



ETHICAL SOURCING

Enabling ethical and sustainable growth from crop to cup



WATER MANAGEMENT

Positive water practices that enhance the use of water for life and livelihood



CLIMATE CHANGE MANAGEMENT

Climate-resilient beverage production through sustainable agriculture and energy efficiency



WASTE MANAGEMENT

Conserving resources by reducing, reusing and recycling waste



COMMUNITY DEVELOPMENT

A better quality of life for the communities we serve

ANNUAL REPORT 2013/14

Making good
business better

TATA GLOBAL BEVERAGES

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Attendance Slip & Proxy Form





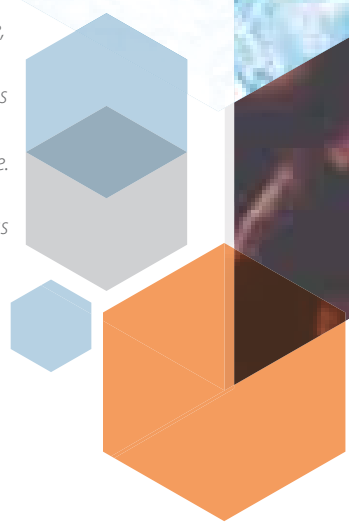
Making Good Business Better

At Tata Global Beverages (TGB), we believe that doing business sustainably is key to building long-term growth and stakeholder value. We believe that a company which embraces sustainability taps deeper into its own potential; it challenges itself to think of new ways of doing business and enriching the community around it. Being a company focused on natural beverages, we are committed to sustainable beverage production and consumption across the value chain – from ethical sourcing to the time the beverage reaches the consumer.

Sustainability at TGB revolves around five pillars – Ethical Sourcing, Water Management, Climate Change Management, Waste Management and Community Development. Within the pages of this Annual Report, you

will read examples of our efforts under each of these pillars. These are success stories about caring for the environment, supporting sustainable livelihoods, reducing energy usage, ensuring that a factory does not dispose any waste to landfill, using new distribution models that provide employment, and launching a marketing campaign that drives social change.

Integrating sustainability into our core business and our DNA is a challenging but ultimately rewarding experience. We are continually inspired by the people we have had the opportunity to positively impact. Their growth and success fuels our continued commitment to making our good business better.



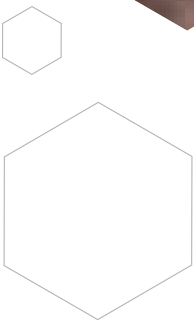
WHAT WE STAND FOR

VISION

To be the most admired natural beverages company in the world by making a big and lasting difference in Tea, Coffee and Water

PURPOSE

We will focus on creating magical beverage moments for consumers and an eternity of sustainable goodness for our communities



DIRECTIONAL THEMES



Consumer is our heartbeat

We use our mind (and our hearts) to come up with great ideas, making brands that people want and love. Our brands aren't just products; they are promises we keep and experiences we deliver.



Disruptively Challenging

We think differently, we are open to new sources of inspiration and we are fresh and unexpected. We punch above our weight because we are hungrier to succeed and quicker to anticipate and respond.



Playfully Professional

We are ambitious, confident and energetic. We know we can be commercially successful and have fun at the same time. Maybe that's why we work with a smile on our face!



Individually Excellent, Collectively Brilliant

We possess smart individuals but we know it takes a team to be successful. We are doers and achievers. We take charge, are resourceful and we make it happen.



Doing Good

We are fair and honest with everyone. We do the right things for the environment and inspire others to do the same. It is also important for us to provide a working and learning environment where everyone is treated equally and with dignity.



Perfect Execution

We believe in perfect execution of our plans and working together as a team, because we know that provides us the best platform for consistent success. It is our urge to deliver what we have committed, despite all odds. We will pursue perfect execution because we are capable professionals who take pride in our work.



TATA GLOBAL BEVERAGES AT A GLANCE

We are a global player with unique competencies, differentiated offerings, appealing brands and significant scale – in the three natural beverage categories of tea, coffee and water.

North America



**2nd
largest**
tea company
in the world



Among
top 10
players in
coffee globally

Brand
presence in **40+**
countries

**An expanding
branded water
portfolio**

**250 mn
servings**
of TGB brands
consumed globally,
everyday



Rs. 7,738 Cr

Consolidated Revenue from Operations 2013-14

^ 5% Y-O-Y

Rs. 522 Cr

Consolidated Profits After Tax 2013-14

^ 10% Y-O-Y

Rs. 481 Cr

Group Net Profits 2013-14

^ 29% Y-O-Y

#1 Whole Bean Coffee Brand in the US

#1 In India, Canada and the Czech Republic with Market leadership in Tea Category

#2 In Tea Category in the UK, with strong presence in Black, Decaf, Rooibos Green & Specialty teas

CEO & MANAGING DIRECTOR'S MESSAGE



At Tata Global Beverages, we are underpinned by a firm belief that a sustainable business is a better business.



DEAR SHAREHOLDERS,

Sustainability has always been at the heart of the Tata Group, since its inception. In the words of the Group's founder, Jamsetji Tata – "The community is not just another stakeholder in business, but is, in fact, the very purpose of its existence." At Tata Global Beverages, we are underpinned by a firm belief that a sustainable business is a better business, which generates better long-term value for all its stakeholders. This is reflected in the theme of our Annual Report – ***'Making good business better.'***

We believe a business needs to have a positive impact on all its stakeholders, which goes well beyond generating financial returns. Consumers feel positive buying products and services which they know have been produced sustainably. Employees and business partners experience pride and engage better when working with a business that makes ethical choices. Investors recognise that such businesses generate healthier long-term returns. Communities are supportive when businesses co-exist in harmony and also support development.

Tata Global Beverages has identified five core pillars, which are integrated with its strategy – Ethical Sourcing, Climate Change Management, Water Management, Waste Management and Community Development.

Our Company is building ethical sourcing into the supply chain through partnerships such as the Ethical Tea Partnership (ETP) and Trustea and enabling climate change management by reducing our carbon footprint. You will be glad to know that Tata Global Beverages has been ranked first in the Carbon Disclosure Leadership Index (CDLI) in the Consumer Staples sector in India. Our subsidiary Tata Coffee's water management initiatives help meet 95% of their water requirement and our biggest factory in Eaglescliffe, UK, sends zero waste to landfill. On the subject of community development, I would like to highlight 'Gaon Chalo', a community-based distribution model, which enables employment and development of rural youth in India.

On the business front, Tata Global Beverages is focused on creating magical beverage moments for consumers across the globe through its tea, coffee and water brands. During the last year, our Company made good progress in building the business through organic growth, innovation and strategic alliances. We have had an eventful year highlighted by new launches which were supported by impactful marketing campaigns. We re-launched the iconic Eight O'Clock coffee brand in the US, launched an exciting marketing promotion for Tetley in the UK and launched a new phase of the Tata Tea 'Jaago Re' campaign in India, focused on

awakening Indian women to the power of their vote.

Our Company continues to invest in innovation to leverage key trends like health and wellness. Tetley has kept pace with today's lifestyle, understood the palate unique to each region and offers a range of delicious flavours in the green tea portfolio. Tetley 100% Steamed Green Teas were launched in Canada and Australia. Tetley Black & Green tea, launched in the US, offers consumers the taste of black tea with the goodness of green tea. In India, a significant marketing and advertising campaign has begun for Tetley Green Tea.

During the year, Tata Global Beverages continued to develop its joint ventures -- Tata Starbucks and NourishCo to further enhance their market presence and growth.

Our Company successfully acquired a 100% stake in the equity capital of Earth Rules Pty Ltd., Australia, which is engaged in the coffee business under the Map brand. The Map brand is present in both Roast & Ground coffee and PODs (single service portions) category in Australia. This acquisition will help Tata Global Beverages further expand its portfolio in the high growth contemporary 'single serve' business.

On the business performance front, Revenue from Operations stood at Rs. 7,738 crores, posting an increase of 5% year-on-year. Group Net Profits were 29% higher than the previous year. The operating results reflect strong performance in some countries and a challenging market environment in a few geographies.

As you will note, despite a tough market environment in many geographies, our Company continued to invest strongly behind our brands, which impacted the profitability of the business. Our Company's vision is to be 'the most admired natural beverages company'. This aspiration, I am sure you will agree, is possible only by investing and protecting the long term future of the business --our brands.

As I sign-off, I would like to reiterate that at Tata Global Beverages, how we achieve business growth and profits is as important as the quantum of growth and profits we achieve. I am sure you will feel great pride as you read through the pages of this Annual Report. At Tata Global Beverages, making good business better, is about sustainability in business practices as well as in business growth.

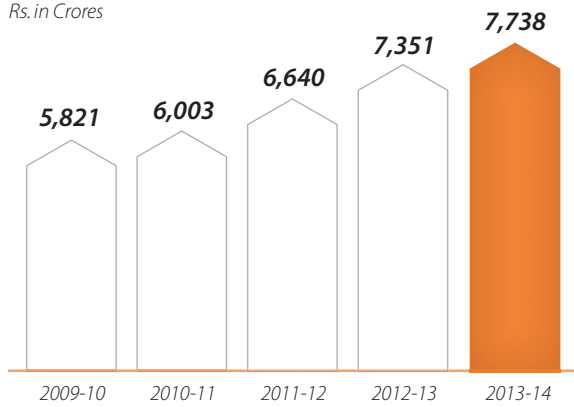
Ajoy Misra
CEO & Managing Director

PERFORMANCE HIGHLIGHTS (CONSOLIDATED)



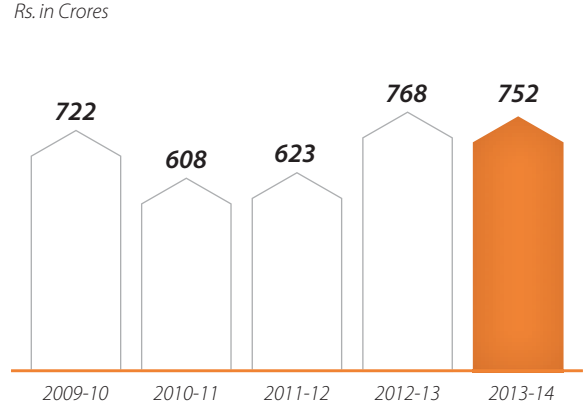
Revenue From Operations

Rs. in Crores



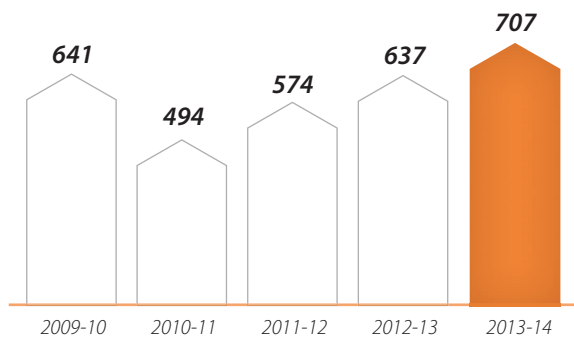
EBITDA

Rs. in Crores



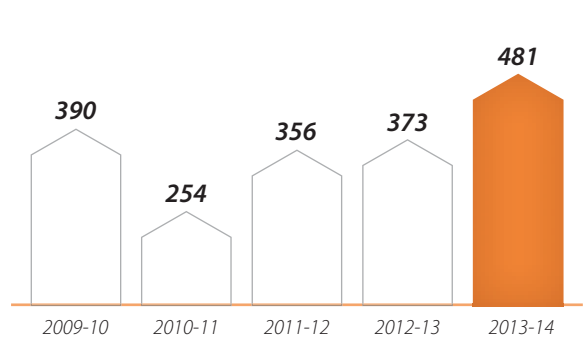
Profit Before Tax

Rs. in Crores



Net Profits

Rs. in Crores

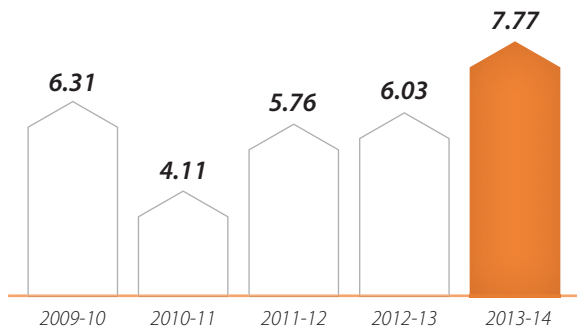


PERFORMANCE HIGHLIGHTS (CONSOLIDATED)



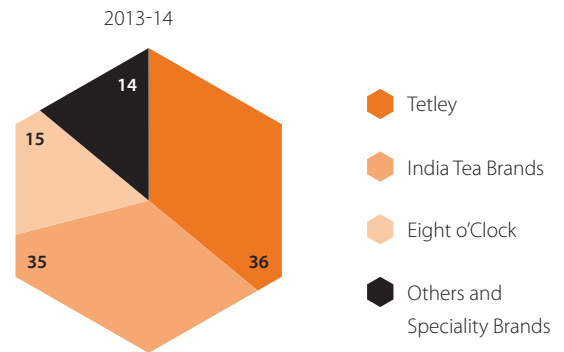
Earnings Per Share

Rs.



Brand-wise Sales

%



Segmental Revenue

%



CATEGORY HIGHLIGHTS



Making the Tea Business Better

UK



- ◆ In a new campaign for the Tetley brand, the popular Tea Folk returned to British TV screens once again, as part of a campaign designed to show the difference 'a good brew' can make.
- ◆ In September, Tetley launched a cross-platform campaign supporting on-pack promotion. One of the biggest national promotions of recent times, 'Find Sydney on-pack promo', was seen on 10 million packs of Tetley tea.

KUWAIT



- ◆ Tetley was re-launched in the Middle East supported by a new campaign. The campaign thought was 'Squeeze more out of life' which ties the benefit of the drawstring bag to the attitudes of the new generation of Arabs.

INDIA



- ◆ Tata Tea Gold underwent a restage supported by a new campaign 'Power of 49', in association with the International Indian Film Academy (IIFA) Awards 2013 as cause partner. The campaign was supported by pack change, trade and visibility activation on ground and digital activation.
- ◆ Tetley Green Tea was re-launched, aided by a new campaign and ground-level activation.

PAKISTAN



- ◆ Tetley Gold was rolled out nationally in Pakistan.

AUSTRALIA



- ◆ Tetley Fruit and Herbal range was re-launched under the pyramid format and has shown strong sales results.
- ◆ 100% Steamed Green Tea launched. The product is a successful addition to the Tetley portfolio in Australia.

CANADA



- ◆ Tetley's 100% Steamed Green Tea was launched and is available in Pure, Lemon and Ginger variants.
- ◆ A highly successful consumer on-pack promotion was completed in partnership with 'Cirque du Soleil' where consumers stood a chance to win 1 of 5 trips to see a Cirque du Soleil show anywhere in the world.

USA



- ◆ Good Earth tea was re-launched with a striking package and now offers a focused collection of 14 natural tea fusions that span a gamut of tea varietals, herbs, botanicals and flavours. Good Earth tea is also now available in K-cups.





Making the Coffee Business Better

USA

- The Eight O'Clock brand was refreshed, including sleek red packaging, tasty new varieties and new consumer communications.

AUSTRALIA

- The Company acquired a 100% stake in the equity capital of Earth Rules Pty Ltd, Australia, which is engaged in coffee business under the Map brand. The Map brand is present in both roast and ground coffee and PODs categories in Australia.



Making the Water Business Better

RUSSIA

- Grand coffee was re-launched in Russia.

INDIA

- Tata Starbucks stores increased in numbers and received good consumer response, expanding presence to 5 cities – Mumbai, Delhi, Bangalore, Pune and Chennai.

INDIA

- Tata Water Plus (TWP), India's first nutrient water, was re-launched in new packaging in April 2013, for Tamil Nadu and Andhra Pradesh. TWP is now also available in 200 ml pouch format.
- Tata Gluco Plus launched the Apple, Cinnamon and Grape flavours, during the year. It is also available in Lemon, Orange and Mango flavours.

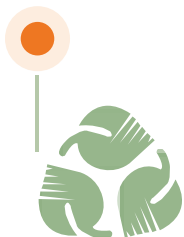


SUSTAINABILITY AT TATA GLOBAL BEVERAGES

Capacity building of **40,000** smallholder farmers in India & **10,000** farmers in Africa in partnership with Ethical Tea Partnership and Trustea



Our biggest factory – Eaglescliffe, located in the UK, is **ZERO** waste to landfill



We reduced our carbon footprint by **22%** over 2 financial years across Tata Global Beverages



Watershed conservation in Tata Coffee plantations through **266** tanks, preserving **583 MILLION** gallons of water



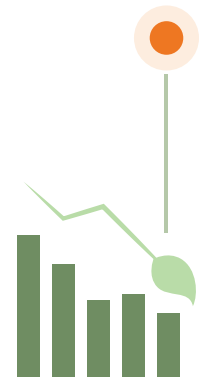
Energy management system & waste management at Eaglescliffe factory led to savings of

£250,000 per annum



Himalayan

25% reduction in water use at our Himalayan Water factory in Himachal Pradesh, India



Farmers First Hand connected close to **200,000** tea consumers to farmers through Facebook



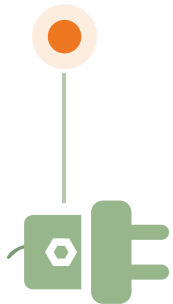
893 Students impacted through revitalisation of August Martin School, US, supported by Eight O'Clock Coffee



Affordable healthcare for **60,000** patients in Munnar & Assam per annum



Energy efficient practices led to savings of over **1 MILLION KWH** per annum



Lonach Dairy Farm – owned by Watawala Plantations PLC, is Sri Lanka's largest biogas plant and produces

100 M³ of biogas per day

Watawala Plantations PLC is an associate company of TGB



Gaon Chalo reached **70,000** villages across 18 states in India



Tata Tea's Jaago Re 'Power of 49' initiative reached **5 MILLION** women in India



Serving a Responsible Brew

TATA GLOBAL BEVERAGES'
INITIATIVES IN ETHICAL
SOURCING

From Crop to Cup

A cup of tea wakes us up in the morning, a calming brew of herbal tea helps relax us at night. Tea is an intrinsic part of many people's routines across the world. To create the perfect cup, we source teas from across the world. It is important to us that the tea industry is part of a sustainable growth story, one which enables better opportunities for all stakeholders across the supply chain.

We started this journey a decade and a half ago when we, along with other stakeholders founded the Ethical Tea Partnership (ETP). While we have made some progress, it is a long journey and we remain committed to it to enable sustainable growth across the tea supply chain, from crop to cup.



"The training has been very good. Personally it will help handle staff in a better way. The management should give us an opportunity to educate others, and organise other similar trainings. We thought we knew, but now we know there is much more that we did not. Please do come back."

Evline Manoti,
Supervisor, Kipkebe Estate,
Nyanza, West Kenya



We received the 2013 'Sustainable Standard-Setter Award', from the Rainforest Alliance for our efforts to drive sustainability.



WORKING WITH THE ETHICAL TEA PARTNERSHIP (ETP)

ETP is a non-commercial partnership of tea companies committed to improving the lives of tea workers and their environment, to create a thriving tea industry that is socially just and environmentally sustainable.

TGB, then Tetley Group, is one of the founder members of ETP, setting up this partnership in 1997. We continue to be actively involved in ETP and its initiatives.

One of the unique ways in which ETP affects sustainable change is through Farmer Field Schools (FFS), which enables farmers to choose their own curriculum

and to learn through practice on demonstration plots. The ETP also uses the Lead Farmer model, based on a 'train the trainer' approach, whereby the local ETP staff provide training for a group of identified lead farmers – who then go on to further train a smaller group of farmers.

At the beginning of 2013, TGB signed a partnership agreement with IDH,

an organisation funded by the Dutch government that supports the sustainable development of smallholder farmers by building impact-oriented coalitions. Under this partnership, we work with the ETP to implement certification activities across Kenya, Malawi and Uganda.

"The partnership has significantly enhanced our management and training roles," says Sarah Roberts, Executive Director, ETP. "TGB has played a very important role in the development of ETP. Their staff was a part of the original team that inspired the industry to set up a pre-competitive partnership to address sustainability issues and that became the ETP. Their team continues to invest their resources, time and energy to assist ETP to scale up its work and impact, helping develop partnerships that make a difference on the fundamental sustainability issues across Africa and Asia," she states.

WORKING WITH THE RAINFOREST ALLIANCE

Our collaboration with the Rainforest Alliance is another big effort in responsible sourcing. The Rainforest Alliance is an international non-profit organisation that works to conserve biodiversity and ensure sustainable livelihoods. Working together, we are able to tackle specific sustainability issues within the tea sector.



We are committed to sourcing 100% of our black teas from Rainforest Alliance Certified™ farms for all our Tetley branded teas in the EMEA (Europe, Middle East and Africa) and CAA (Canada, Australia and America) regions by 2016. More than 50% of Tetley tea worldwide now comes from Rainforest Alliance Certified™ farms.



SUSTAINABLY TRANSFORMING THE INDIAN TEA INDUSTRY

We are one of the founding members of the Trustea initiative in India, a multi-stakeholder initiative led by the Tea Board of India, to sustainably transform the Indian tea industry. The 5-year programme targets 500 million kg of tea from over 600 factories and hopes to have a positive impact on the livelihoods of 500,000 tea plantation workers and 40,000 smallholder farmers by 2017.

The India Sustainable Tea Code has largely been modelled on current internationally recognised standards while taking into consideration Indian realities on the farm and in markets. At TGB, we actively contribute in the development and implementation of the programme and keenly participate in the steering and management committees.



"Hi friends! This weekend my family went to visit my grandmother who is now 87 years old. It was great to know she can't go to bed without having her cup of tea."

Austin
Farmer, Malawi

"Hi friends! Every year we aim to plant grass wherever necessary, this process prevents soil erosion and retains water. Thanks!"

Laston G Storry
Farmer, Malawi



"I love this link, it's so unique to be able to connect with the farmers who grow the tea. I love the pictures and the messages from the farmers. I'm a big Tetley fan, the only tea I drink. Actually here in Newfoundland, Canada, Tetley outsells all other tea!"

Ardent Tetley fan, Canada



Brewing Connections & Conversations

Stanford is a farmer in Namainja, a village in Malawi. He loves his job. He says, "going to my tea garden everyday" is his favorite hobby, favourite pastime and livelihood all rolled into one. Besides farming, Stanford enjoys sharing his experiences on the farm and his family life through the Tetley Farmers' First Hand Facebook page, with tea lovers across the world.

Farmers First Hand (FFH) is an innovative social media initiative using Facebook, where consumers can talk directly with the people who grow, harvest and produce their favourite cuppa. Today FFH covers plantations in Africa (Lujeri and Clanwilliam) and very soon will cover Indian plantations too.

The idea was to break down walls through conversation and it does just that. By using Facebook and mobile phone technology, FFH has enabled Tetley to differentiate itself from other products in a way that is both relevant and value-adding for the brand and its consumers.

It provides valuable insights into tea production and certification, to consumers who are increasingly mindful and seeking ethically sourced products.

With close to 200,000 consumers connected on a single platform, this digital campaign has taken a life of its own and become more than a page. It is now a platform to catch up on life.

This novel idea, besides being a favourite with fans and Tetley consumers, has also brought many laurels home. It has been awarded a Silver award in the Sustainability Communications category for the Guardian Sustainable Business Awards and the Ethical Corporation Awards.

By facilitating conversation and connection between farmers and consumers, FFH's social networking site is touching lives by removing social and geographical barriers.




Making a Refreshing Difference

TATA COFFEE'S INITIATIVES ON REMAINING WATER POSITIVE

The district of Coorg, in Karnataka, one of the main coffee-growing regions of India, is the home of Tata Coffee, a subsidiary of TGB.

Tata Coffee Plantations, spread across 12,800 hectares, are located along the Western Ghats with 19 coffee estates of which 13 are in Coorg.

Just the right amount of rainfall, at the right time is important to the health of these crops. Natural blossom showers are critical during the months of February and March. However, rainfall patterns were changing over the last two decades, adversely affecting coffee bean output. Therein began Tata Coffee's journey to harvest water!



"As a plantation worker, adequate and timely rainfall, defines the survival of our crops and in essence my livelihood. I have been working on Tata Coffee's Polibetta estate for over 2 decades. In this time, the rainfall pattern has changed significantly; this worried me as it threatened my income and the future of our families. But the Company was farsighted and took many steps to ensure that today not just our crops but my livelihood and that of my family, is no longer dependent on when and how much it rains. It gives me peace of mind."

