of the Companies Act, 1956 with effect from 30th April, 2010.

Both Mrs. Ranjana Kumar and Mr. Ajay Shankar have been appointed as Non-Executive Independent Directors of the Company and they hold office upto the date of the forthcoming Annual General Meeting of the Members of the Company.

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 appointment of Mrs. Ranjana Kumar and Mr. Ajay Shankar as Directors of the Company.

Mrs. Ranjana Kumar retired recently as Vigilance Commissioner in Central Vigilance Commission, Government of India. She had also held very significant positions in her career including that as the Chairperson & Managing Director of Indian Bank, Chairperson of National Bank for Agriculture and Rural Development (NABARD) etc.

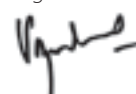
Mr. Ajay Shankar has rich and varied experience in the Central and State Governments in industrial promotion, the energy sector and urban management and development . He has held significant positions in the Government including that as Secretary, Department of Industrial Policy & Promotion, Joint Secretary/Additional Secretary in the Ministry of Power, CEO, Greater NOIDA Industrial Development Authority, Secretary to the Lt. Governor of Delhi, etc.

Details of age, qualifications, expertise and other directorships and memberships of other Board and Board Committees of Mrs. Ranjana Kumar and Mr. Ajay Shankar 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.

Mrs. Ranjana Kumar is interested in Resolution No. 7 and Mr. Ajay Shankar is interested in Resolution No. 8, No other Director is interested or concerned in these resolutions.

By Order of the Board  
For Tata Global Beverages Limited



(V. MADAN)

Vice President & Secretary

#### Registered Office :

1, Bishop Lefroy Road  
Kolkata – 700 020

Date: -----, 2010

## Particulars of Directors Seeking Appointment/Re-Appointment

Particulars	Mr. R. N. Tata	Mr. F. K. Kavarana	Mr. U. M. Rao
Date of Birth	28.12.1937	17.3.1944	2.7.1938
Date of Appointment	18.1.1991	15.6.1994	1.11.2003
Qualifications	B.Sc. (Arch), U.S.A., A.M.P. (Harvard)	B.Com., F.C.A. (England & Wales) M.B.A., Wharton School of Finance (University of Pennsylvania)	B.Com.
Number of Shares held in the Company	2040	Nil	Nil
Expertise in specific functional area	Mr. Tata is an eminent industrialist with wide business experience across a variety of industries. He 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.	Business Management and Finance. Mr. Kavarana has rich and long experience of management and administration of several large Tata companies both in India and abroad. He is presently the Chairman of several Tata companies including the insurance companies of the Tata Group.	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.
Chairman/Director of other companies (excluding foreign companies) As on 31.3.2010	Tata Sons Ltd. The Tata Power Co. Ltd. Tata Industries Ltd. Tata Steel Ltd. Tata Motors Ltd. The Indian Hotels Co. Ltd. Tata Chemicals Ltd. Tata Consultancy Services Ltd. Tata Teleservices Ltd. Antrix Corporation Ltd. The Bombay Dyeing & Manufacturing Co. Ltd. RNT Associates Pvt. Ltd.	Tata Projects Ltd. Tata AIG Life Insurance Co. Ltd. Tata AIG General Insurance Co. Ltd. Tata Asset Management Ltd. Tata Industries Ltd. Tata Sons Ltd. Akzo Nobel Coatings India Pvt. Ltd. Sika Properties Pvt. Ltd. Trent Ltd. Tata Capital Ltd.	Tata Coffee Ltd. Ispat Industries Ltd.
Chairman/Member of Committees* of the Boards of Companies of which he is a Director As on 31.3.2010	The Tata Power Co. Ltd. <i>Remuneration - Member</i> Tata Sons Ltd. <i>Remuneration - Member</i> Tata Steel Ltd. <i>Remuneration - Member</i> Tata Motors Ltd. <i>Remuneration - Member</i> The Indian Hotels Co. Ltd. <i>Remuneration - Member</i> Tata Chemicals Ltd. <i>Remuneration - Member</i> Tata Consultancy Services Ltd. <i>Remuneration - Member</i> Tata Teleservices Ltd. <i>Remuneration - Member</i>	Tata Sons Ltd. <i>Audit - Member</i> Tata Industries Ltd. <i>Audit - Member</i> <i>Asset-Liability Management - Member</i> Tata AIG Life Insurance Co. Ltd. <i>Audit - Chairman</i> Tata AIG General Insurance Co. Ltd. <i>Audit - Chairman</i> Trent Ltd. <i>Grievance - Chairman</i> Tata Asset Management Ltd. <i>Audit - Chairman</i> Tata Capital Ltd. <i>Risk - Chairman</i> <i>Nominations - Member</i> <i>Remuneration - Chairman</i> <i>Executive Committee - Chairman</i>	Tata Coffee Ltd. <i>Audit - Member</i> Ispat Industries Ltd. <i>Audit - Member</i> <i>Grievance - Chairman</i>