Antoo Michael
Woshully Estate, Coorg
Second Generation Plantation Worker

CONSERVING WHAT NATURE PROVIDES

A scientific process was instated to identify the best areas to build water catchments. The team identified the catchment areas through a GPS survey and built large storage reservoirs of up to 110 hectares. The excess run off rain water is channelled through gravity into 227 artificial open tanks that are created in the catchment areas with a capacity to store 583 million gallons of water. The paths leading to the reservoirs are well-vegetated to avoid soil erosion and silt accumulation. This water harvesting project helps Tata Coffee plantations to meet 95% of their water requirement, while recharging groundwater aquifers, helping the entire region to conserve water.



The water harvesting project helps Tata Coffee plantations to meet 95% of their water requirement, while recharging groundwater aquifers.



THE RIGHT AMOUNT OF WATER AT THE RIGHT TIME

In addition to water harvesting, Tata Coffee also focuses on optimum irrigation. The timing and quantum of irrigation is based on scientific observation to ensure healthy coffee blossom and fruit. Leveraging technology again, GPS coordinates have been utilised to lay the main line irrigation pipes.

USING NEW TECHNOLOGY TO SAVE WATER

Wet Processing of coffee (75% of coffee produced) requires water for washing beans. Putting in place technologies that helps reduce the amount of water used, Tata Coffee implemented a Columbian processing technology (Penagos) in four of its large coffee estates from 2010. Penagos consumes only about 700 ml per kg for Arabica Coffee while providing a higher output. This technology helps to reduce water usage by 82%. In many of its factories Tata Coffee has activated reverse osmosis to effectively reuse water. Effluent water generated is stored and reused after treatment, reducing the water footprint by about 250 million gallons per annum.

EFFECTIVE WATER SUPPLY

Tata Coffee also ensures that the supply of potable water to its residential workforce population of close to 10,000 is sustainable. Potable water from tube wells and open wells is supplied through an overhead reservoir. The Tata Coffee team has ensured no pesticide or inorganic fertilisers are used in the zones around the river and streams flowing through the estate. As an added measure, surface water analysis is carried out regularly to ensure quality of water entering and flowing out of the plantations is maintained.

Water is precious and Tata Coffee completely recognises this fact by making use of the land and water in the vicinity in a most judicious manner to tide over its water requirement and to prevent soil erosion.

Tata Coffee's initiatives have earned global accreditations such as: Rainforest Alliance Certified™, SA 8000, UTZ, ISO 9001 and ISO 22000. It also won the Golden Peacock and the Green Business awards successively for the last three years.



Breathing in Life

TATA GLOBAL BEVERAGES' MEASURES TO MANAGE CLIMATE CHANGE



Reducing our Carbon Impact

TGB recognises several advantages from integrating climate change into Company strategy, from greater operational efficiencies and cost savings to more resilient supply chains and enhanced corporate reputation among stakeholders. Our continuous efforts to reduce carbon emission have made progress. In 2013, for the second year in a row, TGB featured on the Climate Disclosure Leadership Index (CDLI). We were ranked first in the Consumer Staples sector in India. TGB's carbon intensity has decreased by 22% over the past two financial years. Today, we monitor our carbon footprint in over 70 different sites in Asia, Africa, Europe, North America and Australia.

The CDLI was developed by the Carbon Disclosure Project (CDP), a global sustainability organisation that reports on behalf of 722 investors representing \$ 87

trillion in assets. CDP scores are accessible on Bloomberg terminals and Google Finance sites, and impact how investors view us.

TGB is also listed on the S&P BSE Carbonex in India. It is the first of its kind index that takes a strategic view of organisational commitment to climate change mitigation, according to Asia Index Private Limited, a joint venture between BSE Ltd. and S&P Dow Jones Indices. The index incorporates strategies, disclosures, performance and action in areas of carbon emission to create a comprehensive benchmark that identifies a company's commitment to mitigate risks arising from climate change.

TGB has a four-pronged strategy towards climate change – sustainable agriculture, sustainable forestry, energy efficiency and renewable energy.

Involving Farmers in Sustainability

Climate change as a result of greenhouse gas (GHG) emissions from human activity is one of the biggest threats to sustainable agriculture. Unless early efforts are made to help farmers adapt, the consequences for tea and coffee production are likely to be severe and impact price and quality. These include unpredictable rainfall patterns, delayed rains and drought, flooding and soil erosion, warmer temperatures, wilting of crops, increased pests and disease incidences.

TGB is collaborating with various partners such as the Ethical Tea Partnership and Solidaridad to help tea farmers and producers increase their resilience to the effects of climate change. Farmers are trained on a range of sustainable agricultural practices that are most important to their specific situation such as soil management, drip irrigation, rainwater harvesting and fuel wood conservation. Similar training is being implemented through the Trustea programme by Solidaridad with Indian farmers.





How Green is my Valley

The Western Ghats, where the plantations of Tata Coffee are located, are known for their unique biodiversity.

“We took a decision to make this business sustainable, not just in terms of profitability, but also in preserving the surroundings,” says Hameed Huq, Managing Director, Tata Coffee.

Sustainable plantation management is the key to how the 19 plantations at Tata Coffee are run, by upholding environmental services, optimising natural resources and contributing to watersheds of river Cauvery, the lifeline of South India.

At Tata Coffee, 180 hectares of land has been set aside as conservation area within

the plantations to maintain ecological balance. In the past year itself, over 2.20 lakh tree saplings were planted to enhance green cover.

The conservation efforts at Tata Coffee date decades back. The trees are numbered and their growth tracked. Currently the plantation has in excess of 1 million plants. This provides a valuable ecosystem for various forms of rare wildlife. A recent carbon footprint self-assessment showed that the forests of Tata Coffee could be an enormous carbon sink estimated at negative 1.71 lakh tonnes of CO₂ equivalent per annum.

Eco-friendly operations and water reservoirs make the plantations a habitat

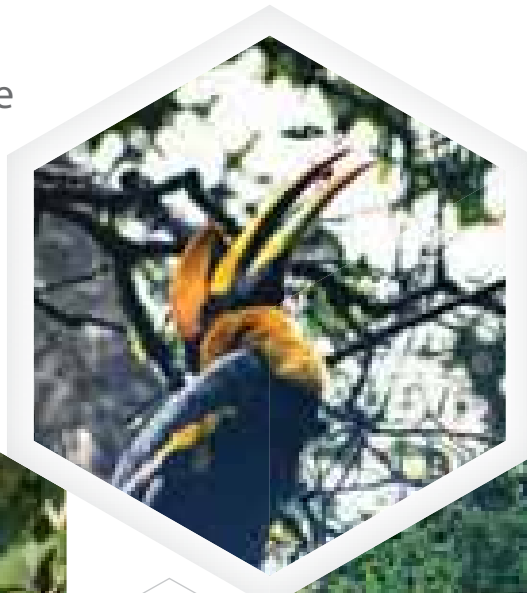
for wildlife. The rare hornbill birds call Tata Coffee plantations home, as do herds of wild elephants. The Hornbill Foundation at Valparai, sponsored by Tata Coffee, puts in place many efforts to protect this beautiful endangered bird.

A separate wildlife cell has been created with the objective of preserving and monitoring wildlife, while ensuring workers’ safety. It is not easy for workers and wild elephants to co-exist. Many measures have been put in place to ensure there is no conflict. A study was conducted on elephant behaviour, while GPS mapping tracks their movement inside estates.

The colour of life is ‘green’ here in Tata Coffee’s plantations in the Western Ghats.



In the past year, over 2.20 lakh saplings were planted to enhance green cover.



Watawala's Green Brew

Spread over an area of 12,442 hectares, Watawala Plantations, an associate company of TGB, is one of the largest plantation companies in Sri Lanka. Watawala's tea now carries the coveted Rainforest Alliance Certified™ mark, a globally-recognised symbol of social and economic sustainability which links farmers and the environment in a symbiotic relationship.

Watawala's eco-friendly credentials come from its continuous efforts to look at unique, yet green ways, to solve business challenges.

To reduce the dependency on imported fossil fuels to meet thermal energy requirements in the plantations, Watawala has embarked on utilising indigenous resources through sustainably grown fuel wood. Watawala has a forest cover of 497.5 hectares.

Another illustration of sustainability in business is the Lonach Dairy Farm which is self-sufficient in its energy requirements. It is one of the largest biogas producers in Sri Lanka. The farm has become self-sufficient in energy requirements through a biogas project, which produces 140 units of electricity daily. The primary source of energy for the biogas project is cow dung and urine, collected from the farm.

The dairy farm boosts the insufficient dairy production of the country, where 60% of dairy requirement is imported. It also helps Watawala reduce the requirement of artificial manure by using organic waste to fertilise the plantations.

"We are happy that the biogas project ensures effective waste management, which is a challenge of our times. This project has enabled us to take yet another step towards making our businesses sustainable." Vish Govindasamy, Managing Director, Watawala Plantations PLC.



"I have lived all my life near the Lonach estate. I remember as kids, when we felt adventurous we would explore the ravine of mana grass, little knowing that one day this very place would become the source of my sustenance. Today I work for the Lonach Dairy Farm - in the field and with the animals. And just like in the olden days when my mom would cook in an earthen stove with dung briquettes, in Lonach also we convert waste to fuel in a manner where everything here runs on the power produced. Life has certainly changed in many ways – but for the better."

Ramasamy
Plantation Worker



"Wind is abundant, inexhaustible, and affordable, which makes it a viable and large-scale alternative to fossil fuels. Harnessing power from the wind is one of the cleanest, most sustainable ways to generate electricity as it produces no toxic pollution or global warming. At Tata Coffee, we are leveraging this unique renewable energy to power our Theni plant."

Radhakrishnan T
Executive Director (Operations)



Winds Of Change

Theni is a quaint little town on the Kerala-Tamil Nadu border. Its beauty lies in its waterfalls, its jungle walks and its pilgrim centres.

Circa 2011, the Tata Coffee plant at Theni suffered from huge power shortage with the state electricity board providing only 70% of the energy requirements. The remaining amount was being generated by Theni's captive power generation plants which utilised fossil fuels – an expensive proposition with high levels of carbon emission. Tata Coffee's commitment to reduce carbon emissions led it to look at wind energy – not only was it green, it would also cut the power cost.

Circa 2012, to ensure a steady and sustainable supply of wind power the company decided to acquire a stake in an independent power provider under the Group Captive Power Scheme, allowing it to consume 51% power as captive power

with an investment of 26% company shares. The benefits include operational efficiency, increased profit margins, energy security and access to sustainable and continuous energy.

Wind power through the Group Captive Scheme is priced competitively at Rs. 6 per kwh, compared to the grid electricity cost of Rs. 7 per kwh and own generation cost of Rs. 14 per kwh. Usage of wind power is encouraged by the government, and therefore, consumers of group captive power do not pay cross-subsidy charges, leading to further savings. Since wind energy is seasonal, banking is also allowed under this model. The surplus power can be utilised during non-seasonal periods.

By sourcing wind energy, carbon emissions have been reduced from 11.61 kg to 9.92kg CO₂ per kg of Freeze Dried Coffee, a step forward in Tata Coffee's continuous efforts at sustainable growth.

Around 2 million units per annum of wind energy is utilised at Theni, reducing the carbon footprint by over 1,000 tonnes per annum.

Leaving No Scrap Unturned

EAGLESCLIFFE FACTORY:
A 'ZERO WASTE TO
LANDFILL' FACTORY

Waste, at first glance does not appear to be a very appealing topic. But waste management is certainly not a waste of time. People consume what they need, usually without sparing a thought to what happens to the things they discard. 95% of discarded solid waste ends up in landfills, instead of being recycled.

"At first, the thought of working towards zero waste to landfill was daunting, but nonetheless exciting. After a lot of hard work by the teams involved at the factory, and our waste carriers, the target of zero to landfill was met! The biggest challenge, which continues is one of employee engagement and the management of the waste stream systems to ensure the correct waste is being disposed off in the correct bins."

Denise Graham

Technical Manager, Eaglescliffe factory

Research reveals that a systematic waste management programme could help companies save as much as 1% of their annual turnover. At TGB's Eaglescliffe factory in the UK, we did just that by investing in effective waste management.

JOURNEY TO ZERO LANDFILL

The Eaglescliffe factory is TGB's biggest factory. All Tetley products for the UK and the Canadian markets are produced here. 280 million teabags roll off the line every week – almost 30% of the UK tea market. The factory's efforts to drive efficiency and safety are guided by its foremost goal of being an ethically, socially and environmentally driven facility.

Around 5 years ago, the Eaglescliffe factory looked at the environment it was operating in and identified the requirements of the commercial teams it served. It implemented the 'Hoshin Kanri' process to develop a clear direction for the plant. 'Hoshin Kanri' is a well developed strategy deployment tool that has been in existence since the 1950s.

MEETING THE CHALLENGE

The factory's management team crafted a unique vision for the plant – 'to become the Best FMCG factory in the UK by 2013', as measured by the Cranfield Best Factory awards. The awards celebrate manufacturing excellence in the UK and is run by Cranfield School of Management in partnership with the magazine 'Works Management'.

A key goal under this parameter was to be a 'zero-waste to landfill factory by 2013'. The goal post was set and the project team invited several suppliers to assess the various waste streams and how the waste could be segregated better.

One of the biggest insights, the study revealed, was the need for a culture change – a need for all Eaglescliffe employees to pursue the goal as one. The project team tied up with an expert in the field – Total Recycling Services (TRS), who provided a range of fully-compliant recycling and waste disposal services.



The factory's management team crafted a unique vision for the plant – *'To become the Best FMCG factory in the UK by 2013'*, as measured by the Cranfield Best Factory awards.





Our waste management efforts led to a remarkable milestone – a reduction in our energy consumption from 260 kwh/tonne to 240 kwh/tonne.



TRS recommended the quantity and type of compactors required, and the location of different coloured bins for different material. A compactor is a machine that reduces the size of waste material.

Several environmental objectives for the factory were identified:

- Reducing the amount of waste during production by working with suppliers to reduce any extra packaging to a minimum.
- Improving the environmental impact of any waste generated by partnering with TRS to ensure that we were fully recycling where possible and also adhering to the waste hierarchy.

The waste hierarchy is a process used to protect the environment and conserve resources through a priority approach:

- Reducing the amount of energy we use by becoming one of only around 20 UK sites to have ISO 50001, which establishes a framework for managing energy.

The team also installed intelligent compressors that energy pulse on demand, inverters and tap down transformers. All these efforts led to a remarkable milestone – a reduction in our energy consumption from 260 kwh/tonne to 240 kwh/tonne.

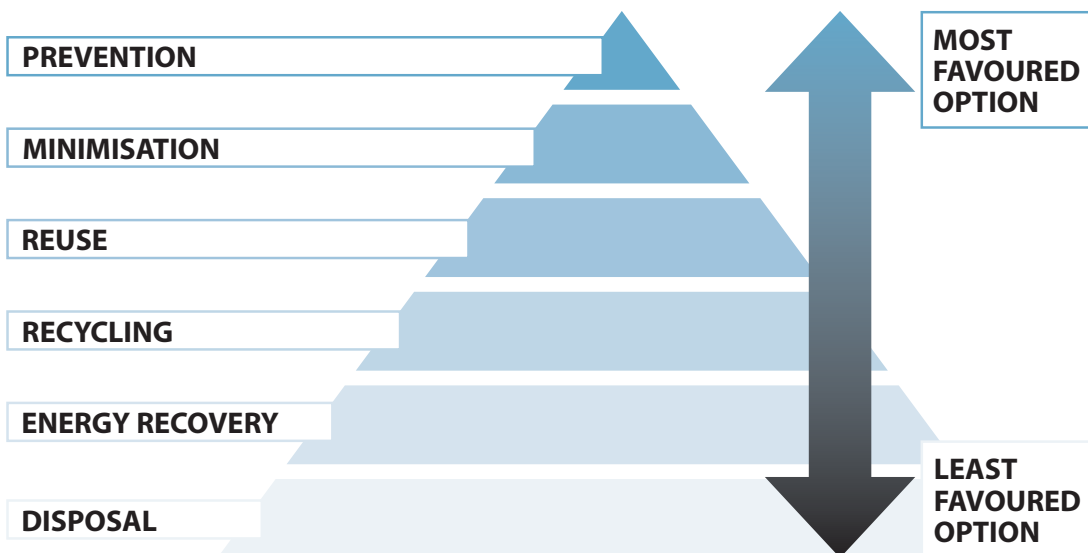
One function that made this possible is the 'pelletiser': a plant-within-the-plant that recovers and compresses large amount of waste tissue generated on the teabag production line, into pellets which are then fed into the boiler that heats the factory.

- Controlling air, water and noise pollution on site. All of the above processes are managed by becoming ISO 14001 – the world's most recognised environmental management standard.

The factory also uses a dry manufacturing process, limiting the use of water.



WASTE HIERARCHY



SUSTAINABLE CHANGE

Communication was key to the achievement of this ambitious goal – as the team attempted to engage and educate the workforce on this important change. The team continues to make regular efforts to ensure that everyone working in Eaglescliffe owns this goal.

By effectively and consistently following these goals, Eaglescliffe is today a zero waste to landfill facility.

Last year, Eaglescliffe won the Cranfield Judges Award! Awarded to the plant that is seen as the rising star from all categories, this was for the factory's outstanding leadership, people development and production cost profile.

Ask Steve Eastham, Operations Director at TGB, what makes Eaglescliffe one of the best factories in UK, and this is what he has to say, "Eaglescliffe is upper quartile on almost all measures of performance versus our FMCG counterparts in the UK. We have outstanding (top 10th percentile) levels of machine effectiveness and output efficiency. We employ some of the best trained staff in the UK, who receive up to 27 days of training per year."



THE PRIME MINISTER VISITS EAGLESCLIFFE

The UK Prime Minister, David Cameron, visited the Eaglescliffe factory and hosted an hour long Q & A session with the employees. He entertained many questions ranging from the economy, immigration, pensions and the state of English cricket and, of course, enjoyed a steaming cup of Tetley tea!

During an earlier visit to India the Prime Minister was quoted as saying, "You don't get any more British than Tetley tea."

First Book Canada YOUR FIRST BOOK...

First Book Canada provides new books and reading materials – at low or no cost, to children from low income families, addressing one of the most important factors affecting literacy – access to books.

As reading aloud to children is one of the most effective ways to encourage them to love books, TGB along with other Tata Group Companies are active supporters of First Book Canada.

The team volunteered to participate in a two-hour group reading event with the North Kipling Junior Middle School in Etobicoke, Ontario. The event also had employee volunteers joining representatives from First Book at North Kipling to distribute new books to students.

Volunteer Jennifer Dickens said, “It’s an honour to serve the neediest in our communities and equip the next generation with the most powerful tool to overcome poverty – a love of literacy and learning.”

Bestselling children’s author and illustrator, Nicholas Oldland was also part of this event. He regaled the children with animated readings of his books, talked about his work and signed copies of his latest book ‘Up The Creek’ (Kids Can Press) as part of the reading celebration and donation programme.

Jafari Oragano, a student who was a part of this event was thrilled! “The books you brought us and read to us were so good. Please bring more when you can. My sister likes me to read them to her.”

The Tata Group also announced a gift of 10,000 new books to Ontario school children through their partnership with First Book.

In the past year, the Tata Sons – First Book partnership has presented 30,000 books to children from under served communities in Ontario, Quebec and Labrador – bringing the total number of books donated in North America to nearly a quarter of a million.

“The reading celebrations we have done in schools like North Kipling are wonderful opportunities for us to see firsthand the enormous difference books can make in the lives of children from low income families. We can see it in their eyes and the smiles on their faces. It’s not just getting brand new books they can keep forever that make the event special. It’s the whole idea of Tata employees taking time out of their very busy work days and spending an hour reading with these children,” said Tom Best, Executive Director – First Book Canada.



Giving Back

TATA GLOBAL
BEVERAGES'
COMMITMENT TO
SERVE SOCIETY

At TGB, our purpose is to improve the quality of life of the communities we serve. We are committed to the communities where we operate and we are proud to be a part of them. Working with communities, and considering them key stakeholders in our progress, is what makes our good business better.

From small yet significant efforts to large-scale community initiatives, our objective is to ensure a better quality of life for everyone.

"I am currently a second-year history student at the London School of Economics and Political Science. My family is of joint Indian and Pakistani origin and we have lived in the UK my whole life. I signed up for the Feeding Britain initiative on the recommendation of my mother with both of us feeling that it would allow me to gain some wider knowledge of the world of work in its current state. I feel the initiative has helped me by giving greater insight on how to advertise myself to potential employers and improve my chances of getting a job."

Rayhan Chouglay
Participant



Feeding Britain's Future **LENDING A HELPING HAND**

Youngsters from in and around Greenford, UK, had the opportunity to gain the skills they need to get (back) into work when they visited the TGB UK office as part of a nationwide campaign to tackle youth unemployment.

Following the success of a pilot project in 2012, the entire food and grocery industry took part in Feeding Britain's Future – Skills for Work Month 2013. Feeding Britain's Future, led by research charity Institute

of Grocery Distribution (IGD), is the first initiative of its kind, giving young people access to farms, factories and stores, and firsthand knowledge of the skills needed for a career in the food industry or elsewhere.

Through this programme, youngsters from the Greenford area attended a number of skills workshops, organised by TGB, to help them develop their employability skills and improve their chances of getting a job.

All participants were also taken on a tour around the premises and had the chance to participate in interactive tea tasting sessions and spend some time with Consumer Services. They looked behind the scenes and learnt more about the birth and legacy of the Tetley Tea Folk in marketing while seeing how the business is run and the wide range of careers available.

"We were delighted to support this initiative and looked forward to welcoming young people to our workshops where the attendees benefited from learning more about the wider Tata Group, as well as how our business operates and meet people from a wide range of business functions in a friendly and informal environment," said Suzanne Watts, HR Director, EMEA, at TGB.

Eight O'Clock Coffee REVITALISING THE COMMUNITY

America's original gourmet coffee since 1859, 'stepped up its style' with a brand refresh last year. A part of this brand refresh included supporting 'Dress for Success', an initiative to 're-dress' women in professional attire and provide them with career development tools to re-enter the workforce.

Through a fashion-forward appearance at STYLE360 during New York Fashion Week 2013, Eight O'Clock hit the runway

with actress Tiffani Thiessen, as the brand showed off its stylish new look and debuted The 'Red Bag Collection' in support of Dress for Success. The Red Bag Collection featured specially crafted handbags, inspired by Eight O'Clock Coffee's contemporary new look and flavours. Consumers could bid on these exclusive bags, with proceeds going to Dress for Success. Additionally, the brand donated \$25,000 to support Dress for Success' efforts.

Joi Gordon, the CEO of Dress for Success said, "Eight O'Clock Coffee is redressing their packaging. It's what we do every day when we redress the women at Dress for Success so it seems like the perfect partnership."

In another refresh initiative, Eight O'Clock Coffee fuelled a much-needed transformation at a high school in Queens, New York. The brand partnered with Publicolor, whose mission is to counter New York City's alarming low graduation rate by engaging disconnected and under-achieving students, aged 13-24 years, through a continuum of design-based programmes and academic support.

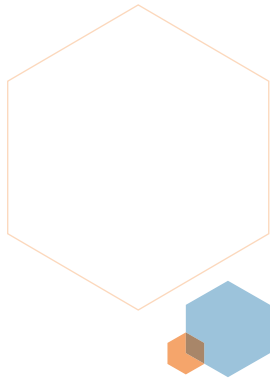


Eight O'Clock Coffee fuelled a much-needed transformation at a high school in Queens, New York.

Through CBS EcoMedia's EducationAd programme, Eight O'Clock Coffee helped revitalise August Martin High School in South Jamaica, Queens, impacting 893 students.

Gillian Smith, Principal, August Martin High School said, "The school community not only needed to be revived through colour, we also needed to revive our students. Students are taking ownership of their community space as well as having a great deal of pride in their accomplishment. We have also begun to have an after-school presence in the building. One of the sweetest sounds in a school building is children participating by choice after the school day is over."





"From childhood, I knew I was different – I couldn't speak or hear. I didn't know if I would ever be able to make a living for myself. I worried that I would forever be dependent on my family. I tried doing small jobs, but they were not regular. But then life changed – I became a distributor with Gaon Chalo. I have a steady job, contribute to the family, and my friends and family are proud of what I have achieved."

Neeraj Mishra
Gaon Chalo Entrepreneur



Gaon Chalo **GOING THE** **LAST MILE**

Neeraj, who now works as a rural dealer with 'Gaon Chalo', was born differently-abled. Until 2008, he worked as a labourer painting houses and doing odd jobs. His source of income was minimal with infrequent employment. The family survived on scarce resources.

In 2008, he was spotted by a Gaon Chalo entrepreneur who encouraged Neeraj to sell door to door and also in the adjoining villages of Barabanki district, Uttar Pradesh.

After the initial training, Neeraj started to communicate with the rural households through sign language and by writing down details of product, benefits and pricing.

Neeraj's story is one of many of those whose life has indeed taken a turn for the better with Gaon Chalo.

Close to 70% of India's population lives in its villages. This large rural market presents great opportunity for growth. The challenge is to adopt a sustainable yet cost effective model to leverage rural India's potential.

WHAT IS GAON CHALO?

The Gaon Chalo programme is TGB's effort in last mile rural distribution. It is an opportunity, responsibility and a challenge which while tapping unreached rural markets also provides a means of sustainable livelihood to many. This programme, run through NGOs, is present in more than 18 Indian states and benefits a number of women and youth.

Gaon Chalo has three levels of Channel Partners:

Rural Distributors

Rural Distributors are NGOs that work in the rural segment. They bring a deep understanding of the rural market and are committed to their growth. They act as nodal points and facilitators for all activities.

Mobile Rural Distributors

Mobile rural distributors connect stocks to interior markets, rural dealers, village shops and in the process earn margins.

Rural Dealers

The third layer includes rural dealers who receive our stock at their doorstep for

sales to micro interior village shops and houses. These include rural retailers, unemployed, the differently-abled and Self Help Groups (SHG).

We are increasing our efforts to build stronger ties with SHGs for deeper penetration and the possibility of impacting the lives of a larger number of people.

Our efforts have in small yet significant ways transformed the lives of many. Besides enabling social change, the Gaon Chalo model has several business advantages which include limited fluctuations in sales due to direct access to the rural retailers, creating a cost effective brand building platform and the flexibility to address the complexities of local markets.

Today, Gaon Chalo is present in 18 states with direct reach in 70,000 villages. The sales are growing rapidly year-on-year. It enables a strong platform for generating rural employment for rural youth, women, the underprivileged, the differently-abled and SHGs.

"My working at Aranya makes my parents and family members feel happy and proud. I help them financially. They remain very supportive and thankful. My talents have been tapped though I have physical challenges."

Sree Kaladevi
Aranya Employee



Empowering Communities **THE SKY IS THE LIMIT!**

Sree Kaladevi loves colours, and Munnar is full of colours. She is an incredible artist who specialises in hand stitching by applying the art of 'Shibori', a Japanese style of tie and dye. At the age of 2, she contracted polio, and lost the use of her legs.

Aranya Naturals is one of four projects at Srishti Welfare Centre, a community development project located in Munnar supported by TGB.

The unit was started to provide a livelihood to the differently-abled along with the objective of reviving the ancient art of natural dye. Apart from dyeing, block printing, Shibori, tie and dye and batik are also taught here. Earlier, Kala worked in Athulya, the handmade paper unit in the Srishti complex but was more keen on learning the skills taught at Aranya. She soon moved to Aranya and has now been a part of it for 10 years.

Srishti is the umbrella under which TGB is enabling learning and economic opportunities for differently-abled youth, through its training and rehabilitation initiatives in Munnar. Set up in 1991, Srishti has five projects: The DARE (Development Activities in Rehabilitative Education) School, DARE Strawberry Unit, Athulya (handmade paper and paper products), Aranya (natural dye project) and The Deli (confectionery unit).

Kala fondly remembers the many times her work has been lauded. Her most memorable moments include when Maiwa appreciated her for her creation titled

"Tree of Life" and when she met the Former Chairman of the Tata Group, Mr. Ratan Tata. Maiwa Handprints Limited is an artisan's foundation in Vancouver, Canada that supports traditional craft through an ethical business model.

Similar is the story of Selvathai who has also fulfilled her dreams. Her journey started as a student of High Range School, Munnar.

"My parents were field workers in Guderale Estate of Tata Tea Limited. TGB has financially supported me through my schooling. When it was time for me to move to college, TGB provided me with a scholarship to pursue a B.Tech course at Mar Athanasius College of Engineering, Kothamangalam. This support helped me excel and move on to join Tank Technology at Royal Military College, UK," says Selvathai.

Selvathai's post-school scholarship enabled her to be selected as a scientist with the DRDO (defence sector). While working there, she was selected by the Royal Military College to undergo a two-year course on 'Tank Technology'.

TGB's welfare initiatives in Munnar span quite a continuum. High standards of education are being provided through the High Range School, best in class medical facilities through the General Hospital, livelihood and rehabilitation opportunities for differently-abled people through Srishti.

The High Range School, where Selvathai studied was set up for the benefit of the children of employees of TGB and Kannan Devan Hill Plantations in Munnar with the objective of moulding young minds through all-round education.

The General Hospital in Munnar serves not only the estate workers and their dependants, but also extends its services to the surrounding community of Munnar. In 2013-14, the hospital served over 65,000 people.

TGB is filling minds with hopes and dreams of a bright future.



Through the High Range School, the General Hospital and Srishti, our welfare initiatives in Munnar span quite a continuum.



Power of 49 EMPOWERING WOMEN IN INDIA

Rising crime rates against women in India is a point of discontent for many in the nation. While several debates tried to address the issue, there were no concrete solutions emerging to address this deep-rooted problem.

In this context, it is however interesting to note, that despite forming a significant proportion of the electorate, women in India were not seen as a determining factor in elections. Research revealed that women believed that their vote made no difference. Against this background, the 'Power of 49' campaign came to life on Tata Tea's iconic social awakening platform 'Jaago Re'. In its latest edition, the campaign sought to address women's issues.

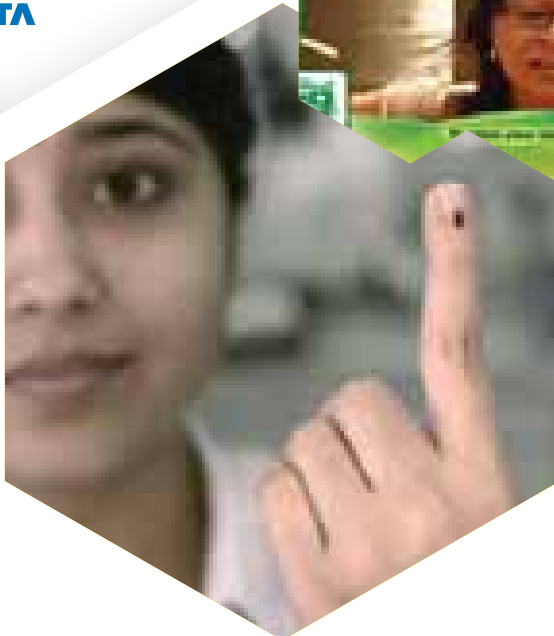
A TV commercial delivered a hard hitting social message that built a deep emotional connect with women.

The Power of 49 campaign comprised the following phases:

- The first phase was focused on creating awareness amongst women about the Power of 49 and the power of their informed vote.
- The second phase was about encouraging women to voice the issues that are critical to them. This kicked off with the impactful 'Kaala Teeka' (black dot) television commercial. 'Push the Pin' – a digital initiative that encouraged people to highlight the most pressing social issues of their neighbourhood, was the next step. The endorsement of leading television soap protagonists, who are hugely influential and followed by a large contingent of the Indian female populace, through the 'Bahu Nahi Bahumat' platform, encouraged women from across the country to raise their voice. TGB partnered with General Entertainment Channels, news channels, and an NGO to create the 'Voice of 49%' manifesto. In these phases, women were encouraged to express burning issues that mattered most to them by giving a simple missed call.



Powered by



"Power of 49 ki karan, hum (mahila) khud decide karenge humme kiss ko vote deni hai." ("Due to the 'Power of 49', women can now decide whom they will vote for.")

Shilpa Mehta

Woman Voter, New Delhi



40 Tata Group companies and subsidiaries adopted the Power of 49 theme internally, encouraging and enabling voter registration and informed choice.



- Over 1.4 million responses were received of which more than 0.8 million people expressed specific issues that concern them, their family and locality. These issues were debated by a team of independent experts led by the editorial team of CNN-IBN who then formulated a 10-point Voice of 49% manifesto.
- Through the creation of this manifesto, the campaign urged women to cast an informed vote for a candidate who is most likely to address their issues ahead of the 2014 General Elections. The manifesto aggregated issues. The key issues that emerged in the manifesto were broadly around the themes of Violence, Safety, Health and Education.
- In the next phase, a facilitation mechanism was created to help women get information on candidates by leveraging various digital platforms.

Given the potential to impact societal change, the Power of 49 campaign, was adopted by the Tata Group to further its social agenda on 'Gender sensitivity' and 'Volunteering'. 40 Tata Group companies and subsidiaries adopted the theme internally, encouraging and enabling voter registration and informed choice.

Dr. Mukund Rajan, Member – Group Executive Council and Brand Custodian, Tata Sons sums up the thought behind the campaign, "The Power of 49 campaign started with a vision of 'Unleashing the power of a 100 million informed women voters'. A strong idea coupled with a strong on-ground execution plan and efficient use of technology has been able to create a significant social impact. Jaago Re and Power of 49 are excellent examples of how we can integrate cause-based campaigns in our business plans to have a greater positive impact on the community."



Key campaign highlights

- 5 million interactions (primarily through missed calls)
- More than 8 lakh issues raised from 504 out of 543 parliamentary constituencies that went to poll – making it probably the largest repository of women's issues in India
- Organically trended on Twitter 4 times nationally
- 1.2 million fans on Facebook, double the engagement

Unnati APTITUDE FOR A LIFETIME

Unnati, an NGO in Bangalore, was founded on the belief that quality vocational training for underprivileged youth is the best way to make a meaningful difference in their lives. Unnati imparts rigorous skills training to unemployed and economically disadvantaged youth in their chosen vocation, at no cost.

Our partnership with Unnati follows a two pronged approach. Besides financially sponsoring their project, colleagues from our Bangalore office spend quality time training Unnati students. Over 300 students have benefitted from our partnership, and are now in secure jobs.

Ramesh Swamy – Lead Trustee, Unnati, says, “TGB has been a great ambassador of the programme, spreading the word about our initiative and making it into a movement. They have championed our cause and spoken of our work in many different forums – the benefit we have received from this is immeasurable.”

Aditya S. is one among the many who proudly carry the ‘Made in Unnati’ mark. An unstable and irregular family income led Aditya to apply to Unnati after high school. He learnt of Unnati’s work from a relative who had successfully graduated from Unnati in an earlier batch. He joined the retail vocation and was one among the students sponsored by TGB. That decision, in his own words, ‘was the best decision of his life’.

Although Aditya knew how to read and write English, he was not very confident of his ability to speak in the language. The spoken English lessons at Unnati helped increase Aditya’s confidence significantly.

In his new job as a Plasma Sourcing Executive, he has travelled across India in the last 18 months. His job involves collecting plasma from various hospitals and blood banks and bringing them to Bangalore.

Unnati has an ambitious vision to train and employ a million youth by 2020. TGB is proud to partner with them on this journey.



Vocational Training BUILDING SKILLS FOR A BETTER TOMORROW

"The beautician course at the VTC changed my life. The training is a perfect combination of theory and practical learning, the staff very thorough and the institute timings very suitable for me. This has helped me to learn the trade already."

Bijoya Dangorla
VTC Participant



Amalgamated Plantations Company Private Limited (APPL), is a tea plantation company located in Assam, India, in which TGB has a stake. Some of its key welfare initiatives include creating a sustainable livelihood, employment generation and entrepreneurship development for successful micro enterprises, for semi-urban and rural youth through training programmes at Rowta and Chubwa.

Subhungsha could have become a farmer like his father and friends. Fascinated by cars and trucks from his childhood days, Subhungsha, would go to the highway and spend hours watching them pass by. He heard about Amalgamated Plantations

Private Industrial Training Institute (APPITI) at Rowta. He soon enrolled in the driving training course. Someday, he would like to set up a driving training school near his village, so that other young men like him will have the opportunity to take a different route in life.

With a vision of 'Education for Employment', APPITI was formed in 1997. The centre is located in Bodoland, Assam. The primary focus of the Institute is to create efficient technical manpower which is in high demand. The centre runs two-year residential programmes for different trades namely motor vehicle mechanic, computer operator and programming assistant, electrician and fitter.

Another effort of social transformation is undertaken at the Vocational Trade Centre (VTC) in Chubwa. The centre was established in 1986 with the objective of providing training to tea garden youths in various skills. APPL has collaborated with Mercy Corps India, to run vocational courses in basic beauty and hair dressing, lab technology and plumbing.

Bijoya Dangoria completed a course in basic hair and skincare at Chubwa. Bijoya has always dreamt of being a stylist. But her family income was not conducive to pursue admission at most schools. VTC stepped in and Bijoya enrolled for the beauty course training here and hopes to start her own endeavour soon.

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Mr. Vish Govindasamy
Managing Director, Watawala Plantations PLC



Mr. Hameed Huq
Managing Director, Tata Coffee Ltd.

TEN-YEAR SUMMARY

Rs. in Lakhs

	2013-14 [#]	2012-13 [#]	2011-12 [#]	2010-11 [#]	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Total Revenue	286,784	243,907	212,938	192,408	183,684	152,464	126,329	114,611	104,017	95,024
Profit before Tax	58,549	32,095	36,991	23,023	49,543	22,906	38,586	34,977	23,052	16,215
Tax	13,852	6,230	6,723	4,964	10,396	7,000	7,300	4,320	4,359	3,323
Profit after Tax	44,697	25,865	30,268	18,059	39,147	15,906	31,286	30,657	18,693	12,892
Dividend payout @	14,709	15,364	15,365	14,154	14,313	12,533	25,322	10,852	7,693	6,410
Equity Capital	6,184	6,184	6,184	6,184	6,184	6,184	6,184	5,903	5,622	5,622
Share Warrants	-	-	-	-	-	-	-	2,183	-	-
Reserves & Surplus	251,141	225,645	214,827	199,461	201,600	173,748	174,221	148,469	110,505 ^{##}	99,275
Shareholders' Funds	257,325	231,829	221,011	205,645	207,784	179,932	180,405	156,555	116,127	104,897
Borrowings [^]	45,651	50,857	36,685	50,547	49,966	75,500	75,751	79,700	24,136	19,137
Capital Employed	302,976	282,686	257,696	256,192	257,750	255,432	256,156	236,255	140,263	124,035
Net Block	16,195	15,045	14,278	12,600	11,136	10,396	9,810	24,658	25,031	30,269
Contribution to Exchequer	14,085	9,621	8,666	7,202	11,999	8,045	8,270	5,358	5,654	5,719
Payments relating to Employees	13,157	12,006	10,069	9,545	9,503	9,175	7,183	17,915	17,631	21,892
No. of Employees	2,466	2,489	2,218	2,373	2,419	2,422	2,510	34,506	34,596	51,929
Book Value per Share (Rs.) *	41.26 ⁺	37.13 ⁺	35.39 ⁺	32.90 ⁺	332.47	287.43	288.19	261.51	202.67	182.69
Earnings per Share (Rs.)	7.23 ⁺	4.18 ⁺	4.89 ⁺	2.92 ⁺	63.3	25.72	50.79 ^{**}	53.56 ^{**}	33.25	22.93
Dividend per Share (Rs.)	2.25 ⁺	2.15 ⁺	2.15 ⁺	2.00 ⁺	20.00	17.50	35.00 [*]	15.00	12.00	10.00
Total Debt to Equity *	0.18	0.22	0.17	0.25	0.24	0.42	0.43	0.52	0.21	0.19

CONSOLIDATED FINANCIAL HIGHLIGHTS

Total Revenue	781,941	743,698	673,456	610,036	585,499	490,730	437,597	410,323	315,112	307,673
Profit before Tax	70,686	63,679	57,362	49,436	64,098	125,631	205,928	56,561	41,840	31,372
Net Profit	48,051	37,275	35,614	25,433	39,030	70,055	154,255	44,335	29,915	21,547
Book Value per Share (Rs.) *	93.90 ⁺	77.08 ⁺	73.15 ⁺	63.37 ⁺	596.35	580.94	557.34	359.96	275.27	266.26
Basic Earnings per Share (Rs.)	7.77 ⁺	6.03 ⁺	5.76 ⁺	4.11 ⁺	63.11	113.28	250.41 ^{**}	77.46 ^{**}	53.21	38.33
Total Debt to Equity *	0.21	0.25	0.16	0.21	0.38	0.53	0.59	1.67	1.03	1.02

Figures as per Revised Schedule VI.

@ Includes Tax on Dividend.

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

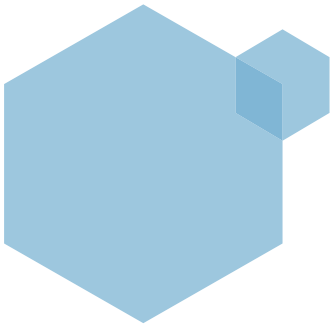
[^] Includes current maturities of long-term debts.

* Computation excludes Revaluation Reserves.

+ Computation based on revised face value of shares.

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

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



NOTICE

Notice is hereby given that the Fifty First Annual General Meeting of the Members of Tata Global Beverages Limited will be held at The Oberoi Grand, 15 Jawaharlal Nehru Road, Kolkata – 700 013 on Tuesday, 26th August 2014 at 10.30 a.m. to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2014, including audited Balance Sheet as at 31st March 2014, the Statement of Profit and Loss for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Cyrus P Mistry, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed thereunder, as amended from time to time, Messrs. Lovelock & Lewes

(Firm Registration No. 301056E), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the fifty-fourth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc. as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

Special Business:

5. Appointment of Mr. Analjit Singh as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Analjit Singh (DIN: 00029641), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as

Independent Director of the Company with effect from 26th August 2014 upto 25th August 2019.”

6. Appointment of Mr. V. Leeladhar as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. V. Leeladhar (DIN: 02630276), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 26th August 2014 upto 25th August 2019.”

7. Appointment of Mrs. Mallika Srinivasan as an Independent Director of the Company

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

NOTICE (CONTINUED)

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mrs. Mallika Srinivasan (DIN: 00037022), a non-executive director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 26th August 2014 upto 25th August 2019."

8. Appointment of Mrs. Ranjana Kumar as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mrs. Ranjana Kumar (DIN: 02930881), a non-executive director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 26th August 2014 upto 25th August 2019."

9. Appointment of Mr. Darius Pandole as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Darius Pandole (DIN: 00727320), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 26th August 2014 upto 25th August 2019."

10. Appointment of Mrs. Ireena Vittal as a Director and as Independent Director of the Company

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

"RESOLVED that Mrs. Ireena Vittal, (DIN: 05195656) who was appointed by the Board of Directors as an additional director of the Company with effect from 22nd October 2013, and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 161 (1) of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a member under

Section 160 of the Act proposing her candidature for the office of director of the Company, be and is hereby appointed a director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mrs. Vittal, a non-executive director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 26th August 2014 upto 25th August 2019."

11. Appointment of Mr. Harish Bhat as Non- Executive Director of the Company

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

"RESOLVED THAT Mr. Harish Bhat, (DIN: 00478198) who was appointed by the Board of Directors as an additional director of the Company with effect from 1st April 2014, and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 161 (1) of the Companies Act, 2013 ("the Act") and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and he is hereby appointed a director of the Company whose office shall be liable to retirement by rotation."

12. Appointment of Mr. Ajoy Misra as Managing Director

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made there under, read with Schedule V to the Act, as amended from time to time, the Company hereby approves the appointment and terms of remuneration of Mr. Ajoy Misra (DIN: 00050557) as Managing Director for a period of five years with effect from 1st April, 2014 upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board of Directors and Mr. Misra.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

13. To approve borrowing limits of the Company

To consider and if thought fit to pass, with or without modification,

the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the Resolution No. 10 adopted by the Company at the Annual General Meeting held on 30th August 2011 with respect to the borrowing powers of the Board of Directors, and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) read with the Rules made thereunder, or any statutory modification thereof, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board”, which expression shall also include a Committee thereof) of the Company to borrow any sum(s) of money or moneys from time to time notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves provided that the aggregate of the monies borrowed by the Board and outstanding at any time does not exceed Rs. 1,200 crores or the aggregate of paid-up share capital of the Company and its free reserves, whichever is higher.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

14. Creation of mortgage/Charge

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

“RESOLVED THAT in supersession of the Resolution No. 11 adopted by the Company at the Annual General Meeting held on 30th August 2011 with respect to creation of mortgage/charge in favour of Banks/Financial Institutions and others by the Board of Directors for the borrowings of the Company, and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”), and the rules made thereunder or any statutory modification thereof, consent of the Company be and is hereby accorded to the creation by the Board of Directors of the Company of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecation created by the Company as the Board may direct, on such assets of the Company, both present and future, in such manner as the Board may direct, together with power to take over the management/undertaking of the Company in certain events to or in favour of all or any of the financial institutions, investment institutions and their subsidiaries, Export Import Bank of India, Army Group Insurance Fund, Naval Group Insurance Fund, public sector banks, private sector banks, mutual funds, any other companies or bodies corporate and any other lenders (hereinafter collectively referred to as ‘the lending agencies’) and/or Trustees for the holders of debentures/bonds/other instruments which may be issued on a pari passu basis or otherwise not exceeding Rs.1,200 crores or the aggregate of paid-up share capital of the Company and its free reserves, whichever is higher, which have been/are proposed to be obtained from or privately placed with the lending agencies together with interest

NOTICE (CONTINUED)

thereon at the agreed rates, further interest, liquidated damages, premium on repayment or on redemption, costs, charges, expenses and all other monies payable by the Company to the Trustees under the trust deeds and/or to the lending agencies under the respective agreements/loan agreements/debenture trust deeds entered into/to be entered into by the Company in respect of the said borrowings.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with the lending agencies/trustees or any of them, the documents for creating the mortgages/charges/hypothecations and to accept or make any alterations/changes/variations to or in the terms and conditions and to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary for the purpose of giving effect to this resolution.”

15. Payment of commission to Non-Wholetime Directors

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

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), as amended from time to time, a sum not exceeding one percent per annum of the net profits of the Company computed in the manner prescribed in Section 198 of the Act, be paid to and distributed amongst the directors of the Company or some or any of them (other than Managing Director

and the Wholetime Directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year, for a period of five years, commencing from 1st April 2014.”

By Order of the Board



V. Madan

Vice President & Company Secretary

Registered Office:

1, Bishop Lefroy Road,
Kolkata – 700 020
16th July 2014

CIN - L15491WB1962PLC031425

E-mail id: investor.relations@

tataglobalbeverages.com

Website address: www.

tataglobalbeverages.com

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 4 to 15 is annexed hereto. Information under Clause 49 of the listing agreement relating to Directors proposed to be appointed/reappointed is provided in Annexure to this Notice.
2. The Register of Members and Transfer Books of the Company will be closed from Thursday, 7th August 2014 to Thursday, 14th August 2014, both days inclusive.
3. The dividend that may be declared by the Company will be paid on or after 28th August 2014, to those members

of the Company holding shares in physical form whose names appear on the Register of Members as on 7th August 2014. In respect of shares held in electronic form, the dividend will be paid to the beneficial owners of the shares as on beginning of 7th August 2014 as per details that may be provided by the Depositories for this purpose.

4. **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.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

5. Shareholders are requested to immediately notify their bank particulars giving the name of the bank and the branch, 9 digits MICR number, the nature of account and their Core Banking Solutions

account number (CBS A/c No.) to the Company's Registrar and Share Transfer Agent, TSR Darashaw Private 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.

6. 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 31.3.2014 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 in respect of amounts transferred prior to 31st March 2014. For the information of the shareholders it is hereby notified that the dividend paid on 13th August, 2007 in respect of the financial year 2006-07 will be due for transfer to IEPF during the financial year 2014-15. No amount relating to interest on fixed deposits and principal amounts on maturity of fixed deposits are due for transfer to IEPF during 2014-15, as all outstanding amounts have already been transferred to IEPF.

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.

7. 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.