Particulars	<b>Mrs. Ranjana Kumar</b>	<b>Mr. Ajay Shankar</b>
Date of Birth	10.12.1945	26.12.1949
Date of Appointment	29.1.2010	30.4.2010
Qualifications	B.A.	M.A. in Political Science from Allahabad University and an M.A. in Economics from Georgetown University, Washington D.C.
Number of Shares held in the Company	Nil	Nil
Expertise in specific functional area	Mrs. Ranjana Kumar retired recently as Vigilance Commissioner in Central Vigilance Commission, Government of India and is presently, Member, Governing Council, National Innovation Foundation, Ahmedabad. She had held very significant positions in her career including that as the Chairperson & Managing Director of Indian Bank, Chairperson of National Bank for Agriculture and Rural Development (NABARD) etc.	Mr. Ajay Shankar joined the IAS in 1973. He has rich and varied experience in the Central and State Governments in industrial promotion, the energy sector and urban management and development. He has served as Secretary, Department of Industrial Policy & Promotion, Principal Adviser in the Planning Commission, Joint Secretary/Additional Secretary in the Ministry of Power, CEO, Greater NOIDA Industrial Development Authority, Secretary to the Lt. Governor of Delhi etc
Chairman/Director of other companies (excluding foreign companies) As on 31.3.2010	<b>Coromandel International Ltd. International Asset Reconstruction Co. Pvt. Ltd. (IARC)</b>	Nil
Chairman/Member of Committees* of the Boards of Companies of which he/she is a Director As on 31.3.2010	Nil	Nil

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

For Tata Global Beverages Limited



(V. Madan)

Vice President & Secretary

Kolkata  
Date:

Your Directors are pleased to submit their report together with the audited statement of accounts for the year ended 31st March, 2010.

You Directors at the outset wish to share with you an important milestone in the history of your Company. Throughout its history, your Company has made a number of bold strategic moves to take its business in new directions and transition from a tea plantation company to a global beverages company. In order to reflect this transformation the board decided that the company name should be changed to **Tata Global Beverages Limited**. Thus Tata Tea Limited is now **Tata Global Beverages Limited**. The name signifies our intent to be truly global and our successful transition from being a tea and coffee commodity business to one focused on delighting consumers across the world with great tasting, branded beverages. The change in name, which the Shareholders approved through a postal ballot in May / June this year, signifies the intent of your company to make a significant impact in the global beverages industry. .

The change in name has also been approved by the Central Government and a fresh Certificate of Incorporation dated 2nd July, 2010 has been issued by the Registrar of Companies, West Bengal. Your Directors wish to inform you that as the Board had approved the Accounts for 2009-10 prior to the receipt of the approval from the Central Government and prior to change of name being effective, the Accounts and the Auditors' Report were approved in the name of Tata Tea Limited.