8. 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 Private Limited. Shareholders holding shares in electronic form must advise their respective depository participants about any change in address and not to the Company or the Registrars.
9. In accordance with the Companies Act, 2013 read with the Rules, the Notice of the AGM along with the Annual Report for 2013-14 are sent by electronic mode to those members whose e-mail addresses are registered with the Company / Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
10. Members are requested to register their e-mail addresses and changes therein: those holding shares in physical form are requested to register/update their e-mail addresses with the Company's Registrars and Transfer Agents, M/s TSR Darashaw Private Limited, 6-10 Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011. Shareholders holding shares in dematerialised form are requested to register their e-mail addresses and changes therein with the concerned Depository through their Depository Participant. In absence of e-mail address, the documents will be sent in physical mode.
11. Voting through electronic means
 - I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the

NOTICE (CONTINUED)

Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members holding shares either in physical form or in dematerialised form the facility to exercise their right to vote at the 51st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL). The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for Members whose email Ids are registered with the Company/Depository Participants]:
- (i) Open email and open PDF file viz; "TGBL e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password /PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder – Login
 - (iv) If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - (v) The Password change menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. On first login the system will prompt you to change your password and update your contact details like mobile number, email id etc in the user profile of the folio, which may be used for sending future communications. You will also need to enter a secret question and answer of your choice to retrieve your password in case you forget it. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) You need to login again with the new credentials. Home page of e-voting will open.
 - (vii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password and cast your vote.
 - (viii) Once the e-voting Home page opens. Click on e-Voting > Active Voting Cycles.
 - (ix) Select "EVEN" (E-Voting event number) of Tata Global Beverages Limited which is 100564. Now you are ready for e-voting as Cast Vote page opens.
 - (x) Cast your vote by selecting appropriate option "For" or "Against" and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm or "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote and click on "Submit".
 - (xi) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xii) You may similarly vote in respect of all other resolutions forming part of the Notice of the Annual General Meeting. During the voting period, members can login any number of times till they have voted on all the Resolutions. If you wish to log out after voting on a few resolutions and continue voting for the balance resolutions later, you may click on "RESET" for those resolutions for which you have not yet cast the vote.
 - (xiii) Institutional shareholders (i.e. other than individuals, HUF,

- NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to tgblagmevoting2014@tsrdarashaw.com with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants or requesting physical copy]:
- (i) Initial password is provided in the enclosed ballot form along with EVEN (E Voting Event Number), USER ID and PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xi) in A. above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- III. The e-voting period commences on 18th August, 2014 (9.00 am) and ends on 20th August, 2014 (5.00 pm). During this period,
- shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 11th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, which is 11th July, 2014.
 - V. Dr. Asim Kumar Chattopadhyay, Practicing Company Secretary (Membership No. FCS 2303 & CP No. 880) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - VI. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - VII. Members who do not have access to e-voting facility may send duly completed ballot forms (enclosed with the annual report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Dr. Asim Kumar Chattopadhyay, Practicing Company Secretary (Membership No. FCS 2303), in the enclosed self addressed and pre-paid envelope not later than 19th August, 2014 (6 pm IST). Members have the option to request for physical copy of the ballot form by sending an email to investor_relations@tataglobalbeverages.com by mentioning their Folio No. / DP ID and Client ID number. However, the duly completed ballot form should reach the office of the Scrutinizer not later than 19th August, 2014. Ballot form received after this date will be treated as invalid. A member can opt for only one mode of voting, i.e., either through e-voting or by ballot. If a member casts vote by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
 - VIII. The results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.tataglobalbeverages.com and on the website of NSDL within two days of passing of the resolutions at the AGM of the Company and communicated to the NSE, BSE and Calcutta stock exchange, where the shares of the Company are listed.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 ("the Act")

Item No. 4

Appointment of Auditors and fixing their remuneration

This explanatory statement is provided though strictly not required as per Section 102 of the Companies Act, 2013.

NOTICE (CONTINUED)

Messrs. Lovelock & Lewes (Firm Registration No. 301056E), Chartered Accountants, were appointed as the statutory auditors of the Company for the period from the conclusion of the fiftieth Annual General Meeting (AGM) of the Company until the conclusion of the fifty first AGM of the Company at the AGM held on July 15 2013.

Messrs. Lovelock & Lewes have been the Auditors of the Company since 1976. As per the provisions of Section 139 of the Act, no listed company can appoint or re-appoint an audit firm for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, Messrs. Lovelock & Lewes, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 28th May 2014, proposed the appointment of Messrs. Lovelock & Lewes as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of the fifty-fourth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

The Board commends the Resolution at Item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

Item Nos. 5 to 9

Appointment of Independent Directors

Mr. Analjit Singh, Mr. V Leeladhar, Mrs. Mallika Srinivasan, Mrs. Ranjana Kumar and Mr. Darius Pandole were appointed as non-executive directors at various times

and were considered as independent directors for the purpose of Clause 49 of the listing agreement.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company and they are not liable to retire by rotation.

Mr. Singh, Mr. Leeladhar, Mrs. Srinivasan, Mrs. Kumar and Mr. Pandole have each given a declaration to the Board that they each meet the criteria of independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of the above independent directors was placed before the Nomination & Remuneration Committee, which commends their appointments as Independent Directors for a period of five years with effect from 26th August 2014.

In the opinion of the Board, the said independent directors fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and they are independent of the management.

The terms and conditions of appointment of the above Independent Directors shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company.

A brief profile of the independent directors is given below:

Mr. Analjit Singh

Mr. Analjit Singh is the Chairman of Max India Limited as well as of its subsidiaries, namely, Max Life Insurance Company Limited and Max Bupa Health Insurance Company Limited. He has been the driving

force behind the Group's sustained growth and success since inception. He was conferred the prestigious Padma Bhushan Award by the Government of India in the year 2011.

Mr. Analjit Singh is a Member of the Prime Minister's Joint Indo-US CEOs Forum. He is the non-executive Chairman of Indus Towers and is a Director on the board of some leading companies such as Vodafone India and Sofina NV/SA, Belgium.

Mr. Analjit Singh is actively involved in governing several educational institutes of prominence as an Executive Board Member of the Indian School of Business (ISB), Hyderabad, and as Chairman of the ISB Mohali Campus Advisory Board. He is also the Chairman, Board of Governors of the Doon School, Dehradun and is also the Chairman of the Board of Governors of the Indian Institute of Technology, Roorkee.

Mr. V Leeladhar

Mr. V Leeladhar has long experience in the banking industry having served as the Executive Director of Bank of Maharashtra, Chairman and Managing Director of Vijaya Bank and Chairman and Managing Director of Union Bank of India. He also served as the Deputy Governor of the Reserve Bank of India for over four years. Mr. Leeladhar is an expert in banking and financial matters. He was also a member of the Securities and Exchange Board of India for about three years. His expertise is in the area of banking and finance. He is on the Board of Tata Cleantech Capital Limited and Axis Mutual Fund Trustee Limited.

Mrs. Mallika Srinivasan

Mrs. Mallika Srinivasan is the Chairman & Chief Executive Officer of Tractors and Farm Equipment Limited, a flagship company of the Amalgamations Group. A thought leader and strategist, recognised for her commitment to excellence and

contribution to Indian Industry, she has been at the helm of affairs of industry bodies and trade associations such as Tractor Manufacturers Association, Madras Management Association, Madras Chamber of Commerce & Industry and the Southern Regional Council of CII. She is also a Director of five other Indian companies. She is a recipient of several business awards and has been recognised by Business Today for seven consecutive years as one of the 25 most powerful women in Indian business. She was awarded the Padma Shri for her contributions to trade and Industry by the President of India in 2014. She shares an avid interest in academia, particularly management education and is a member of the Executive Board of Indian School of Business, Hyderabad. She is also on the Board of Tata Steel Limited and AGCO Corporation, USA.

Mrs. Ranjana Kumar

Mrs. Ranjana Kumar retired as Vigilance Commissioner in Central Vigilance Commission, Government of India. She was a 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), Executive Director, holding concurrent charge as Chairman and Managing Director of Canara Bank and CEO of the US operations of the Bank of India based in New York. She regularly addresses managements of a cross section of public sector undertakings on various aspects concerning Management, Leadership, Human Resource Management etc. She is on the Board of Coromandel International Limited, GVK Power & Infrastructure Limited, Vyome Biosciences Private Limited, Rainbow Children's Medicare Private Limited, International Asset Reconstruction

Company Private Limited and International Paper APPM Limited. She is on the Board of Governors of Indian Institute of Management, Kashipur, Uttarakhand and is also on the committee of the Tirupati Tirumala Devasthanam.

Mr. Darius Pandole

Mr. Darius Pandole holds a BA (Economics) degree from Harvard (1988) and an MBA from the University of Chicago (1992). He is a Partner at New Silk Route Advisors Private Limited, a private equity firm focused on investing in India and other Asian economies. Mr. Pandole had earlier worked with Kraft General Foods in the US and returned to India in 1993 and managed the operations of his family owned soft drinks business, Duke and Sons Limited, which was a market leader in Western India. He served as Managing Director of IndAsia Fund Advisors Private Limited, the Indian advisor to the AMP-IndAsia India Fund – a private equity fund established in partnership with AMP of Australia. Mr. Pandole joined IDFC PE Ltd. in February 2003, and was the Executive Director, and later Chief Operating Officer. Mr. Pandole is currently an elected member of the Executive Committee of the Indian Private Equity and Venture Capital Association. He is on the Board of several companies including VRL Logistics Limited and NourishCo Beverages Limited.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the above independent directors are now being placed before the members in general meeting for their approval.

Mr. Singh, Mr. Leeladhar, Mrs. Srinivasan, Mrs. Kumar and Mr. Pandole, are concerned or interested in the resolutions mentioned at Item Nos. 5 to 9 of the Notice relating to their respective appointments. No other Director, key managerial personnel or

their respective relatives are concerned or interested in the Resolutions mentioned at Item Nos. 5 to 9 of the Notice.

Item No. 10

Appointment of Mrs. Ireena Vittal as a Director and as Independent Director

Mrs. Ireena Vittal, a former partner with McKinsey & Co., is a recognised thought partner to consumer-facing companies looking to build large-scale, profitable businesses. She has also served governments and public institutions to design and implement solutions core to India's development, such as inclusive urban development and sustainable rural growth. Mrs. Vittal was a founding member of the economic development practice and the global emerging-markets practice at McKinsey.

After 25 years in the corporate world, she is currently working in the urban & agriculture space and is also an Independent Director on the boards of select Indian companies such as Axis Bank Limited, Titan Company Limited, The Indian Hotels Company Limited, Godrej Consumer Products Limited, Wipro Limited and on the global advisory board of ideo.org.

Mrs. Vittal graduated in electronics and has an MBA from the Indian Institute of Management, Calcutta.

The Board of Directors of the Company had appointed Mrs. Vittal as an Additional Independent Director of the Company with effect from 22nd October 2013.

In terms of the provisions of Section 161 (1) of the Act, Mrs. Vittal would hold office up to the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section

NOTICE (CONTINUED)

160 of the Act proposing the candidature of Mrs. Vittal for the office of Director of the Company.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mrs. Vittal has given a declaration to the Board that she meets the criteria of independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mrs. Vittal as Independent Director was placed before the Nomination & Remuneration Committee, which commends her appointment as an Independent Director upto 25th August 2019.

In the opinion of the Board, Mrs. Vittal fulfills the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and she is independent of the management.

In compliance with the provisions of Sections 161(1) and 149 read with Schedule IV of the Act, the appointment of Mrs. Vittal as Director and Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Mrs. Vittal shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company.

Mrs. Vittal is interested and concerned in the Resolution mentioned at Item No. 10 of the Notice. Other than Mrs. Vittal, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 10 of the Notice.

Item No. 11

Appointment of Mr. Harish Bhat as Director

The Board at its meeting held on 29th January 2014 appointed Mr. Harish Bhat as additional director with effect from 1st April 2014 on his stepping down as Managing Director with effect from the close of business on 31st March 2014, consequent to his induction as a member of the Group Executive Council (GEC) of the Tata group.

Mr. Harish Bhat holds a Post Graduate Diploma in Management (PGDM) from the Indian Institute of Management, Ahmedabad where he was ranked first in the graduating batch, winning the IIMA Gold Medal for Scholastic Excellence, and also holds a B.E. (Hons.) degree in Electrical and Electronics from Birla Institute of Technology and Science, Pilani, where he graduated first class with distinction. He joined the Tata Group as a TAS probationer in 1987 and has completed 28 years of service with the Group. Mr. Harish Bhat was the CEO and Managing Director of the Company from 1st July 2012 to 31st March 2014. He stepped down as Managing Director with effect from the close of business on 31st March 2014 and was appointed as Non-Executive Director from 1st April 2014. He was also previously with the Company from 1988 to 2000 holding various positions. He has also served in Titan Industries Limited as Chief Operating Officer of the Watches & Accessories Division where he led the world's fifth largest watches business with great success. Mr. Bhat was awarded the British Chevening Scholarship for Young Managers by Govt. of United Kingdom in 1997. He is a prolific writer, and has also authored a book, "Tata Log", on the modern history of the Tata group. He is on the Board of Directors of various Tata Companies viz; Tata Coffee Limited, NourishCo Beverages

Limited, Infiniti Retail Limited, Tata Starbucks Limited and Trent Limited.

In terms of the provisions of Section 161 (1) of the Act, Mr. Bhat would hold office up to the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Bhat for the office of Director of the Company.

Keeping in view the experience and expertise of Mr. Bhat, the Board considers it desirable that the Company should receive the benefit of his valuable experience and advice and accordingly commends the resolution at Item No. 11 for approval by the members.

Mr. Bhat is interested and concerned in the Resolution mentioned at Item No. 11 of the Notice. Other than Mr. Bhat, no other director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 11 of the Notice.

Item No. 12

Appointment of Mr. Ajoy Misra as Managing Director

Mr. Ajoy Misra was appointed as the Managing Director by your Board with effect from 1st April 2014. The Board at its meeting held on 26th March 2014 approved the terms of his appointment and remuneration, subject to the approval of the members.

Mr. Ajoy Misra is a B.E. Hons. in Civil Engineering from BITS Pilani and M.B.A. Marketing from Faculty of Management Studies and is a member of Tata Administrative Service (TAS). He has done his Advanced Management Program at

Harvard Business School. He has been with the Tata Group for more than 34 years of which 20 years have been in senior management positions.

The main terms and conditions of appointment of Mr. Ajoy Misra (hereinafter referred to as "MD") are given below:

A. Tenure of Appointment:

The appointment of the MD is for a period of 5 years with effect from 1st April 2014.

B. Nature of Duties:

The MD shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by Board, and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Board from time to time, by serving on the Boards of such associated companies/subsidiaries or any other executive body or a committee of such a company.

C. Remuneration:

The MD shall be entitled to remuneration as stated hereunder in terms of Schedule V of the Companies Act, 2013:

- (i) Remuneration: (a) Basic salary upto a maximum of Rs. 7,00,000 per month, with authority to the Board or a Committee thereof to fix his basic salary within the said maximum amount; (b) Commission and/ or incentive remuneration based on performance criteria to be laid down by the Board; and (c) Benefits, perquisites and allowances as may be determined by the Board from time to time over and above the basic salary.

- (ii) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the MD, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary, benefits, perquisites, allowances and incentive remuneration as specified above.

D. Other terms of Appointment:

- i. The MD shall not become interested or otherwise concerned, directly or through his spouse and/ or children, in any selling agency of the Company.
- ii. The terms and conditions of the appointment of the MD may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the MD, subject to such approvals as may be required.
- iii. The appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.
- iv. The employment of the MD may be terminated by the Company without notice or payment in lieu of notice:
 - (a) if the MD is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required to render services; or
- (b) in the event of any serious, repeated or continuing breach (after prior warning) or non-observance by the MD of any of the stipulations contained in the Agreement to be executed between the Company and the MD ("Agreement"); or
- (c) in the event the Board expresses its loss of confidence in the MD.
- v. In the event the MD is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
- vi. Upon the termination by whatever means of the MD's employment:
 - (a) the MD shall immediately tender his resignation from offices held by him in any subsidiaries and associated companies and other entities without claim for compensation for loss of office;
 - (b) the MD shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries or associated companies.

NOTICE (CONTINUED)

- vii. In accordance with the Articles of Association of the Company, the Managing Director will not be liable to retire by rotation.
- viii. The terms and conditions of appointment of the MD also include clauses pertaining to adherence with the Tata Code of Conduct, no conflict of interest with the Company and maintenance of confidentiality.
- ix. If and when the Agreement expires or is terminated for any reason whatsoever, the MD will cease to be the Managing Director, and also cease to be a Director. If at any time, the MD ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director, and the Agreement shall forthwith terminate. If at any time, the MD ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director of the Company.

The Board recommends the resolution in relation to appointment and remuneration of Mr. Ajoy Misra as Managing Director, for the approval of the Members of the Company.

Mr. Misra is interested and concerned in the Resolution mentioned at Item No. 12 of the Notice. Other than Mr. Misra, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 12 of the Notice.

Item No. 13**To approve borrowing limits of the Company**

The Company at its Annual General Meeting held on 30th August 2011, authorised the Board of Directors of the Company by way of Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 to borrow for the purpose of the Company moneys in excess of the paid-up capital of the Company and its free reserves provided the sum or sums so borrowed and remaining outstanding at any point of time shall not exceed Rs. 1,200 Crores.

Under the provisions of Section 180(1)(c) of the Act, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification dated March 25, 2014 issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293(1)(d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Act, i.e. upto September 11, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company.

Whilst no increase in the said limits is currently being proposed, members' approval is being sought pursuant to Section 180 of the Act by way of a Special Resolution. The resolution set out in Item No. 13 of the Notice is accordingly recommended for approval by the members as a Special Resolution.

None of the Directors/ key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 13 of the Notice.

Item No. 14**Creation of mortgage/charge**

The Company at its Annual General Meeting held on 30th August 2011, authorised the Board of Directors of the Company by way of Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956, to create mortgage and/or charge on the immovable and movable properties of the Company upto Rs. 1,200 crores in favour of the lenders to secure their financial assistance as mentioned in the said Resolution.

However, pursuant to the provisions of Section 180(1)(a) of the Act, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification dated March 25, 2014 issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293(1)(a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Act, i.e. upto September 11, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage on the Company's assets as indicated in Resolution at Item No. 14.

The resolution set out in Item No. 14 of the Notice is accordingly recommended for approval by the members as a Special Resolution.

None of the Directors/ key Managerial Personnel of the Company / their relatives

are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 14 of the Notice.

Item No. 15

Payment of commission to Non-Wholetime Directors

At the Annual General Meeting of the Company held on 1st September, 2009, the Members had approved the payment of commission to Non-Wholetime Directors not exceeding one percent per annum of the net profits of the Company for a period of five years commencing from April 1, 2009.

It is proposed to continue with the payment of Commission to Non-Wholetime Directors of the Company. In terms of Section 197 of the Act, a company can make payment of remuneration to

directors (other than Managing Directors and whole time Directors), a sum not exceeding 1% of the net profits of the company. The amount to be determined by the Board as remuneration payable to the Non- Executive Directors is distributed amongst all or some of the directors in accordance with the decision that the Board may give in this regard.

The said remuneration to Non-Wholetime Directors shall be in addition to the sitting fee payable to them for attending meetings of the Board and Committees thereof. The resolution set out in Item No. 15 of the Notice is accordingly recommended for approval by the members.

Save and except all the non-executive directors of the Company and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the

other directors/Key managerial personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 15 of the Notice.

By Order of the Board



V. Madan

Vice President & Company Secretary

Registered Office:

1, Bishop Lefroy Road,
Kolkata – 700 020
16th July 2014

CIN - L15491WB1962PLC031425

E-mail id: investor.relations@

tataglobalbeverages.com

Website address: www.

tataglobalbeverages.com

PARTICULARS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT

Particulars	Mr. Cyrus P Mistry	Mr. Analjit Singh	Mr. V Leeladhar	Mrs. Mallika Srinivasan
Date of Birth	July 4, 1968	January 11, 1954	December 7, 1946	November 19, 1959
Date of Appointment	June 22, 2012	October 22, 2008	April 24, 2009	October 22, 2008
Qualifications	Graduate Degree in Civil Engineering, UK; M.Sc. in Management, London Business School	BA, BS, MBA	B.Sc. (Engg)	Master of Business Management from Wharton School of Business, University of Pennsylvania, USA. Master of Arts in Econometrics from the University of Madras, Chennai
Expertise in specific functional areas	Wide business experience in variety of industries	Rich and wide experience as industry leader in various segments of business	Rich and wide experience in Banking and Finance	Rich and wide experience as industry leader in various segments of business particularly in tractors, farm equipment and plantations.
Directorships held in other public companies (excluding foreign companies and Section 25 companies)	<ul style="list-style-type: none"> • Tata Sons Limited[#] • Tata Industries Limited* • The Tata Power Company Limited* • Tata Teleservices Limited* • Tata Consultancy Services Limited* • Tata Steel Limited* • Tata Motors Limited* • Tata Chemicals Limited* • The Indian Hotels Company Limited* 	<ul style="list-style-type: none"> • Max India Limited* • Vodafone India Limited* • Max Life Insurance Company Limited* • Max Neeman Medical International Limited* • Malsi Holdings Limited* • Malsi Estates Limited* • Malsi Hotels Limited • Antara Senior Living Limited* 	<ul style="list-style-type: none"> • India Collections Management Limited • Tata Cleantech Capital Limited • Axis Mutual Fund Trustee Company Limited 	<ul style="list-style-type: none"> • Tractors and Farm Equipment Limited[#] • TAFE Access Limited • TAFE Reach Limited • TAFE Motors and Tractors Limited[#] • The United Nilgiri Tea Estates Company Limited* • Tata Steel Limited
Memberships / Chairmanships of committees of other companies (includes only Audit Committee and Shareholders' / Investors' Grievance Committee)	Audit Committee <ul style="list-style-type: none"> • Tata Sons Limited* 	-	Audit Committee <ul style="list-style-type: none"> • India Collections Management Limited • Tata Cleantech Capital Limited 	Audit Committee <ul style="list-style-type: none"> • TAFE Motors and Tractors Limited
Number of shares held in the Company	33,000	Nil	Nil	Nil

[#]Executive Chairman

*Chairman of the Board/ Committee

PARTICULARS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT (CONTINUED)

Particulars	Mrs. Ranjana Kumar	Mr. Darius Pandole	Mrs. Ireena Vittal	Mr. Harish Bhat	Mr. Ajoy Misra
Date of Birth	December 10, 1945	April 27, 1966	October 2, 1968	November 8, 1962	April 25, 1957
Date of Appointment	January 29, 2010	June 22, 2012	October 22, 2013	April 1, 2014	December 1, 2011
Qualifications	B.A.	BA (Economics) from Harvard and MBA from University of Chicago	Graduated in Electronics and MBA from IIM, Calcutta	B.E. (Hons.), PGDM	BE Hons, MBA
Expertise in specific functional areas	Rich and wide experience in Banking and Finance	Wide experience in the field of Finance and Investments	Wide experience in consulting and expertise in Marketing and Corporate Management	Overall business management including functional expertise in Sales, Marketing and Corporate Management	Overall business management including functional expertise in Sales, Marketing and Corporate Management
Directorships held in other public companies (excluding foreign companies and Section 25 companies)	<ul style="list-style-type: none"> Coromandel International Limited GVK Power and Infrastructure Limited International Paper APPM Limited 	<ul style="list-style-type: none"> NourishCo Beverages Limited VRL Logistics Limited J.M. Financial Asset Management Limited 	<ul style="list-style-type: none"> Axis Bank Limited Titan Company Limited Godrej Consumer Products Limited The Indian Hotels Company Limited Wipro Limited 	<ul style="list-style-type: none"> Tata Coffee Limited* NourishCo Beverages Limited Tata Starbucks Limited Infiniti Retail Limited Trent Limited 	<ul style="list-style-type: none"> NourishCo Beverages Limited Tata Starbucks Limited TRIL Constructions Limited Mount Everest Mineral Water Limited
Memberships / Chairmanships of committees of other companies (includes only Audit Committee and Shareholders' / Investors' Grievance Committee)	<p>Audit Committee</p> <ul style="list-style-type: none"> International Asset Reconstruction Company Limited <p>Shareholders' / Investors' Grievance Committee</p> <ul style="list-style-type: none"> International Paper APPM Limited* 	<p>Audit Committee</p> <ul style="list-style-type: none"> VRL Logistics Limited J.M. Financial Asset Management Limited 	<p>Audit Committee</p> <ul style="list-style-type: none"> Godrej Consumer Products Limited Titan Company Limited Wipro Limited 	<p>Audit Committee</p> <ul style="list-style-type: none"> Tata Starbucks Limited <p>Shareholders' / Investors' Grievance Committee</p> <ul style="list-style-type: none"> Tata Coffee Limited 	<p>Audit Committee</p> <ul style="list-style-type: none"> NourishCo Beverages Limited Mount Everest Mineral Water Limited
Number of shares held in the Company	Nil	Nil	Nil	Nil	Nil

*Chairman of the Board/Committee

DIRECTORS' REPORT

Your Directors are pleased to submit their fifty first report together with the audited statement of accounts for the year ended 31st March 2014.

1. HIGHLIGHTS – CONSOLIDATED PERFORMANCE

Your Company reported growth in revenues, and a significant increase in consolidated net profit for the year ended 31st March 2014. Income from operations at Rs. 7,738 crores increased by 5% year-on-year, reflecting good performance in some key markets coupled with favourable foreign exchange translation impact. Operating profits at Rs 623 crores however declined from previous year attributable to higher spending on brands, increased costs to support scaling up in new ventures and market and competitive pressures in some regions. Group consolidated net profit at Rs 481 crores registered 29 % increase over the previous year, the increase also reflecting the impact of higher exceptional income and improved performance in some associate companies.

Your Company re-launched some of its key tea and coffee brands with new product variants and packaging supported by powerful marketing programs during the year, which have entailed significant marketing spend.

In a few global markets, we also faced and responded appropriately to some challenging market conditions, particularly on account of commodity price trends in coffee and significant competitor activity.

In our newest category, water, we continue to witness very good growth of our offerings such as Himalayan, Tata Water Plus and Tata Gluco Plus through NourishCo, our JV with PepsiCo.

Tata Starbucks Limited, the joint venture company with Starbucks made very good progress and has opened 43 stores as at 31st March 2014. Tata Starbucks as of date has presence in 6 cities – Mumbai, Delhi, Gurgaon, Bangalore, Pune and Chennai. The stores have been performing well and continue to see excellent consumer response.

2. STAND ALONE FINANCIAL HIGHLIGHTS

The Directors now present below the stand alone financial highlights for 2013-14:

Rs. in Crores

	2013-14	2012-13
Total revenue	2868	2439
Profit before finance cost, depreciation, exceptional items and taxes	468	351
Deduct:		
Finance cost	(39)	(32)
Depreciation	(16)	(16)
Profit before exceptional items and taxes	413	303
Exceptional items (net)	172	18
Profit before tax	585	321
Provision for tax	(138)	(62)
Profit after tax	447	259
Add: surplus brought forward from previous year	565	486
Add: Transfer from debenture redemption reserve	81	-
Amount available for appropriation	1093	745
Proposed dividend	(139)	(133)
Dividend distribution tax	(8)	(21)
Transfer to debenture redemption reserve	(81)	-
Transfer to general reserve	(45)	(26)
	(273)	(180)
Retained in profit and loss account	820	565

3. DIVIDEND

The Directors are pleased to recommend for the approval of the shareholders a higher dividend of Rs. 2.25 per share on the paid-up equity share capital of the Company with respect to the financial year 2013-14. The total outgo on account of dividend, inclusive of taxes, for 2013-14 is Rs. 147 crores which represents a pay-out of 33% of the Company's stand alone profits.

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 incorporating all its subsidiary and associate companies prepared in accordance with applicable Accounting Standards are attached.
- b. The Ministry of Corporate Affairs has by its notification dated 8th February 2011 granted a general exemption to companies, as per which, the provisions of Section 212 of the Companies Act 1956 shall not apply in relation to subsidiaries, subject to the fulfillment of certain conditions. Accordingly the consolidated financial statements of the holding company and all subsidiaries duly audited by its statutory auditors have been presented and the individual accounts of each of the subsidiary companies have not been attached.

- 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, your Company's subsidiary, recorded a turnover of Rs. 651 crores in 2013-14, a growth of 9% over the previous year. Profit after tax at Rs 107 crores for 2013-14 is the highest recorded so far in the company. Tata Coffee is committed to growth through quality and continues to participate in domestic and International forums to popularize the company's coffee. In the year under review, Tata Coffee won awards as the best exporter of Coffee to the Far East, Russia and CIS Countries, USA and Canada at the Indian Coffee Export Awards. The R&G unit at Kushalnagar has bagged the best Roaster Award in the IICF held in the current calendar year. The Valparai, Nullore, Mylemoney, Gorgolly, Margolly and Gubgul estates of the company have been adjudged as the best for their Arabica and Robusta Coffee. During the year under review, Tata Coffee exported 5,237 MT of coffee against 4,831 MT in the previous year. Tata Coffee continues to focus on growth through differentiated and premium coffee. The Company's expanded capacity for instant coffee came on stream during the financial year.
- (iii) The Eight O'clock Coffee (EOC) brand performed well in USA, with good consumer demand delivering growth in the pod format. However the total income of Eight O'clock Coffee Inc. USA, a subsidiary of Consolidated Coffee Inc. (CCI), in turn a subsidiary of Tata Coffee, recorded a lower total income of Rs. 1,026 crores in 2013-14 against Rs. 1,099 crores in the previous year, under Indian GAAP, attributable to shift in consumer preference towards pods, higher competitive activity and the fact that the company records only the royalty income on sale of pods. During the year, to revitalize the EOC brand, the company invested in a brand re-launch, with new packaging graphics, new blends and a television advertising campaign.
- CCI, during the year, divested its stake in a US based functional beverage company, on account of changed market conditions, its performance and significant future funding requirements.
- (iv) Tata Tea Extractions, Inc. (TTEI), the Company's wholly-owned subsidiary in the USA, which supplies customer specific instant tea products reported net earnings of \$ 3.3 million in 2013-14 against \$ 2.1 million in the prior year. The operations of TTEI were re-certified under the Global Food Safety Initiatives for food safety compliance as per BRC (British Retail Consortium) standards. The USFDA had also conducted a surprise audit of the facility during the year and approved it for food safety compliance.

The Directors of Tata Coffee Limited have recommended a higher dividend of Rs. 13 per share for the year 2013-14.

DIRECTORS' REPORT (CONTINUED)

- (v) Mount Everest Mineral Water Limited (MEMW), recorded higher revenue from operations of Rs. 26 crores during 2013-14 against Rs. 22 crores in the previous year, driven largely by marginally higher volumes, better realisation and higher service income. In an inflationary environment, MEMW was able to manage its costs which helped in the company reporting a profit of Rs 2.4 crores for the year as compared to a profit of Rs. 0.5 crores in the previous year. The JV between Starbucks and your Company have opened up significant volume opportunities for the brand, Himalayan, as an exciting new alternate channel not only in India but also in other advanced markets across the globe. This also enabled Himalayan to be the only brand of water to be served/poured at all Tata Starbucks outlets in India. The first international foray with Starbucks Singapore, has ensured that Himalayan Water is now available across major Starbucks outlets in Singapore. The Company's partnership with a leading business house in Singapore has also opened up the presence of Himalayan across major retail chains in Singapore.
- (vi) The consolidated Income from operations and profits of Tata Global Beverages Group Limited, UK, under Indian GAAP, which substantially reflects the financial performance of the Tetley business and other international brands, for the year 2013-14 at Rs 3,459 crores was flat as compared to the previous year. Whilst the rupee depreciation had a favourable impact, trading

conditions were challenging, with some impact on the top line due to restructuring of business model in specific markets.

- (vii) Estate Management Services Private Limited, Sri Lanka (EMSPL), in which your Company owns 31.85% of the shares, is the holding company of Watawala Plantations Limited (WPL). During the year EMSPL increased its stake in WPL to 75.65%. WPL is one of the largest producers of tea and palm oil in Sri Lanka and amongst the most efficiently run in that country. Its marketing company, Watawala Tea Ceylon Limited (WTC) owns three key brands – "Zesta", "Watawala", and "Ran Kahata" which together command over 30% market share of the branded tea market in Sri Lanka. Sri Lankan tea has good acceptance in several countries including Russia, South East Asia, Australia and the Middle East. The EMSPL group has continued to perform well under a difficult business environment.
- (viii) Amalgamated Plantations Private Limited (APPL), in which your Company owns a 41.03% stake, reported a higher turnover and profit in 2013-14 driven by improved production, cost optimisation and better price realisation. The Directors of APPL have recommended a dividend on the equity shares of 11% (Rs. 1.10 per share) for the year 2013-14.
- (ix) Kanan Devan Hills Plantations Private Limited (KDHP) in which your Company holds 28.52% equity registered a significant improvement both in terms of turnover and profits. The Directors

of KDHP have recommended a dividend of 15% (Rs. 1.50 per share) for the year 2013-14.

- x) During the year under review, your Company invested 32.50% in the equity share capital of TRIL Constructions Limited, a Special Purpose Vehicle (SPV) set up during 2013-14. Your Company also entered into a development agreement with Tata Realty Infrastructure Limited for development of a property at Bangalore through this SPV.

5. NOURISHCO BEVERAGES LIMITED - JOINT VENTURE IN LIQUID BEVERAGES BUSINESS

NourishCo Beverages recorded impressive growth against the prior year with Himalayan and Tata Water Plus both performing very well during the year under review.

The Company's premium brand, Himalayan, recorded a sales increase of 18% driven by several new marquee accounts acquired. Robust distribution and launch of various print media, relevant brand activations, merchandising and TV commercials improved market presence.

Tata Water Plus (TWP) was re-launched with new proposition, new packaging and new communication. Post launch dipstick shows significant improvement in all KPIs, namely, jump in awareness, brand differentiation based on 'Nutrient fortification and healthier water', translating into trials and repeat sales. Overall, TWP volumes more than doubled over the previous year.

New flavours, like Grape, Cinnamon and Apple variants were introduced

in Tata Gluco Plus to meet consumer needs.

6. TATA STARBUCKS LIMITED

Tata Starbucks Limited reported strong growth as it continued to increase the number of outlets. It currently operates in Mumbai, Pune, Bangalore, Delhi, Gurgaon and Chennai.

7. AMALGAMATION OF MOUNT EVEREST MINERAL WATER LIMITED (MEMW) WITH THE COMPANY

Your Directors at their meeting held on November 12, 2013 approved the amalgamation of MEMW with the Company under a Scheme of Amalgamation under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956. The Scheme is subject to and would become effective on receipt of all requisite approvals. As per the directions of the Hon'ble High Court at Calcutta, a meeting of the shareholders of the Company was held on 4th June 2014, wherein the shareholders have approved with requisite majority, the Scheme of Amalgamation of MEMW with the Company with effect from the Appointed date, viz, 1st April 2013. Additionally, as required under Clause 5.16 of the Securities and Exchange Board of India Circular CIR/CFD/DIL/5/2013 dated 4th February 2013 and Circular CIR/CFD/DIL/8/2013 dated 21st May 2013, approval to the said Scheme of Amalgamation was also accorded by the majority of the public shareholders by way of postal ballot/e-voting. The Company has since filed the consequential petition for sanction of the Scheme by the Hon'ble High Court at Calcutta. The same is pending.

8. ACQUISITION OF EARTH RULES PTY LIMITED, AUSTRALIA

Your Directors are pleased to report that, subsequent to the end of the financial year, an overseas subsidiary of your Company, completed the acquisition of Earth Rules Pty Limited, Australia. Earth Rules, which operates under the brand name 'MAP' is engaged in coffee business, with presence in the R&G coffee and coffee in Pods (single service portions) segments in Australia. The investment is in line with the Company's strategic vision of growing its presence in Australia, and it also helps Tata Global Beverages to expand its portfolio in Australia to include high growth single serve coffee business.

9. REVIEW OF ACTIVITIES

A. The Tea Industry

India's tea output stood at 1,200 million kgs in 2013 up 73.72 million kgs or 7% over previous year. Over 96% of the additional crop was produced in North India. Export volumes for 2013 stood at 211.86 million kgs, marginally up on 2012 by 3.63 million kgs. Despite the additional crop and therefore domestic retention, prices in 2013 were higher than the previous year. The orthodox variety in the North saw higher levels within the mix mostly due to an increasingly easier trade and demand from Iran. In the South, unexpected weather and uneven overall crop caused temporary crop deficits and significant volatility in prices. Adverse weather during the first flush in North India has resulted in a dearer market. We expect this strength to continue up until the

peak quality second flush period post which higher crops and spot supply will allow overall prices to ease.

B. Domestic Branded Tea Operations

Your Company's marketing and promotional strategy and launching of new products resulted in volume and market share growth over the previous year. Your Company took several initiatives which helped growth across brands and enables going into the next year with a strong momentum. All the national brands performed very well and Tata Tea Premium, Agni and Tetley Green Tea saw good growth. The regional brands also performed very well with a modest growth over last year, mainly due to restage of Chakra Gold and Kanan Devan brands and price increases across products even as competition held on to its prices. Tata Global Beverages continued in maintaining its volume and value leadership position in India.

The Tata Tea Jaago Re campaign has, over the years, become synonymous with 'Awakening' by addressing serious issues like voting, corruption and positivity. During 2013-14, the focus has been on gender bias against women through the launch of our 'Bade Badlaav Ki Liye Choti Shuruaat' campaign. A TV ad film was launched on Women's Day this year featuring Bollywood star Shahrukh Khan. The advertisement appeals to each one to do their "Choti Shuruaat" - small yet powerful acts inspired by simply changing

DIRECTORS' REPORT (CONTINUED)

one's mindset. Further to take the thought forward, a new campaign, 'Power of 49' was launched aiming to encourage women to exercise their right to vote at the next general elections.

The 'Power of 49' campaign, aims to make it one of India's largest women-centric awareness campaigns in recent times with intent to reach out to 100 million women. Power of 49, a Jaago Re initiative for women, was launched in August 2013 with an objective to awaken women, who form 49% of India's voter base, inspiring them to cast an informed and independent vote and exercise the power they have to make or break a government in the forthcoming election. The campaign was conceptualised from the insight that women constitute 49% of the voter base in India but often do not get their due as they are not seen as a determining factor in elections.

Your Company has large presence in rural India through Gaon Chalo, its innovative rural distribution model. This model was initiated in 2005-06 in Uttar Pradesh and is today spread across 18 states through a strong network of NGOs. Gaon Chalo is a non-traditional business model that is profitable and growing at a very fast pace. The model generates rural opportunities for youth and provides a platform to further the Company's CSR and Affirmative Action initiatives.

C. International Branded Operations

In the international branded operations, whilst there has been

growth in some markets, the trading environment generally remained challenging largely driven by intense retailer activity, competitor pressures and market decline in some categories driven by consumer preferences. We have been proactive in addressing these challenges through innovation, restructuring of businesses and brand re-launches.

The group performed well in markets like Canada, France, Australia, Africa and Middle East. To address changing consumer preferences, the group focussed on growth segments like speciality tea and single serve pod formats.

While black tea in the UK is declining, other categories like premium tea and speciality teas are seeing good growth. The group continues to focus on improving its brand strength and take share in the growing segments. Tetley Black tea bags and Tetley Green tea continue to be number two in their respective categories in UK, whereas Tetley Redbush is a category leader.

The Canadian business had a good year with strong sales and profitability. Australia had a good year recording sales growth over the prior year. Both these markets saw new product variants being launched during the year under consideration.

In the US, coffee sales volumes in traditional formats were lower than the prior year mainly driven by growth in consumer preference for coffee in pods (single serve formats) and also

due to competitive intensity in that market. We are present in the single serve format category through EOC K-cups, which recorded strong sales. Both Eight O'clock and Grand brands were re-launched during the year with new packaging.

The company continues to focus on category expansion and on improving brand recognition and loyalty for its portfolio of brands

D. Tea Extractions

The Instant Tea Division's Sales turnover and profitability improved compared to previous year, mainly on account of favourable foreign exchange and increased production volume. Exports of Instant tea were made largely to US, Europe and Far Eastern Countries.

The Instant Tea Operations achieved the following noteworthy milestones, which will greatly enhance their reach and sustenance of the business in the ever challenging global market:

- ◆ FSSC 22000 Certification under the Global Food Safety Initiatives, a globally recognised food safety standard
- ◆ Recipient of a globally recognised Ethical Tea Partnership (ETP) standard certification
- ◆ Recipient of the prestigious Kerala State Pollution Control Board Award for environment protection & sustainability.

Zhejiang Tata Tea Extraction Company Limited, China which is a subsidiary of your company, is a Joint Venture with Zhejiang Tea Group Company Limited, China. The JV was set up for the manufacture and marketing of Instant tea, tea polyphenol and tea concentrates. The company commenced its production of green instant tea products after initial delays and has now commenced exports to USA. The company is conducting further trials to produce tea polyphenols under a new technology and improve efficiency factors. It is also addressing marketing challenges to enter new geographies.

E. Exports

The FOB value of exports during 2013-14 was Rs. 172 crores, against Rs. 152 crores in the previous year. The tea bag unit at Kochi performed well and exported its products to several markets during the year. The division launched new format of tea bags for the Australian market. The Instant Tea unit performed well and is strengthening its marketing effort by undertaking new customer contacts, identifying sales channel partners and participation in international fairs with a view to meet new customers and understand industry trends.

F. Plantation Operations

The crop production in 2013-14 at our Pullivasal and Periakanal estates at 20.73 lakh kgs was in line with the previous year crop. The productivity achieved by the two estates to end March 2014

was 51.23 Kgs against 47.44 kg achieved for the same period in the previous season.

G. Community Development, Employees' Welfare and Environment Conservation

Transforming communities through proactive interventions has been an integral part of Tata Group long before Corporate Social Responsibility became a buzz phrase. Across Tata Global Beverages, we have nurtured and encouraged our businesses to proactively engage with the community and champion causes which are real and relevant. Tata Global Beverages undertakes an extremely strategic and well-thought-out exercise to understand the issues faced and the requirements of disadvantaged communities near our operations and take on projects to improve their socio-economic status. The community initiatives are being pursued through the General Hospital, Srishti complex and the High Range School, all based at Munnar in Kerala.

The General Hospital continued to provide quality healthcare which includes free treatment to the Muthavan tribal community. Srishti focuses on enhancing the hidden talents of differently abled children most of whom are the families of local tea pickers of Munnar. The High Range School continues to actively pursue enhancement of academics in the communities around our geographies of operation. Our

continuous efforts have borne fruit, and the education style at our High Range School is now recognised as a benchmark in holistic education, at the Group level.

Your Company is committed to its Affirmative Action (AA) initiatives which seek to directly conduct or support initiatives to ensure an equal footing for socially and economically disadvantaged sections in the country at large, and specifically the Scheduled Caste and Scheduled Tribe communities. Towards this, your Company's efforts on 4E's (Employment, Employability, Entrepreneurship and Education) are directed at addressing the national cause of ensuring equal opportunities to the historically disadvantaged. Tata Global Beverages ensures prime focus on enhancing health and education across the nation especially across our geographies. AA initiatives in India are driven primarily from Munnar and Bangalore.

In pursuance of its Sustainability initiatives, your Group has identified five strong pillars of sustainability for the future - climate change, water management, sustainable packaging, ethical supply chain and community work. Following a review of the TGB sustainability agenda, the strategic objective for sustainability has been revised and updated as follows: integrating sustainability into our business, innovation processes, products and brands. The focus will be on establishing Global Key Performance Indicators (KPIs)

DIRECTORS' REPORT (CONTINUED)

and their deployment across the organisation building it into the DNA of your Company.

Your subsidiary, Tata Coffee, has always been committed to serving the communities where it operates. In this spirit, the company is actively engaging with the local community in Jayamangalam village located near the Theni plant. Initiatives like 'Self-Help Group' and 'Girl Child Nutrition' projects are aimed at enabling a better quality of life for women and girl children.

10. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

During the year under review, industrial relations remained generally peaceful at all our offices and establishments.

The HR priorities for the year 2014-15 were finalised as a part of the global HR budgeting process. The priorities included the institution of a global reward & recognition framework and focus on individual, regional, functional and global recognition systems. Your Company has improved its performance management process with focused training workshops for 'people managers'. A revised 360 degree feedback process is planned for the leadership level this year for improving leadership effectiveness.

11. CORPORATE GOVERNANCE AND MDA

A detailed report on Corporate Governance is separately attached together with a report on Management Discussion and Analysis (MDA). The MDA also covers the consolidated operations and reflects the global nature of our business.

12. BUSINESS RESPONSIBILITY REPORT

Vide its Circular dated August 13, 2012, Securities and Exchange Board of India (SEBI) mandated the inclusion of Business Responsibility Report (BRR) as a part of the Annual Report for top 100 listed entities based on their market capitalisation on BSE Limited and National Stock Exchange of India Limited, as on March 31, 2012. Pursuant to the above, the Stock Exchanges amended the listing agreement by inclusion of Clause 55 providing a suggested framework of a BRR, describing initiatives taken by the company from an environmental, social and governance perspective. The Company's BRR is hosted on its website www.tataglobalbeverages.com. Any shareholder interested in obtaining a physical copy of the same may write to the Company Secretary at the Registered Office of the Company.

13. TATA BUSINESS EXCELLENCE MODEL (TBEM)

Progress has been made in implementing suggestions made by the Assessment team in the last assessment. The application for external assessment for 2014 has been submitted in June 2014.

14. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) In the preparation of the Annual Accounts for 2013-14, the

applicable Accounting Standards have been followed and there are no material departures.

- ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year.
- iii) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) They have prepared the Annual Accounts on a going concern basis.

15. DIRECTORS

During the year 2013-14, Mr. R K Krishna Kumar, Mr. U M Rao and Mr. F K Kavarana stepped down as Directors from the Board of your Company upon reaching the retirement age in keeping with the Tata Group Guidelines on retirement of directors. The Board places on record its deep appreciation to Mr. R K Krishna Kumar, Mr. U M Rao and Mr. F. K. Kavarana for the excellent contributions made by them as Directors.

Mr. J S Bilimoria ceased to be a director consequent to his sad and untimely demise on 3rd May 2013.

As reported last year, Mr. L Krishnakumar was appointed as an additional director and as Executive Director by your Board with effect from 1st April 2013.

Mr. S Santhanakrishnan and Mrs. Ireena Vittal joined the Board as additional directors with effect from 28th May 2013 and 22nd October 2013 respectively.

Mr. Cyrus P Mistry retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

As per Section 149(4) of the Companies Act, 2013, the independent directors of the Company are being appointed to hold office as independent directors for a period of five years with effect from 26th August 2014. Brief particulars and expertise of these directors and their other directorships and committee memberships have been given in the annexure to the Notice of the Annual General Meeting in accordance with the requirements of listing agreement with Stock Exchanges.

16. AUDITORS

The Members are requested to appoint the Auditors and fix their remuneration. Messrs. Lovelock and Lewes, the retiring Auditors have furnished certificate of their eligibility for re-appointment as required under the Companies Act, 2013.

17. COST AUDITORS

The Central Government has approved the appointment of M/s. Shome and Banerjee, 5A Nurulla Doctor Lane, 2nd Floor, Kolkata - 700 017 as cost auditors for the Company for conducting cost audit for the financial year 2013-14. The due date for filing the Cost Audit Report for the financial year ended 31st March 2013 was 30th September 2013 and the Cost Audit Report was filed by the Cost Auditors on 10th September 2013.

18. PARTICULARS OF EMPLOYEES

Information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this report. However as per the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the report and

accounts are being sent excluding the statement containing the particulars to be provided under Section 217(2A) of the Companies Act 1956. Any member interested in obtaining such particulars may write to the Company Secretary for a copy thereof.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

20. CONCLUDING REMARKS

The Directors are sure that the shareholders would like to join them in conveying their appreciation to all employees of the Company for their sincere and dedicated services during 2013-14.

On behalf of the Board of Directors



Mumbai,
16th July, 2014

(CYRUS P MISTRY)

Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Particulars of Conservation of energy, Technology absorption and Foreign exchange earnings and outgo in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 forming part of the Directors' Report for the year ended 31st March 2014:

A. CONSERVATION OF ENERGY

1. Energy conservation measures taken during 2013-14

Pullivasal and Periakanal Estates

- Fixing of Tuflite sheets (translucent fibre-glass sheets)
- Monitoring the use of motors in factory

Tetley Cochin Division

- Lighting replacement in machine room and usage of solar water heater
- Redesign of Sandon machine room thereby reducing the conditioning area resulting in power savings
- Replacement of old air conditioners with 5 star rated units

Instant Tea Division, Munnar

- Installation of energy efficient hot water generator and condensate recovery system
- Installation of new PRV's in the steam line
- Replacements of existing screw chillier system with an advanced technology Vapour Absorption Machine (VAM)
- Relocation of wood chipper to derive maximum usage of FW boiler and savings in fossil fuel consumption
- Introduction of temperature controller systems in cooling

tower, enabling optimum usage cooling fan and thus saving electric power

- Introduction of latest design new cooling tower with upgraded technology improving cooling system efficiencies

Bangalore and Pullivasal Packeting Centre

- Installation of energy efficient & high Lux lights
- Optimisation of capacitors as per the load requirements for the warehouse and installation of transparent tuflite sheet on the roof of warehouse thereby providing natural light
- Installation of separate capacitor for compressor panel

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

Pullivasal and Periakanal estates continued with conversion of incandescent lamps to CFL by providing CFL to workers at subsidised rates.