Your Directors also wish to mention that at its meeting on 30th April, 2010, the Board approved a sub-division of the equity shares of the Company, whereby one equity share having a face value of Rs. 10 per share is sub-divided into ten equity shares of a face value of Re 1 each. This will help bringing about greater liquidity and increasing the retail interest in the equity shares of the Company. The Shareholders of the Company have approved the sub-division through a postal ballot in May/June 2010 together with the approval for consequential amendments to the Memorandum and Articles of Association of the Company.

## 1. Highlights – Consolidated Performance

Consolidated income in 2009-10 increased by 19% from Rs. 4847.87 crores to Rs. 5782.95 crores. Profit before Tax and exceptional items was Rs. 624.85 crores (previous year Rs.525.93 crores) recording an increase of 19%. Exceptional items were lower at Rs. 16.13 crores compared with Rs. 730.38 crores in the previous year because of one time exchange gains in the previous year. Profit before Tax after including exceptional income was Rs. 640.98 crores (previous year Rs. 1256.31 crores) and the consolidated Net Profit was Rs. 390.30 crores (previous year Rs. 700.55 crores). The reduction in the consolidated net profits is primarily due to absence of exchange gains of the previous year. The basic earnings per share (EPS) for the current year were Rs. 63.11 as compared to Rs. 113.28 in the previous year. Consolidated EPS before exceptional items was higher at Rs. 51.07 versus Rs. 47.39 in the previous year.

The Company continues its focus on strengthening the global organisation to accelerate growth and for developing global capabilities, improving synergies, achieving integration and driving functional excellence in areas like Human Resources, Finance, IT, Product innovation and Brands. These initiatives are vital to the global beverage transformation agenda. These efforts are coordinated by the Executive office in the UK subject to the decision of the Boards of the respective entities.



## 2. Standalone Financial Highlights

Your Directors now present below the standalone financial highlights for 2009-10:

	Rs. Crores	
	2009-10	2008-09
Total Income	1836.84	1524.64
Profit before interest, depreciation, exceptional items and tax	312.68	297.90
Deduct:		
Interest (net)	45.06	48.60
Depreciation	12.32	10.65
Profit before tax and exceptional items	255.30	238.65
Other exceptional items	240.13	(9.59)
Profit before tax	495.43	229.06
Provision for tax	103.96	70.00
Profit after Tax	391.47	159.06
Add: Surplus brought forward from previous year	158.07	170.25
Amount available for appropriation	549.54	329.31
Proposed Dividend	123.68	108.22
Income tax on dividend	19.45	17.11
Transfer to General Reserve	39.15	15.91
Transfer to Debenture Redemption Reserve	21.00	30.00
	203.28	171.24
	346.26	158.07

The Company recorded improved operations during 2009-10 with total income increasing by 20% to Rs. 1836.84 crores compared with Rs. 1524.64 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. There was increased spending on brand building and promotions and new product development and launches. Profit before tax and exceptional items improved by about 7% to Rs. 255.30 crores compared with Rs. 238.65 crores in the previous year. During the current year the Company earned an exceptional income of Rs. 240.13 crores mainly from profit on sale of its investment in Rallis India Ltd, as against an exceptional expenditure of Rs. 9.59 crores during 2008-09. Provision for taxation in the current year was at Rs. 103.96 crores (previous year Rs. 70.00 crores). Consequently, the Profit after tax was Rs.391.47 crores against Rs. 159.06 crores in the previous year.

## 3. Dividend

Your Directors are pleased to recommend for the approval of the shareholders a dividend of Rs. 20 per share on the paid-up equity share capital of the Company in respect of the financial year 2009-10 as compared with the dividend of Rs. 17.50 per share declared last year. The total outgo on account of dividend, inclusive of taxes, for 2009-10 is Rs. 143.13 crores which represents a pay-out of 36.56 % of the company's stand alone profits. On the sub-divided equity share of Re 1 each, the dividend recommended translates to Rs. 2 per share.

## 4. Review of 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.
  - 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 5% in total operating income driven by better performance of plantation operations. Profits improved against previous year on account of higher dividends received from group companies along with improved performance by Plantation operations. The Directors of Tata Coffee Limited have recommended a dividend of Rs.7.50 per share of Rs. 10 each. Eight O'Clock Coffee Company, USA, a subsidiary of

Tata Coffee recorded a 20% increase in turnover and improved profitability driven by higher volume growth reflecting the continued brand strength and distribution gains in alternate channels.