Tetley Cochin unit is continuing with replacement of CFL with LED tubes and fixtures for tea tasting and in the remaining machine rooms.

Instant Tea unit at Munnar is planning the following Initiatives during FY 14-15:

- Heat recovery/alternate heating mechanism in STW drier- usage of flue gas from HASCO, with SPARK Arrestor
- Phase wise replacement of heavy duty motors with energy efficient ones

- Plant lighting up gradation using the latest LED Lighting

Bangalore and Pullivasal Packeting Centre is planning the following initiatives during FY 14-15:

- Installation of additional LED lights and renewable energy 7.5 KVA (solar energy) and a 20 KVAR capacitor and compressed airline to improve power factor
- Installation of VFD for the compressor and dust collection system
- Eliminate usage of alleyway conveyor having 6.00 HP motor and to replace factory asbestos roof with powder coated GI sheets and a horizontal life line system- Model-PN400 (Safety device) to ensure workmen safety in warehouse

3. Impact of measures taken

The efforts at Pullivasal and Periakanal estates resulted in significant savings in power by fixing Tuflite sheets and continued usage of CFLs.

The efforts at Tetley Cochin unit resulted in reduction of incineration of PM process wastage by selling the same to paper re-cyclers and thereby reducing carbon footprint. The unit also carried out a colour coding of all the switches in the shop-floor and factory for visual identification and thereby eliminating wastage of power.

The above efforts resulted in power and cost savings of approximately Rs 9 lakhs. Various initiatives at Instant Tea unit in Munnar are expected to result in a savings of around Rs 40 lakhs per annum.

FORM A

Disclosure of particulars with respect to conservation of energy

	2013-14	2012-13
Power and Fuel Consumption		
Electricity purchased		
Units (lakhs kwh)	130.90	119.49
Total amount (Rs/lakhs)	882.22	761.45
Rate / Unit (Rs/kwh)	6.74	6.37
Own Generation (Through diesel generators)		
Units (lakhs kwh)	24.70	24.83
Total amount (Rs/lakhs)	443.09	369.42
Units/ltr of diesel	3.17	3.61
Rate / Unit (Rs/kwh)	17.94	14.88
Coal	-	-
Furnace Oil		
Quantity (kl)	2,431.44	2,625.09
Total cost (Rs/lakhs)	975.32	1,013.41
Average rate (Rs/kl)	0.40	0.39
Others - Firewood		
Quantity (lakhs/Cu.Mt)	0.31	0.30
Total cost (Rs/lakhs)	418.48	425.42
Average rate (Rs/Cu.Mt.)	1,344.32	1,440.43
Consumption per unit of production		
Tea		
Electricity (Units/Kg of tea)	0.15	0.14
Firewood/1000 kg of sifted tea	6.96	8.27
Instant Tea		
Electricity (Units/Kg of tea)	2.83	2.79
Furnace Oil (Ltrs /Kg of tea)	1.39	1.54
Coal	-	-
Others – Firewood (Cu.Mt's/Kg of tea)	0.009	0.008

Previous year's figures have been regrouped/re-classified wherever necessary.

Electricity purchased was higher than the previous year as the Company resorted to power from the grid rather than own generation due to cost increase in diesel.

Unit rates of electricity purchased /own generation, average rate per kl. of furnace oil were higher due to cost inflations.

Quantity of fire wood purchased was marginally higher than the previous year as the Company resorted to using its own uprooted firewood. The average rate (Rs/Cu.Mt.) of firewood was lower in 2013-14 due to usage of own uprooted firewood.

Consumption of firewood per 1000 kgs of sifted tea reduced in 2013-14 attributable to lower reprocessing of tea.

In the instant tea division, the unit consumption of electricity per kg. of tea has gone up due to lower production during the year. The unit consumption of furnace oil per kg. of tea is lower in 2013-14 due to increased usage of firewood boiler.

FORM B

1. Specific areas in which Research and Development (R&D) is being carried out in the Company

The Global R&D function based in India, UK and USA focuses on the following areas:

- ◆ Development of new products, processes and packaging to support the global growth agenda, for products based on tea, coffee and water and development of concepts and delivery formats to supplement the healthy image of tea, coffee and other beverages
- ◆ Creation of a global innovation funnel for creation of a repertoire of initiatives, which has a potential to develop into new products
- ◆ Monitoring various inputs used for the manufacture of products including packaging and analysis of the finished products, to confirm compliance with the regulations, thus ensuring food safety
- ◆ Research projects with other Tata Group companies, as a Group strategy, to leverage the expertise residing in the Group
- ◆ Deployment of a Global Specification Management System (GARUDA) and Laboratory Information Management System (LIMS), to manage all ingredients, products, packaging and finished products, and also all analysis to ensure food safety and consistency in product delivery

ANNEXURE TO THE DIRECTORS' REPORT (CONTINUED)

- Development and implementation of Quality Strategy across all regions
- Liasoning with trade organisations, industry bodies, tea research institutes and regulatory bodies, to develop and suggest amendments to industry specific regulations

2. Benefits derived as a result of R&D

- The testing program covering all brands and their variants to ensure conformance of the products of the Company with the specifications prescribed under the Food Safety & Standards of India (FSSAI) Regulations. All the samples analysed show total compliance to specifications indicating Company's commitment to Quality and Consumer safety
- Product development efforts have resulted in development of various products which are in the various levels of completion and awaiting launch plan
- R&D has provided technical support to the Operations, Quality Group, Global Projects and Regional Marketing on various technical issues and their resolution
- Provided inputs for draft legislations introduced by the Government through interactions with Tea Board, Bureau of Indian Standards (BIS), Confederation of Indian Industry (CII), Federation of Indian Chamber of Commerce & Industry (FICCI), Confederation of Indian Food Trade and Industry (CIFTI), Tea Research Institutes of

both South and North India and other trade bodies

- Involved with the FAO IGG (Food & Agricultural Organisation Inter Governmental Group) Working Group, International Organisation for Standardisation (ISO) for development of new regulations for tea
- The Company through its R&D has substantially contributed to the development of a draft Pesticide Code, an initiative by Tea Board, which defines proper use of approved plant protection chemicals to ensure safe MRLs of these chemicals
- Collaborative research, sponsored analytical work and technical discussions were held with various national research institutions, commercial technological establishments, key vendors and analytical facilities for various development related activities and resolution of technical issues

3. Future Plan of Action

- R&D will continue to develop a portfolio of new products and processes to compete in the 'good for you' beverage space and delivering products as per the prioritised innovation agenda,

keeping in step with the rapidly changing market and consumer needs and to deliver competitive differentiation

- Increased focus would be given for innovation and adoption of new technologies to develop new products and delivery formats meeting specific consumer demands. NPD Projects of global nature with a focus on the consumer need will be a key focus area
- Company to explore options for collaborative projects to leverage available technology and expertise within the Tata Group
- Programs to monitor compliance of finished products from a food safety perspective and testing of packaging materials to ensure compliance with quality specifications
- Complete integration of all inputs for the manufacture of various products in the Company's portfolio, in GARUDA System
- Complete consolidation of Company's products from all geographies in the Regulatory framework, through various processes deployed, to enable control and ensure compliance

4. Expenditure on R & D

(Rs. in Lakhs)

	2013-14	2012-13
Capital	32.33	11.90
Revenue	457.13	314.72
	489.46	326.62
R & D expenditure as percentage of turnover	0.17	0.13

5. Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

Your Company is engaging in technical collaboration with various vendors and companies to develop new processes and improved functional ingredients.

2. Benefits derived as a result of the above efforts:

The Company is entering into an MOU with certain companies to leverage their expertise to support new product and process development.

3. Imported Technology

The Company has not imported any technology during the last five years and hence furnishing the information required under point 3 (a) to 3 (d) of Form B of the annexure in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 does not arise.

6. Foreign Exchange Earnings and Outgo

The FOB value of exports during 2013-14 was Rs. 172 crores, against Rs. 152 crores in the previous year. The tea bag unit at Kochi performed well and exported its products to several markets of Australia, Middle East countries, Poland, UK etc. The division launched a new format of tea bags called Pyramid tea bags for the Australian market. The Instant tea division continued its export thrust in

the markets of Australia, Germany, Switzerland etc. During the year 2013-14, exports of instant tea were made to a new market, the UAE. The division is looking at increasing its presence in the existing markets even as it seeks to explore new markets for export of its products. The unit is focusing in increasing awareness among customers on the unit's premium offerings such as instant tea made from fresh green leaf, decaf tea and inorganic tea.

Rs. in Lakhs

	2013-14	2012-13
Value of Imports on C.I.F. basis		
Raw Materials	5270.57	5283.35
Finished Goods	302.87	90.91
Stores, Spare Parts	108.42	75.30
Capital Goods	171.77	32.34
Expenditure in Foreign Currency		
Foreign Travel	248.44	168.49
Professional Fees	340.78	546.69
Management Fees	1711.15	2942.41
Other Expenses	101.90	123.38
Foreign Exchange Earned		
Value of Exports at F.O.B.	17242.81	15225.69
Technical Service Fees – Gross	139.71	105.63
Dividend – Gross	13626.59	5428.45
Management Service Fees	3743.00	1764.60
Interest	210.47	-
Others (Freight, Insurance, etc.)	773.36	652.57

On behalf of the Board of Directors



(CYRUS P MISTRY)

Chairman

Mumbai,
16th July, 2014

MANAGEMENT DISCUSSION & ANALYSIS 2013/14

BUSINESS OVERVIEW

The operating environment globally remains challenging with category decline in black tea in some developed markets, changes in consumer behavior and high competitive intensity. At the same time, new trends are emerging driven primarily by health and convenience led consumer needs. Your Group continues to constantly strive to meet these challenges with a focus on higher spending on brands, category expansion, innovation and cost rationalisation. During the year under review, your Group continued to significantly invest in the marketing campaigns launched in US, UK, India and Russia. The year witnessed three major relaunches; namely in Eight O'Clock Coffee in USA, Grand Coffee in Russia and Chakra Gold Tea in India and two major marketing and advertisement campaigns for Tetley Green Tea in India and for Tetley brand in UK. Branded tea volumes remained flat with growth in India tea being offset by lower volumes in some developed markets. Branded coffee pods volumes showed significant growth in US. The year also saw significant volume growth in the water portfolio. Tata Starbucks stores also increased its footprint and received good consumer response.

INDUSTRY STRUCTURE - GLOBAL ECONOMIC, CONSUMER AND COMPETITOR TRENDS

There are signs of revival of economic growth in developed countries like the UK and US and the overall outlook is more positive, reflected also by the buoyancy in capital markets. In India the strong election results have raised hopes that the country will get back into a higher growth trajectory and progress towards realising its full potential.

However consumer spending is still cautious and there is increasing competitive intensity driven by consolidation of retail trade, new entrants and changing consumer preferences. While the consumer continues to be value conscious, product choice is increasingly driven by health and convenience. There is also an emerging trend of demand for more premium products of higher quality in many markets.

INDUSTRY STRUCTURE – COMMODITY TRENDS

Globally, black tea production in 2013 increased by about 7% led by record crops in India, Kenya and Sri Lanka and

higher than previous year production in most producing countries. The year also saw strong consumption growth in developing countries like India. Green tea consumption across the world appears to be on the rise driven by health benefits of the beverage. Cyclical swings in coffee commodity markets are common and the most recent years have been especially volatile for the price of coffee. The supply and price of both coffee and tea are subject to significant volatility. Supply and price of both tea and coffee grades are affected by multiple factors, such as weather, natural disasters, crop damage, farm inputs, cost of production, and wage increases. In the case of coffee, price is also impacted by currency movements and trading activities in the coffee futures markets. We continually monitor commodity costs, market and supplier strategies to optimise our cost structure.

CONSOLIDATED FINANCIAL AND OPERATING PERFORMANCE

The consolidated financial highlights for 2013-14 are as follows:

	Rs. in crores		
	2013-14	2012-13	Variance
Operating income	7,738	7,351	387
Operating profit	623	663	(40)
Profit before exceptional items and taxes	618	665	(47)
Exceptional items (net)	89	(28)	117
Profit before tax	707	637	70
Profit after tax	522	473	49
Group consolidated net profit	481	373	108

For the year ended 31st March 2014, Operating income at Rs 7,738 crores was 5% higher over previous year mainly reflecting improved performances in markets like India, Western Europe, France, Middle East, Australia along with favourable impact of currency movements and new ventures. Sales growth in certain markets such as UK, US, and parts of Eastern Europe continue to be challenging. Operating profits at Rs 623 crores is lower than previous year, mainly on account increased expenditure on brands, increased costs to support scaling up in new ventures and lower sales performance in some international markets.

Exceptional items for the year mainly represents profit on sale of property in

Bangalore, profit on sale of long term investments, recognition of hitherto unrealised profits relating to sale of Plantation division offset by disposal of investments in an overseas functional beverage company and costs pertaining to distribution model restructure.

The tax rate for the year ended 31st March 2014 is consistent with the prior year.

Profit after tax for the period at Rs 522 crores was higher than the prior year by 10% mainly due to high level of exceptional income. After considering share of profits of associates and minority interest, Group consolidated profit of Rs. 481 crores is higher by 29% compared with the prior year.

to improved operating performance and increase in income from overseas investments.

Exceptional items were favourably impacted due to sale of some investments and profit arising from sale of property in Bangalore.

Average tax rate is higher than previous year mainly due to higher operating profits, higher tax impact of exceptional items partially offset by higher tax write-backs.

Profit after tax was higher than previous year on account of improved operational performance, higher dividend income and higher exceptional income.

PRODUCT / BRAND PERFORMANCE - TEA & COFFEE

Your Company's products and brands in tea and coffee continued to create many magical moments for millions of consumers across the globe. Significant amongst new offerings were a slew of green tea related launches in various countries. Tetley 100% steamed green teas were launched in Canada and Australia in three delicious variants – pure, lemon and ginger. This range of green teas is gently steamed immediately after picking of the tea leaves, to lock-in its fresh, pure flavour. The USA witnessed the launch of Tetley Black & Green tea. This product offers tea lovers the best of both in one cup: the full flavour of black tea, and the goodness of green tea. In India, a significant marketing and advertising campaign has just begun for Tetley green tea. The campaign highlights the significant benefits of green tea.

Some key country-wise highlights of the year under review are given below, which provide an overview of several important aspects of product and brand initiatives, as well as performance:

STANDALONE FINANCIAL AND OPERATING PERFORMANCE

	Rs. in crores		
	2013-14	2012-13	Variance
Operating income	2,683	2,326	357
Operating profit	268	222	46
Profit before exceptional items and taxes	413	303	110
Exceptional items (net)	172	18	154
Profit before tax	586	321	265
Provision for tax	139	62	77
Profit after tax	447	259	188

For the year ended 31st March 2014, operating income at Rs 2,683 crores was 15% higher than the previous year mainly attributable to improved performance

of the branded tea operations aided by both price and volume increases. Profit before exceptional income at Rs 413 crores increased by 36% over previous year due

MANAGEMENT DISCUSSION & ANALYSIS 2013/14 (CONTINUED)

UNITED KINGDOM

The business in UK was impacted by lower volumes attributable to continuing black tea market decline and higher competitive and trading intensity. However speciality teas and green tea performed very well. The business maintained leadership in the Redbush category. Four new Tetley flavoured green teas ('mint', 'mango & passion fruit', 'peach & apricot', 'raspberry & pomegranate') were launched with a major retailer in March this year. Sales of our premium teapigs branded products continue to grow significantly. The brand is now being launched into other geographies.

The Group continues to retain the highest social media fan retention with approximately 5,16,000 Facebook fans for our Tetley Tea Folk page which is higher than competition.

UNITED STATES OF AMERICA

Despite significant improvement in the coffee pods volume, the traditional coffee volumes were impacted driven by competitive pressures and perceptible shift in consumer preferences to growing alternate formats i.e. pods. During the year, the Eight O'clock brand was relaunched with several new products and new packaging. In the tea category, the company launched new variants like Black & Green under the Tetley brand in a new snap top box. 14 new blends under a new pack design were launched under the Good Earth Brand with the theme of "Tea Untamed". Flavours which were launched included Mango me Macho, Sweetly Twisted, Citrus Kiss, Starry Chai and many more.

CANADA

Tetley performed well in terms of market sales and continued to maintain

market leadership. The distribution model was restructured during the year. Canada continues with its new product development agenda with the launch of Tetley 100% steamed green teas in three flavours. Sales of these products are in line with expectation and consumer feedback on the product has been very positive. The business also launched three new Tetley Tassimo products during the year. A massive integrated promotion was launched with Cirque du Soleil during the later part of the year which has been positively received by consumers.

AUSTRALIA

Australia performed well - sales were higher than previous year driven by addition of new customer and new product launches. Tetley Fruit and Herbal range has been relaunched under the pyramid format and have shown strong sales results. Post year end, your company acquired a 100% stake in a mid-size company in Australia which is engaged in coffee business under the "MAP" brand, which will further consolidate the operations in Australia.

EUROPE AND MIDDLE EAST

Russia performance was impacted by faster decline in traditional channels and market declines in spray and agglomerated coffees. The freeze dried offering under the Grand brand performed well.

In Poland, changes to the business model to improve performance continued to result in margin improvements as we continue to focus on higher margin branded products and on improving sales efficiencies.

Czech Republic continues to show recovery which resulted in improvement in volumes, and cost reduction leading to higher growth. In France, Tetley brand

increased both volume and value share in the market.

Tetley test market launch in Kuwait this year has performed well and saw an improved brand share. In the Green tea bags segment, the brand has already achieved second position. The Group is looking to expand into other markets in the Middle East later this year.

SOUTH AFRICA

Joekels, South Africa improved its net sales driven by increase in private label volumes. Overall branded business volumes also grew over the prior year, spearheaded by Black tea and some growth in Rooibos.

INDIA

Your Company continued to maintain the volume and value leadership during the year under review. There was volume growth in both national and regional brands.

Good volume growth across National Brands portfolio – Tata Tea Premium, Tata Tea Gold, Tata Tea Agni and Tetley:

- ◆ Tata Tea Gold underwent restage during 2013-14 with the iconic Power of 49 campaign, supported by new TVC, association with the 14th Indian Film Academy Awards (IIFA) 2013, pack change, trade and visibility activation on ground & digital activation through Jaagore.com, Twitter and Face book.
- ◆ Green tea launch was aided by ground level activation with a significant visibility drive. The new Green tea television campaign with the proposition of "Inside walaah Snaan" was launched with Brand ambassador Kareena Kapoor Khan.

Good performance by regional branded portfolio namely Kanan Devan, Chakra and Gemini:

- Chakra Gold was relaunched during the year driving improved sales. The relaunch was backed by new pack design with a new brand identity in addition to a new advertising campaign which went on air to improve brand imagery to make it premium, modern, aspirational and drive home the new positioning of 'Golden infusion for the golden woman of today'.
- Other regional brands like Kanan Devan and Chakra Gold benefitted from the timely trade promotions to drive volumes.

TATA COFFEE

Tata Coffee has continuously moved up the value chain in its plantations business and in Instant coffee. Their expertise in the bean to brew value chain, efficient processes and focus on sustainability helped maintain a strong leadership position in the coffee business. The expansion of the Theni instant coffee facility was completed during the year. The company continues to supply into Starbucks operations in India and is exploring options of increasing supply into other markets.

PRODUCT / BRAND PERFORMANCE – WATER

NourishCo volumes continue to consolidate across all brands. Overall volumes significantly increased over prior year backed by new product launches and distribution expansion. Tata Water Plus, India's first nutrient water, was launched with a new packaging during the beginning of the year. Volumes and profit margins have shown significant improvements post the launch. New

flavours like Grape, Cinnamon and Apple variants have been launched under the Tata Gluco Plus portfolio. Himalayan brands continue to grow with several new marquee accounts while some unprofitable accounts were surrendered.

OUTLOOK – CONSUMER, COMMODITY AND COMPETITION

Whilst there are clear signs of global economic revival, consumer behavior is yet to show any definitive overall trend but seem to be seeking value even as discerning consumers pursue aspirational and premium products. There is clearly an increasing consumer focus on healthy natural beverages and easy to use consumption formats. In the developed markets, there is decline in black tea consumption with growth in the speciality segments. In developing markets, however, there is growth across sectors. In coffee, in USA, Europe and Australia, there are clear signs of growth in single serve pods formats which are weaning away consumers from the traditional formats.

We expect the competition to continue to be very intense with aggressive promotions in the market by all major competitors. In our major developed markets, the retail environment will continue to be very competitive, a situation likely to be further accentuated by new entrants with a price focus.

On the commodity front, outlook for tea is mixed with increased production in most producing countries accompanied by strong consumption growth in developing countries. The coffee commodity market is expected to be volatile on the back of concerns over the level of supply from Brazil.

The company will respond to the environmental challenges with a strong pipeline of innovations, investment behind

brands, broad basing of the product, category presence and cost initiatives.

OUTLOOK - INTEREST RATES AND EXCHANGE RATES

Interest rate in India during the fiscal continued to be high because of persistently high inflation even as growth slowed down appreciably. RBI's monetary policy had a single minded focus on containing inflation. Going forward there is great optimism and expectations from the new government. It is expected that strong policy initiatives will improve growth rates and consumer confidence which should benefit your Company. Inflation and interest rates should trend downwards in the medium term.

In UK, Bank of England has kept interest rates at 0.50% despite significant improvement in leading economic indicators. However, the central bank may hike interest rates in the second quarter of 2015 due to faster-than-expected drop in unemployment rate. In US, the Fed kept interest rates at record low level to lift the economy out of recession and to ensure sustained economic recovery. Moreover, senior Fed officials have also maintained that the Fed should keep interest rates low due to uncertain outlook of economic growth and job market.

Your Group has a mix of debt and cash in different currencies and at the current debt level, we do not expect a material impact on account of interest rate movements.

The rupee witnessed sharp depreciation on the back of surge in current account deficit. But in the second half of the year with certain restrictions on gold import, CAD was substantially brought down and with the overall improvement in sentiments, the FII investment also saw improvement augmenting the rupee by the year end. The rupee is expected to remain range bound

within the short term and in the long term will always draw sustenance from the movement in the fundamentals.

In the UK the pound has appreciated significantly in 2014. The fundamentals of the economy have also improved. Going forward, however some USD appreciation is expected on the back of continuous tapering and improvement in US fundamentals. The company hedges its exposure through a mix of forward contracts and options and is reasonably covered in respect of its immediate trade flows. Overall the company benefitted from currency movements during the year.

OPPORTUNITIES

The world is moving towards natural beverages, driven by health and wellness. Increasingly consumers are conscious of issues with carbonated drinks and are switching to energy and health based options. Tata Global Beverages products and our vision speaks of 'good for you' natural beverages which clearly presents an opportunity among the health and wellness conscious consumers. Green tea, source water from Himalayas and, our Decaf coffees specifically addresses this consumer trend and we see growth potential in the said categories and products.

The company has benefitted from its alliance with PepsiCo and Starbucks and is exploring opportunities to further expand the relationships.

THREATS, RISKS AND CONCERNS

The company is exposed to category decline in black tea in some developed markets. It is also impacted by volatility in tea and coffee prices, retailer consolidation

and growth of modern trade. The company continues to invest in its brands and focus on new product development and innovation in addition to distribution and geographic expansion in order to meet these challenges.

The company is a relatively small player in the branded coffee segment and is focusing on product innovation and distribution expansion to build a bigger business.

In the water business, the company is in the early stages of building a portfolio of products. It has developed a number of products which are in different stages of consumer validation and launch. The business needs to scale up profitably with growth in volumes.

In the Coffee business, the industry is seeing consolidation which could lead to some consequent marginalisation of our presence in the market.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS - PERFORMANCE AND REWARD

During the year, the global calibration and reward processes were reviewed and improved.

CULTURE CHANGE AND EMPLOYEE ENGAGEMENT

We launched the global employee engagement called Y.O.U. survey covering 2,501 employees across Canada, Americas and Australia (CAA), Europe, Middle East and Africa (EMEA) and South Asia regions with 1,543 employees taking it through pen & paper and 958 employees through web. We had an overall participation of 98.16% with CAA having 100 % participation.

Gallup shared the global results of the survey in February 2014 and it was followed by the global leadership team meeting to deliberate on the results. As an outcome, the global leadership team agreed to take forward certain defined themes as global priorities for the year 2014-15.

TALENT AND CAPABILITY

Our focus on attracting and nurturing talent and developing capabilities remained sharp and focused. The Operations team in South Asia ran a customised program focusing on the best practices.

REGIONAL HIGHLIGHTS

The Regional HR teams continue to drive the business forward through the implementation of strategic HR process and practices. Regional HR continued to focus on various employee engagement and development initiatives through interventions like power hours, launch of quarterly well-being program, personal development workshops. Gallup Impact Planning 'Train the Trainer' workshop was concluded across the regions.

The total number of employees on the rolls of Tata Global Beverages Limited as of 31st March 2014 was 2,466. The Beverages group, which includes the Company's subsidiaries employs more than 11,000 people, including plantation workers.

INTERNAL CONTROLS AND GOVERNANCE

Your Company has adequate internal controls and robust systems in place to ensure that all its assets are well protected. The Audit Committee of your Company review such controls periodically. The

Internal audit function carries out a focused internal audit programme in consultation with the Audit Committee. The internal audit primarily focuses on the adequacy of appropriate systems and controls. The Tata Code of Conduct has prescribed guidelines outlining the key disclosure and governance requirements besides mandating the observance of applicable statutory requirements by the Company. Your Company and its senior management have affirmed adherence to the Code.

CAUTIONARY STATEMENT

Certain statements made in this report relating to the Company's objectives, projections, outlook, expectations, estimates, among others may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc., whether express or implied. Several factors could make a significant difference to the Company's operations. These include climatic conditions, economic conditions affecting demand and supply, government regulations and taxation, natural calamity, currency rate changes,

among others over which the Company does not have any direct control.

CONCLUSION

Your Company's primary focus will be to regain and grow volumes across markets. The Group will address each market depending on local conditions. We recognise that the global environment is extremely challenging and the Group's key focus areas would be to work towards achieving the business targets for the year through a mix of brand led growth, efficient cost management and successfully scaling up of the new businesses.

REPORT ON CORPORATE GOVERNANCE FOR FINANCIAL YEAR 2013/14

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

As a global organisation the corporate governance practices followed by your Company are compatible with international standards and best practices. As a responsible corporate

citizen, your Company had established systems to encourage and recognise employee participation and volunteering in environmental and social initiatives that contribute to organisational sustainability, systematic training, learning and personal growth, conservation of energy and other scarce resources, promoting safety and health of its employees and of the neighbouring community etc. These actions have become an integral part of your Company's operating plans and are not meant for building of image or publicity.

2. BOARD OF DIRECTORS

As on 31st March, 2014 the Company had 11 directors and the composition of the Board of Directors is given in the table below. The Chairman of the Board is a non-executive director and 72.73% of the Board comprises of non-executive directors. In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, at least 50% of the Board should comprise of non-executive independent directors. The non-executive independent directors constituted 54.55% of the Board as at 31st March 2014.

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

Composition of Board of Directors as at 31st March, 2014

Category	Number of Directors	%
Non-Independent Directors	2	18.18
Managing & Executive directors	3	27.27
Independent Directors	6	54.55
	11	100.00

During 2013/14, Mr. U M Rao, Mr. R K Krishna Kumar and Mr. F K Kavarana stepped down from the Board upon their completing 75 years of age in line with the policy adopted by the Board for retirement of directors.

Mr. S Santhanakrishnan and Mrs. Ireena Vittal joined the Board as Directors with effect from 28th May 2013 and 22nd October 2013 respectively.

Mr. L Krishnakumar was appointed as Director and Executive Director with effect from 1st April 2013.

Mr. J S Bilimoria ceased to be a Director of the Company consequent to his sad and untimely demise on 3rd May 2013.

Mr. Harish Bhat stepped down from the office of Managing Director of the Company on being inducted as a member of the Group Executive Council (GEC) effective close of business hours on 31st March 2014. He was appointed as Non-Executive Non-Independent Director with effect from 1st April 2014.

Details of attendance of Directors at Board Meetings and at the last year's Annual General Meeting with particulars of their other Directorships and Chairman/Membership of Board Committees (excluding Tata Global Beverages Limited) showing the position as at 31st March 2014 are given in the following table:

Name of Director	Position	Attendance at		Directorships and Chairman/ Membership of Board Committees in other Indian public companies		
		Board Meetings	Last AGM	Director	Committee Member	Committee Chairman
Mr. Cyrus Mistry	C, NED & NI	6	Yes	9	-	1
Mr. R K Krishna Kumar ⁺	VC, NED & NI	2	Yes	NA	NA	NA
Mr. U M Rao [*]	NED & I	1	NA	NA	NA	NA
Mrs. M Srinivasan	NED & I	4	Yes	6	1	-
Mr. A Singh	NED & I	2	No	10	-	-
Mr. J S Bilimoria ^{&}	NED & I	-	NA	NA	NA	NA
Mr. F K Kavarana [#]	NED & NI	6	Yes	NA	NA	NA
Mr. V Leeladhar	NED & I	6	Yes	3	2	-
Mrs. Ranjana Kumar	NED & I	6	Yes	3	-	1
Mr. Darius Pandole	NED & I	5	Yes	3	2	-
Mr. S Santhanakrishnan [@]	NED & NI	5	Yes	5	1	3
Mrs. Ireena Vittal ^{\$}	NED & I	1	NA	6	4	-
Mr. Harish Bhat [^]	MD	6	Yes	5	2	-
Mr. Ajoy Misra ^{**}	ED	6	Yes	4	2	-
Mr. L Krishnakumar	ED	6	Yes	-	-	-

+ Retired as Director with effect from 18th July 2013

*Retired as Director with effect from 2nd July 2013

& Ceased to be a Director with effect from 3rd May 2013, consequent to his demise

Retired as Director with effect from 26th March 2014

@ Appointed as Director with effect from 28th May 2013

\$ Appointed as Director with effect from 22nd October 2013

^ Stepped down as Managing Director with effect from the close of business hours on 31st March 2014 and appointed as Non-Executive Director with effect from 1st April 2014

** Appointed as Managing Director with effect from 1st April 2014

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

Note: Other Directorships do not include Directorships of private limited companies, foreign companies , Section 25 companies and Alternate Directorships.

REPORT ON CORPORATE GOVERNANCE (CONTINUED)

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

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

The company has received declarations on seven criteria of independence as prescribed in Clause 49.IA (iii) of the Listing Agreement from the Directors of the Company who have been classified as Independent Directors.

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

B. Non-Executive Directors' compensation and disclosures

The non-executive Directors, including Independent Directors, are paid Sitting fees for attending the meetings of the Board and Committees of the Board. The Company pays a fee of Rs. 20,000 per meeting per director for attending meetings of the Board, Audit and Executive Committees. For meetings of all other Committees of the Board, a Sitting fee of Rs. 10,000 per meeting per director is paid. Within the ceiling of 1% of net profits of the Company computed under the applicable provisions of the Companies Act, 1956, the Non-Executive Directors including Independent Directors are also paid a commission, the amount whereof is determined by the Board. The basis of determining the specific amount of commission payable to a Non-Executive Director is related to his attendance at meetings, role and responsibility as Chairman/Member of the Board/Committees and overall contribution as well as time spent on operational matters other than at the meetings. The shareholders of the Company had approved payment of commission to the non-executive directors at the Annual General Meeting held on 1st September 2009, which is valid up to the financial year ended 31st March 2014. Approval of shareholders for payment of commission to Non-Executive Directors for financial years commencing from 1st April 2014 is being sought at the ensuing AGM. No Stock option has been granted to the Non-Executive Directors.

C. Other provisions as to Board and Committees

During 2013/14, the Board met six times on 28th May 2013, 15th July 2013, 1st August 2013, 12th November 2013, 29th January 2014 and 26th March 2014. The maximum time gap between two board meetings was less than four months. As will be noted from the table given above no director is member of more than 10 Board Committees or Chairman of more than 5 Board Committees across all companies where he/she is a Director.

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

D. Code of Conduct

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

In respect of financial year 2013-14, all Board members and Senior Management personnel of the Company have affirmed compliance with the code as applicable to them.

3. AUDIT COMMITTEE

i. Brief description of the terms of reference

A qualified and independent Audit Committee has been set up by the Board in compliance with the requirements of Clause 49 of the Listing Agreement with Stock Exchanges read with Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee has been expanded to include the requirements of the Companies Act, 2013 and are inter alia as under:

- a. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
- b. Review with the management and statutory auditors of the annual financial statements before submission to the Board;

- c. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- d. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- e. Review of the financial reporting process and disclosure of financial information;
- f. Review of the adequacy of the internal audit function;
- g. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- h. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
- i. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013;
- j. Reviewing the Company's financial and risk management policies.

ii. Composition, names of members and Chairperson

As on 31st March 2014, all the members of the Audit Committee are Non-Executive Directors and four of them, including the Chairman are Independent Directors. All the members of the Audit Committee are financially literate as defined in Clause 49.II.(A).(ii) of the listing agreement.

Mr. J S Bilimoria was the Chairman of the Audit Committee upto 3rd May 2013 and ceased to be a director due to his death.

Mr. R K Krishna Kumar and Mr. U M Rao ceased to be members of the Committee consequent to their stepping down from the Board of the Company upon their completion of 75 years of age in line with the Company's retirement policy.

Mr. V Leeladhar was appointed as Chairman of the Audit Committee with effect from 4th May 2013. Mr. Leeladhar has expert knowledge in banking and financial matters. He was present at the last Annual General Meeting of the Company held on 15th July 2013.

Mr. Darius Pandole, Mr. S Santhanakrishnan and Mrs. Ireena Vittal were inducted as members of the Audit Committee during 2013/14.

The composition of the Committee as on 31st March, 2014 and particulars of attendance by the members are given in the table below:

Name	Category	No. of meetings during 2013-14	
		Held	Attended
Mr. J S Bilimoria (upto 3.5.2013)	Independent, Non-Executive	9	-
Mr. R K Krishna Kumar (upto 18.7.2013)	Non-Independent, Non-Executive	9	1
Mr. U M Rao (upto 2.7.2013)	Independent, Non-Executive	9	2
Mr. V Leeladhar	Independent, Non-Executive	9	9
Mrs. Ranjana Kumar	Independent, Non-Executive	9	7
Mr. Darius Pandole (w.e.f. 1.8.2013)	Independent, Non-Executive	9	5
Mr. S. Santhanakrishnan (w.e.f. 18.7.2013)	Non-Independent, Non-Executive	9	7
Mrs. Ireena Vittal (w.e.f 12.11.2013)	Independent, Non-Executive	9	2

Mr. Harish Bhat was appointed as a member of the Audit Committee with effect from 1st April 2014.

REPORT ON CORPORATE GOVERNANCE (CONTINUED)

iii. Meetings and attendance during the year

During 2013-14, nine Audit Committee meetings were held on 9th April 2013, 27th May 2013, 31st July 2013, 30th August 2013, 18th October 2013, 12th November 2013, 13th December 2013, 29th January 2014 and 27th March 2014. The Committee Meetings are attended by invitation by the Managing Director, Executive Directors, Vice President-Finance, Chief Internal Auditor, and the Statutory Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

4. REMUNERATION COMMITTEE**i. Brief description of terms of reference**

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

ii. Composition, name of members and Chairperson

As on 31st March 2014, the Remuneration/ESOS Compensation Committee consisted of five directors, all of whom are non-executive directors. Mrs. Ranjana Kumar, Independent Director is the Chairperson of the Committee.

The composition of the Committee as at 31st March, 2014 and particulars of attendance by the members are given in the table below:

Name	Category	No. of meetings during 2013-14	
		Held	Attended
Mrs. Ranjana Kumar, Chairperson	Independent, Non-Executive	3	3
Mr. R K Krishna Kumar (upto 18.7.2013)	Non-independent, Non-Executive	3	1
Mr. U M Rao (upto 2.7.2013)	Independent, Non-Executive	3	1
Mr. J S Bilimoria (upto 3.5.2013)	Independent, Non-Executive	3	-
Mr. V Leeladhar	Independent, Non-Executive	3	3
Mr. Cyrus P Mistry (w.e.f. 1.8.2013)	Non-independent, Non-Executive	3	2

iii. Meetings and attendance during the year

The Remuneration/ESOS Compensation Committee met thrice during 2013/14 on 27th May 2013, 29th January 2014 and 25th March 2014 and the particulars of attendance are mentioned in Note no. 4(ii) above.

In line with the requirements of Section 178 of the Companies Act, 2013, and the revised provisions of Clause 49 of the listing agreement (which will come into effect from 1st October 2014), the existing Nominations Committee and the Remuneration/ESOS Compensation Committee has been merged and reconstituted as the Nomination and Remuneration Committee with effect from 1st April 2014. The composition of the reconstituted Nomination and Remuneration Committee are:

Name	Category
Mrs. Ranjana Kumar, Chairperson	Independent, Non-Executive
Mr. Cyrus P Mistry	Non-Independent, Non-Executive
Mr. V Leeladhar	Independent, Non-Executive
Mr. Darius Pandole	Independent, Non-Executive
Mr. Harish Bhat	Non-Independent, Non-Executive

iv. Remuneration policy

The remuneration policy followed by the Company takes into consideration performance of the Company during the year and of the Managing and Whole-time Directors on certain parameters, such as condition of

the industry, achievement of budgeted targets, growth & diversification, remuneration in other companies of comparable size and complexity, performance of the directors at meetings of the Board and of the Board Committees etc.

v. Details of remuneration to all the Directors

	Mr. Harish Bhat Rs. in Lakhs	Mr. Ajoy Misra Rs. in Lakhs	Mr. L Krishnakumar Rs. in Lakhs
Salary	60.00	51.60	51.60
Allowances & Perquisites	84.26	64.29	70.45
Contribution to Retiral Funds	21.20	18.23	18.23
Incentive (relating to 2012-13)	150.00	46.61	41.01
Stock option	-	-	-
No. of Shares held	-	-	-
Service Contract	Appointed for 5 years from 1st July 2012. However he stepped down as MD with effect from the close of business hours on 31st March 2014.	5 years from 1st April 2014	5 years from 1st April 2013
Notice period	NA	6 Months	6 Months

In addition, both Mr. Ajoy Misra and Mr. L. Krishnakumar drew the following remuneration during 2013-14 from an overseas subsidiary of the Company, namely, Tata Global Beverages Group Limited:

	Mr. Ajoy Misra* Rs. in Lakhs	Mr. L Krishnakumar** Rs. in Lakhs
Bonus	68.39	73.99

* For the period 1st April 2012 to 31st October 2012

** For the period 1st April 2012 to 31st March 2013. However he was not a director of the company during the said period

- Notes:
1. The remuneration drawn in GBP has been converted into INR at average exchange rate.
 2. The drawal of remuneration by Mr. Misra from the overseas subsidiary was approved by the Shareholders at the Annual General Meeting held on 31st August 2012.

REPORT ON CORPORATE GOVERNANCE (CONTINUED)

Non-Executive Directors' Remuneration paid in 2013/14

	Commission Rs. in Lakhs (Relating to 2012-13)	Sitting Fees Rs. in Lakhs	No. of shares held as on 31.3.2014
Mr. Cyrus P Mistry	-	1.70	33,000
Mr. R N Tata (Ceased to be a director with effect from 28.12.2012)	60	NA	-
Mr. R K Krishna Kumar (Ceased to be a director with effect from 18th July 2013)	50	0.80	90,000
Mr. U M Rao (Ceased to be a director with effect from 2nd July 2013)	30	1.00	-
Mr. F K Kavarana (Ceased to be a director with effect from 26th March 2014)	10	1.90	-
Mr. A R Gandhi (Ceased to be a director with effect from 15th March 2013)	30	NA	-
Mrs. M Srinivasan	5	0.80	-
Mr. A Singh	5	0.40	-
Mr. J S Bilimoria (Deceased on 3.5.2013)	30	-	-
Mr. V Leeladhar	25	4.10	-
Mrs. Ranjana Kumar	20	3.20	-
Mr. Darius Pandole	5	2.00	-
Mr. S. Santhanakrishnan (Appointed on 28th May 2013)	NA	2.60	-
Mrs. Ireena Vittal (Appointed on 22nd October 2013)	NA	0.60	-

- Notes:**
- The resolutions appointing these directors do not provide for payment of severance fees.
 - The above excludes Rs. 25.21 lakhs being post-retirement pension benefit paid/payable to a former Managing Director.

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

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

As on 31st March 2014, the Shareholders'/Investors' Grievance Committee comprised of 2 members, with Mr. V. Leeladhar as the Chairman and Mr. S. Santhanakrishnan as the other member.

The Committee held three meetings during 2013-14 on 28th May 2013, 1st August 2013 and 28th January 2014.

The representatives of the Registrars are generally present at these meetings. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investor services as and when need arises.

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

Name	Category	No. of meetings during 2013-14	
		Held	Attended
Mr. F K Kavarana (upto 26.3.2014)	Non-Independent, Non-Executive	3	3
Mr. U M Rao (upto 2.7.2013)	Independent, Non-Executive	3	1
Mr. V Leeladhar	Independent, Non-Executive	3	3
Mr. S Santhanakrishnan (w.e.f. 1.8.2013)	Non-Independent, Non-Executive	3	2

ii. Name and designation of Compliance Officer

Mr. V Madan, Vice-President & Secretary, is the Compliance Officer.

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

Given below are the position of queries/complaints and other correspondences received and attended to during 2013-14 in respect of equity shares and fixed deposits:

	Equity Shares	Fixed Deposits
For non-receipt of dividend/interest, shares lodged for transfer, deposit receipt, repayment cheques	1,618	Nil
Other letters received from shareholders and depositors	1,219	Nil
Queries/complaints redressed	2,822	Nil
Pending queries/complaints as on 31/03/2014*	15	Nil

*Replied in April 2014

Every letter received from the investors is replied and the response time for shareholders' correspondences during 2013-14 is shown in the following table:

	Number	%
Total number of correspondences received during 2013-14	2,837	100.00
Replied within 1 to 4 days of receipt	2,095	73.85
Replied within 5 to 7 days of receipt	483	17.02
Replied within 8 to 15 days of receipt	239	8.42
Replied after 15 days of receipt*	5	0.18
Received in last week of March 2014 and replied in April 2014	15	0.53

* These correspondences pertain to non-receipt of dividend & issue of share certificates which were posted on SEBI website (SCORES).

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

Response Time



The shares of the Company are traded in dematerialised form. A table showing the requests received for dematerialisation/transfers during 2013/14 is given below:

	Transfers No. of requests	Transfers No. of Shares	Demats No. of requests	Demats No. of Shares
Lodged	368	5,09,150	742	16,41,611
Processed	207	3,04,685	520	11,58,101
Objections	161	2,04,465	222	4,83,510
Pending as on 31/03/2014	0	0	0	0

Note: 97.14% of the issued share capital of the Company is held in dematerialised form as on 31.03.2014.

REPORT ON CORPORATE GOVERNANCE (CONTINUED)

In line with the requirements of Section 178 of the Companies Act, 2013 and the revised provisions of Clause 49 of the listing agreement (which will come into effect from 1st October 2014), the existing Shareholders' / Investors' Grievance Committee has

been renamed as the Stakeholder Relationship Committee with effect from 1st April 2014. The composition of the reconstituted Stakeholder Relationship Committee is:

Name	Category
Mr. V Leeladhar, Chairman	Independent, Non-Executive
Mr. S Santhanakrishnan	Non-Independent, Non-Executive
Mr. L Krishnakumar	Non-Independent, Executive

6. OTHER BOARD COMMITTEES

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

Name of Committee (as at 31st March 2014)	Members (as at 31st March 2014)	Terms of reference
Executive Committee	Mr. Cyrus P Mistry, Chairman Mrs. Ireena Vittal Mr. Harish Bhat Mr. Ajoy Misra Mr. L Krishnakumar	Business and strategy review, long term financial projections and cash flows, capital/revenue budgets and capital expenditure programmes, acquisition/divestment and business restructuring proposals, senior management succession, planning and any other item that the Board may decide to delegate
Nomination Committee*	Mr. Cyrus P Mistry, Chairman Mr. V Leeladhar	To identify independent Directors to be inducted into the Board from time to time and take steps to refresh the composition of the Board from time to time.
Ethics and Compliance Committee	Mr. V Leeladhar, Chairman Mr. Harish Bhat Mr. Ajoy Misra	To look into the requirements under Insider Trading Regulations including the Group guidelines on Insider Trading and Tata Code of Conduct
Corporate Sustainability Reporting Committee	Mrs. Ranjana Kumar, Chairperson Mr. Harish Bhat Mr. Ajoy Misra Dr. S Parasuraman, Expert member (Not a Board member)	To monitor and provide guidance on Company's policies on environment management, social responsibilities, health & safety, product stewardship, community development, principles of managing branded operations, etc. The Committee will also provide guidance on welfare activities in and around Munnar

* Since merged with Remuneration Committee and reconstituted as Nomination and Remuneration Committee

During 2013-14 three meetings of the Nomination Committee, one meeting of the Ethics & Compliance Committee and one meeting of the CSR Committee were held. No meeting of the Executive Committee was held during 2013-14.

7. GENERAL BODY MEETINGS

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

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

Year	Location	Date	Time	No. of Special Resolutions approved at the AGM
2010- 2011	The Oberoi Grand, 15, Jawaharlal Nehru Road, Kolkata-700 013	30th August 2011	10.30 a.m.	1
2011- 2012	Same as above	31st August 2012	10.30 a.m.	1
2012- 2013	Same as above	15th July 2013	10.30 a.m.	Nil

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

There was no special resolution required to be approved by the shareholders through postal ballot.

iii. Person who conducted the postal ballot exercise

2013-14 - Not applicable

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

During May 2014, the majority of the public shareholders of the Company had through a postal ballot/ e-voting approved the Scheme of Amalgamation of Mount Everest Mineral Water Limited with the Company in terms of Clause 5.16 of Securities and Exchange Board of India (SEBI) Circular No. CIT/CFD/DIL/5/2013 dated 4th February, 2013 as replaced by SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21st May 2013 ("SEBI Circular"). Mr. P N Parikh, Practicing Company Secretary acted as the Scrutiniser for the conduct of the said postal ballot / e- voting. Other than this, there is presently no other proposal for passing any resolutions through postal ballot. (The said approval by means of postal ballot/e-voting was in addition to the shareholders approval obtained at the Court Convened meeting of the shareholders of the Company held on 4th June 2014).

v. Procedure for postal ballot

2013-14- Does not arise.

8. DISCLOSURES

i. Disclosures on materially significant related party transactions that may have potential conflict with the interest of Company at large

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

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

There was no such instance in the last three years.

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

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

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

The Company is compliant with mandatory requirements of Clause 49 of the Listing Agreement for 2013-14.

As far as the seven non-mandatory requirements are concerned, the Board has set up a Remuneration Committee and has also adopted a whistle-blower policy which enables the employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The policy provides direct access to the Chairman of the Audit Committee under certain circumstances. The policy has been communicated to the employees. Remaining non-mandatory requirements of Clause 49 are expected to be addressed in due course.

REPORT ON CORPORATE GOVERNANCE (CONTINUED)

9. MEANS OF COMMUNICATION**i. Quarterly results**

The quarterly results are published in the newspapers and displayed on the Company's website. The half -yearly results for the six months ended 30th September, 2013 was sent by post to the shareholders in November 2013.

ii. Newspapers wherein results normally published

The quarterly results are generally published in Business Standard and Pratidin (Bengali).

iii. Any website, where displayed

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

iv. Whether it also displays official news releases

Yes

v. The presentations made to institutional investors or to analysts

The Company made a presentation to financial analysts on 29th May 2013 after the results of the financial year 2012-13 were approved by the Board. Similar presentations were made to the analysts on 1st August 2013, 29th January 2014 and 13th November 2013 after the financial results for the quarters ended 30th June 2013, 31st December 2013 and six months ended 30th September 2013 respectively were approved by the Board. These presentations have been put up on the Company's website.