- (iii) The Company's wholly owned subsidiary in USA, Tata Tea Inc. reported a 21% higher total income against previous year and profit after tax also improved significantly as compared to the previous year.
- (iv) Sales of Mount Everest Mineral Water Ltd., your Company's subsidiary dealing in mineral water was lower than the previous year due to softness in key account sales and deferment of retail roll out. The loss for the year is lower due to cost reduction initiatives, distribution rationalization and lower launch expenses. In an effort to reconfigure the distribution network, Mount Everest Mineral Water Ltd. has now entered into an agreement with your Company to manage its distribution. It is also expected that the distribution for this product will be significantly enhanced with the proposed alliance with PepsiCo. The directors recognize the long term potential of the business, the quality and uniqueness of the water source and the consumer appeal and are confident about the growth prospects which would deliver adequate returns on the investments made in that Company.
- (v) The Consolidated Accounts of Tata Tea (GB) Ltd. reflects the financial performance of The Tetley Group during 2009-10 prepared in accordance with UK GAAP, wherein the turnover recorded an improvement of 11% attributable to price increases and volume growth in most major markets but with reduced profitability on account of higher commodity costs and increased investment behind brands and the global beverage agenda which is expected to fuel future growth.
- (vi) The company sold its stake in Rallis India Ltd. (RIL) which was an Associate of your Company in August 2009.
- (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 7.5% in 2008-09 and was received by us during the year.
- (viii) Amalgamated Plantations Private Limited in which your company holds shares recorded a significant improvement in profit of 93% mainly attributable to higher price realization. During the year 2009-10 the company declared an interim dividend of 6% which was received by us during the year.

## 5. Proposed Joint Venture in Liquid Beverage Business

Your Company has signed an MOU with Pepsi Co. Inc., USA for exploring the possibility of the formation of a Joint Venture in the area of non-carbonated ready-to-drink beverages, focused on health and enhanced wellness and is in discussion with PepsiCo in taking forward this initiative. The proposal envisages offering exciting health and wellness products in fortified and enhanced beverages initially and later diversify into foods with intent to address nutritional and lifestyle challenges. Given that about 50% of the Indian population is affected by severe deficiency in one or more micronutrients, across income classes, there is an opportunity for nutritional intervention through proper fortification and enhancement of beverages and food. This proposal is expected to result in a Joint Venture with Pepsi Co. and will potentially become a global beverage company oriented towards health and wellness.

## 6. Review of Domestic Activities

### A. The Indian Tea Industry

The Indian Tea industry continued to see good demand with domestic consumption growing at approximately 4% per annum and improved prices as compared to the previous year. Crop at 979 million kgs during 2009 was more or less in line with the previous year's crop at 981 million kgs. Exports were lower at 191 million kgs as against 203 million kgs in the previous year.

### B. Domestic Branded Tea Operations

The Tata Tea brand continues its leadership position in the branded tea segment and leads market share in terms of both value and volume in India. The strength of the brands enabled significant recovery of commodity cost increases. The Tata Tea brand was accorded "Super Brand" recognition in the country.

Brand Tata Tea Gold had a stellar performance in 2009-10 registering a 12% growth over the previous year driven by growth in value packs and a successful restage of the brand in third quarter of the year.

Tata Tea Premium brand performance was marginally lower than the previous year. The performance of this brand has to be viewed in the context of the aggressive price increases the brand took ahead of competition. The launch of the new Jaago Re campaign supported by massive ground level activity followed by a Consumer Promotion on the 100gm and 250gm packs saw the brand regaining its base in most markets.

With a view to add to the value creating segment of tea bags, your Company restaged flavoured tea bags with a new flavour – Tulsi & Lemon. The launch was supported by PR coverage in the media, liquid sampling and created