10. GENERAL SHAREHOLDER INFORMATION**i. AGM – Date, time and venue, financial calendar, date of book closure, dividend payment date**

Annual General Meeting:	Tuesday, 26th August, 2014 at 10.30 a.m. at The Oberoi Grand 15 Jawaharlal Nehru Road Kolkata – 700 013
Financial Calendar: (tentative)	Board Meetings for approval of:
	Annual Accounts 2013-14 - 28th May 2014
	Financial results for 1st Quarter 2014-15 - 28th July 2014
Financial results for 2nd	- Last week of Quarter 2014-15 October, 2014
	Financial results for 3rd Quarter 2014-15 - Last week of January, 2015
	Annual Accounts 2014-15 - Last week of May, 2015
Book Closure Period:	7th August 2014 to 14th August 2014 (both days inclusive)
Dividend payment date:	28th August 2014

ii. Listing on Stock Exchanges & Stock code

Listing on Stock Exchanges:

a. Equity Shares	<ul style="list-style-type: none"> i) The Calcutta Stock Exchange Ltd 7, Lyons Range, Kolkata – 700 001 ii) BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 iii) National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 															
b. Global Depository Shares	<ul style="list-style-type: none"> Luxembourg Stock Exchange London Stock Exchange 															
Stock Code	<table border="0"> <tr> <td>Calcutta Stock Exchange</td> <td>-</td> <td>27 (For Physical);</td> </tr> <tr> <td></td> <td>-</td> <td>10000027 (For Demat)</td> </tr> <tr> <td>BSE</td> <td>-</td> <td>500800</td> </tr> <tr> <td>National Stock Exchange</td> <td>-</td> <td>'TATAGLOBAL'</td> </tr> <tr> <td>Guwahati Stock Exchange</td> <td>-</td> <td>L-784</td> </tr> </table>	Calcutta Stock Exchange	-	27 (For Physical);		-	10000027 (For Demat)	BSE	-	500800	National Stock Exchange	-	'TATAGLOBAL'	Guwahati Stock Exchange	-	L-784
Calcutta Stock Exchange	-	27 (For Physical);														
	-	10000027 (For Demat)														
BSE	-	500800														
National Stock Exchange	-	'TATAGLOBAL'														
Guwahati Stock Exchange	-	L-784														
Demat ISIN Number	<table border="0"> <tr> <td>National Securities Depository Ltd.</td> <td>-</td> <td>INE 192A01025</td> </tr> <tr> <td>Central Depository Services Ltd.</td> <td>-</td> <td>INE 192A01025</td> </tr> </table>	National Securities Depository Ltd.	-	INE 192A01025	Central Depository Services Ltd.	-	INE 192A01025									
National Securities Depository Ltd.	-	INE 192A01025														
Central Depository Services Ltd.	-	INE 192A01025														
Listing Fees	Annual listing fees for 2013-14 has been paid to all the Stock Exchanges where the securities of the Company are listed															

The Equity Shares of the Company were delisted from Guwahati Stock Exchange Limited with effect from 10th September 2013 consequent to the said exchange opting for voluntary de-recognition of the exchange.

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

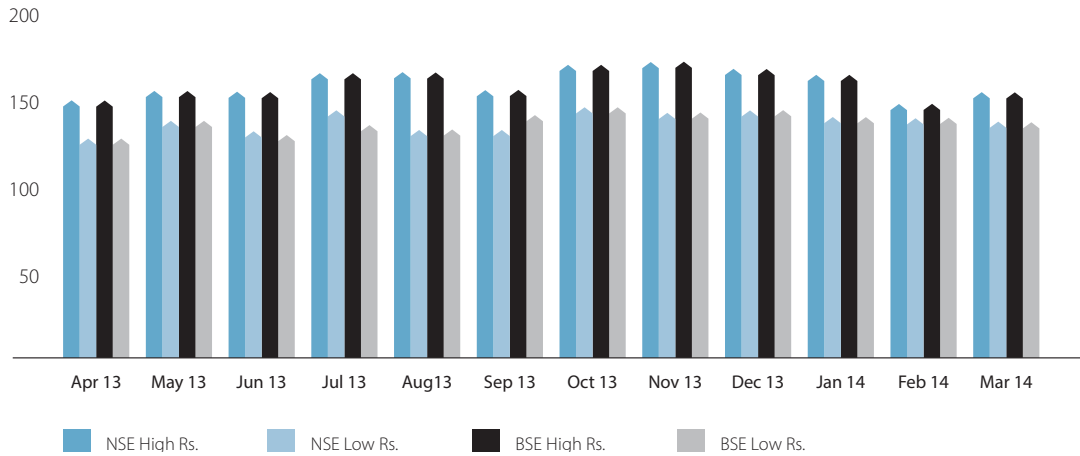
Month	NSE		BSE	
	High	Low	High	Low
	Rs.	Rs.	Rs.	Rs.
April 2013	148.00	126.00	147.90	126.00
May 2013	153.40	136.20	153.35	136.20
June 2013	152.95	130.20	152.75	128.05
July 2013	163.60	142.25	163.60	133.75
August 2013	164.20	130.95	164.00	131.25
September 2013	153.85	130.95	154.00	139.50
October 2013	168.40	144.00	168.40	144.00
November 2013	170.00	140.80	170.20	141.00
December 2013	166.10	142.20	166.00	142.35
January 2014	162.65	138.40	162.65	138.35
February 2014	145.90	137.70	146.00	137.95
March 2014	152.70	135.75	152.60	135.40

NSE: National Stock Exchange of India Ltd.; BSE: BSE Ltd.

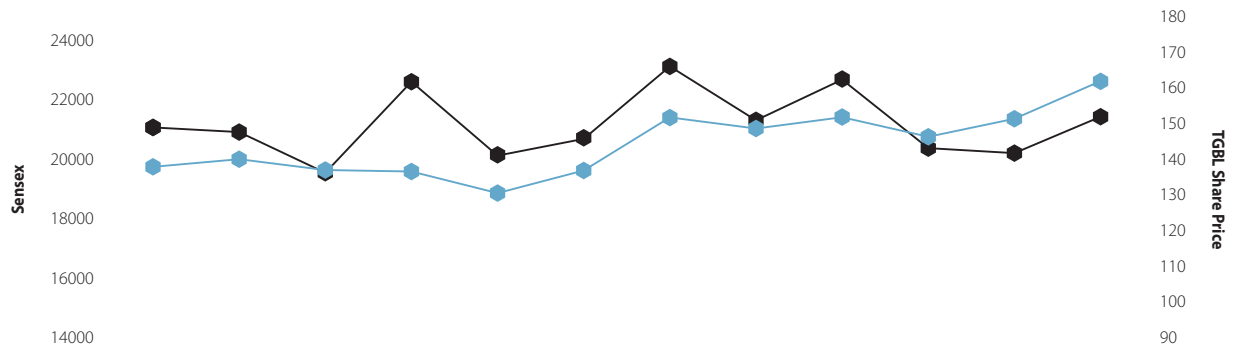
There was no trading of the Company's shares on the Calcutta Stock Exchange during the year 2013/14.

REPORT ON CORPORATE GOVERNANCE (CONTINUED)

The market share price data is graphically represented below.

Market Share Price**iv. Performance in comparison to broad-based indices**

	NSE	BSE
Company's share price		
- As at 1st April 2013	128.50	130.00
- As at 31st March 2014	150.05	149.95
- Change	16.77%	15.35%
	S & P CNX NIFTY	Sensex
Indices		
- As at 1st April 2013	5697.35	18890.81
- As at 31st March 2014	6704.20	22386.27
- Change	17.67%	18.50%

TGBL V/s Sensex

	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14
—●— Sensex	19504	19760	19396	19346	18620	19380	21165	20792	21171	20514	21120	22386
—●— TGBL	146.9	145.6	134.2	159.7	139.00	143.7	164.00	148.9	160.3	149.60	139.7	149.9

v. Registrar & Transfer Agent :**Registered office:**

TSR Darashaw Private Limited
 6-10 Haji Moosa Patrawala Ind. Estate
 20 Dr. E Moses Road, Mahalaxmi
 Mumbai – 400 011
 Telephone : 022-66568484
 Fax : 022-66568494
 Website : www.tsrdarashaw.com
 E-mail : csg-unit@tsrdarashaw.com

Branch Offices at :

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

Agent of the Registrar

Shah Consultancy Services Limited
 3, Sumathinath Complex,
 Pritam Nagar, Akhada Road, Ellisbridge,
 Ahmedabad – 380 006
 Telefax : 079-26576038
 E-mail: shahconsultancy8154@gmail.com

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

Shareholders' Relation Cell :

Mr. V Madan, Vice-President & Secretary
 Tata Global Beverages Ltd.
 "Kirkoskar Business Park"
 4th Floor, Block "C",
 New Air Port Road, Hebbal,
 Bangalore - 560 024
 Tel: 080-67171200
 Fax: 080-67171201
 Website: www.tataglobalbeverages.com
 E-mail : investor.relations@tataglobalbeverages.com

Mr. Gautam Mukherjee
 Tata Global Beverages Ltd.
 1, Bishop Lefroy Road,
 Kolkata – 700 020
 Tel: 033-22836917
 Fax: 033-22833032

REPORT ON CORPORATE GOVERNANCE (CONTINUED)

vi. Share Transfer System

Shares in physical form for transfer, should be lodged with the office of the Company's Registrar & Share Transfer Agent, TSR Darashaw Private Limited, Mumbai or at their branch offices at the addresses given above

or at the registered office of the Company. The transfers are processed if technically found to be in order and complete in all respects. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialised form.

vii. Distribution of Shareholding**Distribution of Shareholding as at 31st March, 2014**

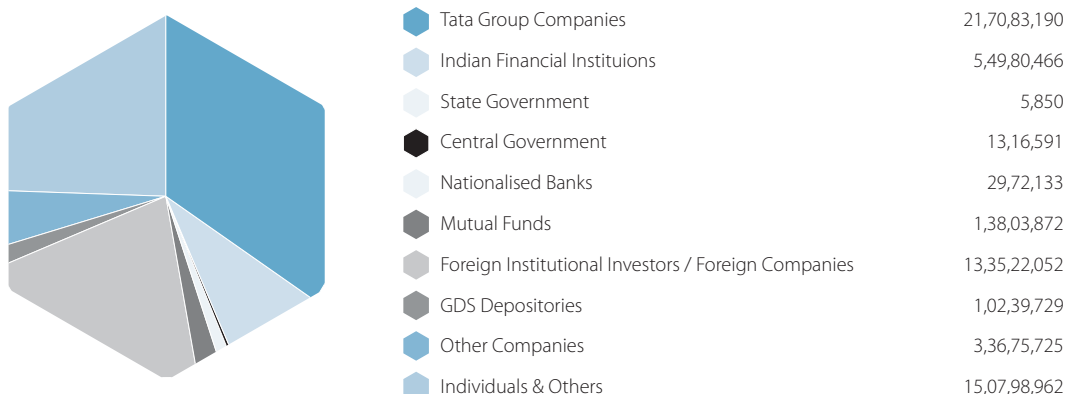
No. of Shares	Holding	Amount (Rs.)	% to Capital	No. of Holders	% to Total Holders
1 to 500	2,02,53,950	2,02,53,950	3.28	1,40,374	77.20
501 to 1000	1,33,63,814	1,33,63,814	2.16	16,233	8.93
1001 to 2000	1,54,94,105	1,54,94,105	2.51	10,189	5.60
2001 to 3000	1,13,47,093	1,13,47,093	1.83	4,476	2.46
3001 to 4000	85,02,680	85,02,680	1.37	2,404	1.32
4001 to 5000	88,42,424	88,42,424	1.43	1,897	1.04
5001 to 10000	2,44,80,911	2,44,80,911	3.96	3,423	1.88
Greater than 10000	51,61,13,593	51,61,13,593	83.46	2,849	1.57
Total	61,83,98,570	61,83,98,570	100.00	1,81,845	100.00

Categories of Shareholders as at 31st March, 2014

Sl. No.	Particulars	No. of Accounts	Holdings/Shares held	% to Capital
1	Tata Group Companies	9	21,70,83,190	35.10
2	Indian Financial Institutions	27	5,49,80,466	8.89
3	State Government	1	5,850	0.00
4	Central Government	4	13,16,591	0.21
5	Nationalised Banks	25	29,72,133	0.48
6	Mutual Funds	81	1,38,03,872	2.23
7	Foreign Institutional Investors / Foreign Companies	194	13,35,22,052	21.59
8	GDS Depositories	1	1,02,39,729	1.66
9	Other Companies	2,824	3,36,75,725	5.45
10	Individuals & Others	1,78,679	15,07,98,962	24.39
Total		1,81,845	61,83,98,570	100.00

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

Category of shareholders



viii. Dematerialisation of Shares and liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialisation. For dematerialising the shares the shareholders should open a demat account with a Depository Participant (DP). The shareholder is required to fill in a Demat Request Form and submit the same along with the original share certificates to his DP. The DP will allocate a demat request number and shall forward the request physically and electronically through NSDL/CDSL to Registrar & Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialised and an electronic credit of the shares is given in the account of the shareholder.

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

As on 31st March, 2014, the outstanding Global Depository Shares were 1,02,39,729. The GDSs are convertible into fully paid equity shares on 1:1 basis. The underlying shares against the outstanding GDSs have been allotted in the name of the Depository. There is no ADR or convertible instrument outstanding as on 31st March, 2014.

x. Plant locations

- Survey No. 14/4, A2 & 14/5, NH 4, Bangalore Tumkur Road, Malonagathi Hally, T. Begur Post, Nelamangla Taluk, Bangalore Rural District, Karnataka - 562123;

- Periakanal Estate, PO Munnar, Dist. Idukki, Kerala - 685612;
- Pullivasal Estate & Packeting centre - PO Munnar, Dist. Idukki, Kerala - 685612;
- Instant Tea Operations, Post Box no. 3, Idukki district, Munnar, Kerala - 685612 (including Nullatani factory) and
- Tetley (Tea Bag) Division: 73/74 KPK Menon Road; Willingdon Island, Kochi, Kerala – 682 003 and an extension unit at 40, Milne Road, Willingdon Island, Kochi, Kerala - 682003

xi. Address for correspondence

Given against 10.v above

11. THE INVESTORS EDUCATION AND PROTECTION FUND

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

REPORT ON CORPORATE GOVERNANCE (CONTINUED)

Financial year ended	Date of payment of dividend	Unpaid dividend to be claimed by	Transfer to IEP Fund in
31st March 2007	13.08.2007	August 2014	September 2014
31st March 2008	25.08.2008	August 2015	September 2015
31st March 2009	04.09.2009	September 2016	October 2016
31st March 2010	27.08.2010	August 2017	September 2017
31st March 2011	02.09.2011	September 2018	October 2018
31st March 2012	03.09.2012	September 2019	October 2019
31st March 2013	18.07.2013	July 2020	August 2020

Following are the details of unpaid dividend which will be due for transfer to IEPF upto 31st March 2015:

Nature of payment	Date of payment	Unpaid dividend to be claimed by	Transfer to IEP Fund in
Dividend	13.08.2007	August 2014	September 2014

While the Registrar of the Company has already written to the shareholders and depositors informing them about the due dates of transfer to IEPF for these payments, attention of the stakeholders is again drawn to this matter through the Annual Report. It may please be noted that once the unpaid amounts are transferred to IEPF no claims shall lie against the Company or the IEPF in respect of any amounts transferred prior to 31st March 2014 and which were unclaimed or unpaid.

12. CERTIFICATE ON CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement, a certificate from Dr. Asim Kumar Chattopadhyay, Practising Company Secretary on compliance with the corporate governance norms is attached.

13. INSIDER TRADING REGULATIONS

After the Securities and Exchange Board of India had amended the Insider Trading Regulations in November 2009, the Tata Group has suitably revised the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure practices which your Company has adopted. This code of conduct is applicable to all Directors and such identified employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company. Mr. K. Venkataramanan, Vice-President – Finance of the Company, is the compliance officer for the purpose of these regulations.

14. TOP TEN SHAREHOLDERS

As at 31st March 2014 the top ten shareholders of the Company were as follows:-

Sl. No	Name of the Shareholder	No. of shares	%
1	Tata Sons Limited	14,28,54,570	23.10
2	Tata Chemicals Limited	4,31,75,140	6.98
3	Life Insurance Corporation of India	3,46,76,286	5.61
4	Tata Investment Corporation Limited	2,69,00,000	4.35
5	Skagen Kon-Tiki Verdipapirfond	1,23,04,260	1.99
6	Platinum Investment Management Limited A/C Platinum International Brands Fund	1,08,43,060	1.75
7	Deutsche Bank Trust Company Americas	1,02,39,729	1.66
8	HDFC Standard Life Insurance Company Limited	86,00,462	1.39
9	Government Pension Fund Global	74,96,507	1.21
10	National Insurance Company Limited	62,55,780	1.01

15. DECLARATION BY THE CEO ON CODE OF CONDUCT AS REQUIRED BY CLAUSE 49.I.(D)(II)

This is to declare that the Company has received affirmations of compliance with the applicable Code of Conduct from the Directors and Senior Management personnel of the Company in respect of the financial year 2013-14.

For Tata Global Beverages Limited



(Ajoy Misra)

Managing Director

16th July 2014

REPORT ON CORPORATE GOVERNANCE (CONTINUED)

**PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE UNDER
CLAUSE 49 OF THE LISTING AGREEMENT(S)****To the Members of Tata Global Beverages Limited**

I have examined the compliance of the conditions of Corporate Governance by Tata Global Beverages Limited ('the Company') for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

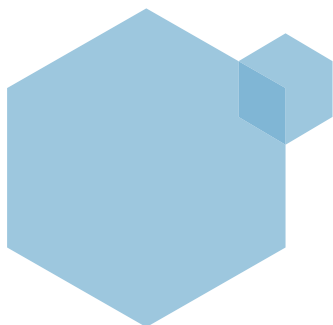
I state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Dr. Asim Kumar Chattopadhyay

FCS No. 2303

CP No. 880

16th July 2014



INDEPENDENT AUDITORS' REPORT

To the Members of Tata Global Beverages Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Tata Global Beverages Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act") and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in sub-section (3C) of Section 211 of the Act. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about

whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors as on March 31 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Lovelock & Lewes

Firm Registration Number: 301056E
Chartered Accountants

Dibyendu Majumder

Partner
Membership Number: 057687

Place: Mumbai
Date: May 28, 2014

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Tata Global Beverages Limited on the financial statements as of and for the year ended March 31 2014

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory excluding stocks with third parties has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has neither granted or taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clauses (iii)(b), (iii) (c), (iii)(d), (iii)(f) and (iii)(g) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the 'Companies (Acceptance of Deposits) Rules, 1975' with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state

insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us,

there are no dues of wealth-tax, customs duty and excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax, service-tax and sales tax as at March 31 2014 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of the dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	217.79	2004-05, 2007-08 and 2008-09	Commissioner of Income Tax (Appeals), Kochi
	Income tax	172.53	2007-08 and 2009-10	Commissioner of Income Tax (Appeals), Kolkata
	Income tax	14.90	2008-09	The Deputy Commissioner of Income Tax, Circle - 4, Kolkata
Kerala General Sales Tax Act, 1963	Sales Tax	12.00	1998-99	Sales Tax Appellate Tribunal, Ernakulam
	Sales Tax	43.74	1996-97 to 2000-01 and 2002-03	Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam
	Sales Tax	2.76	1994-95 to 1996-97	The Assistant Commissioner (Assessment), Special Circle, Produce, Sales Tax Office, Mattancherry
West Bengal Sales Tax Act, 1994	Sales Tax	1.76	1998-99 and 2000-01	The West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
West Bengal Value Added Tax Act, 2003	Value Added Tax	135.80	2007-08 and 2008-09	The West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Central Sales Tax Act, 1956	Sales Tax	12.14	1998-99	Sales Tax Appellate Tribunal, Ernakulam
	Sales Tax	14.99	1999-00, 2000-01 and 2002-03	Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam
	Sales Tax	266.45	2006-07	Joint Commissioner of Sales Tax, Maharashtra
Karnataka Sales Tax Act, 1957	Sales Tax	128.00	1997-98	The Supreme Court of India
Tamilnadu General Sales Tax Act, 1959	Sales Tax	56.88	2001-02 to 2006-07	Deputy Commissioner of Commercial Taxes, Tamil Nadu
Maharashtra Value Added Tax Act, 2002	Value Added Tax	15.76	2006-07	Joint Commissioner of Sales Tax, Maharashtra
Madhya Pradesh Entry Tax Act, 1976	Entry tax	417.91	2003-04 to 2009-10	The Madhya Pradesh High Court
Assam Entry Tax Act, 2008	Entry Tax	93.45	2008-09	The Guwahati High Court
Goa Value Added Tax Act, 2005	Value Added Tax	1.01	2006-07	Commissioner of Commercial Taxes, Goa
Finance Act, 1994	Service Tax	145.51	2005-06	Custom Excise & Service Tax Appellate Tribunal

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4 (xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4 (xviii) of the Order are not applicable to the Company.
- xix. The Company has created security/charge in respect of debentures issued and outstanding at the year-end.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Lovelock & Lewes

Firm Registration Number: 301056E

Chartered Accountants

Dibyendu Majumder

Partner

Membership Number: 057687

Place: Mumbai

Date: May 28, 2014

BALANCE SHEET

as at 31st March 2014

Rs. in Lakhs

	Note	2014		2013	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	6183.99		6183.99	
Reserves and Surplus	4	251141.24	257325.23	225645.23	231829.22
Non-Current Liabilities					
Long-Term Borrowings	5	32500.00		-	
Other Long-Term Liabilities	6	7254.16		-	
Long-Term Provisions	7	8881.61	48635.77	7996.75	7996.75
Current Liabilities					
Short-Term Borrowings	8	13150.85		18356.89	
Trade Payables	9	14928.68		13557.25	
Other Current Liabilities	10	15451.98		52757.05	
Short-Term Provisions	11	19912.04	63443.55	19523.89	104195.08
Total			369404.55	344021.05	
ASSETS					
Non-Current Assets					
Fixed assets	12				
Tangible Assets		13089.10		12543.36	
Intangible Assets		2200.48		2124.69	
Capital work-in-progress		905.56		376.75	
		16195.14		15044.80	
Non-Current Investments	13	240566.42		222514.28	
Deferred Tax Assets (net)	14	4955.09		2320.02	
Long-Term Loans and Advances	15	4680.64		4207.86	
Other Non-Current Assets	16	7050.00	273447.29	-	244086.96
Current Assets					
Inventories	17	63591.63		65155.94	
Trade Receivables	18	11487.19		10911.38	
Cash and Bank Balances	19	788.34		5052.11	
Short-term Loans and Advances	20	18992.07		18170.38	
Other Current Assets	21	1098.03	95957.26	644.28	99934.09
Total			369404.55	344021.05	
Summary of Significant Accounting Policies	2				

The Notes are an integral part of the Financial Statements.

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

For **Lovelock & Lewes**
Firm Registration No. 301056E
Chartered Accountants

Cyrus P Mistry
Chairman

Ajoy Misra
Managing Director

L Krishnakumar
Executive Director

Dibyendu Majumder
Partner
Membership No. 057687

V Leeladhar
Harish Bhat
Directors

K Venkataramanan
Chief Financial Officer

V Madan
Vice-President and
Secretary

Mumbai, 28th May 2014

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2014

Rs. in Lakhs

	Note	2014	2013
INCOME			
Revenue from Operations (Gross)	22	268336.24	232627.13
Less: Excise duty		(40.73)	(17.63)
Revenue from Operations (Net)		268295.51	232609.50
Other Income	23	18488.49	11297.60
Total Revenue		286784.00	243907.10
EXPENSES			
Cost of Materials Consumed	24	173011.17	154528.55
Purchases of Stock-in-Trade		343.84	112.71
Change in Inventories of Finished Goods and Stock-in-trade	25	(510.25)	(3853.86)
Employee Benefits Expense	26	13157.12	12005.66
Finance Costs	27	3919.69	3201.14
Depreciation and Amortisation Expense		1635.28	1639.38
Other Expenses	28	53898.83	45965.39
Total Expenses		245455.68	213598.97
Profit before Exceptional Items and Tax		41328.32	30308.13
Exceptional Items (Net)	29	17220.68	1787.22
Profit before Tax		58549.00	32095.35
Tax Expense			
Current Tax		14005.00	6779.00
(Net of reversal of earlier years Rs. 1197 Lakhs (Rs 921 Lakhs))			
Deferred Tax		(153.00)	(549.00)
		13852.00	6230.00
Profit for the year		44697.00	25865.35
Earnings per Equity Share (Face Value per share Re 1)			
Basic and Diluted		7.23	4.18
Number of shares in computing Earnings per share			
Basic and Diluted		618398570	618398570
Summary of Significant Accounting Policies	2		
The Notes are an integral part of the Financial Statements.			
This is the Statement of Profit and Loss referred to in our Report of even date.			

For **Lovelock & Lewes**
Firm Registration No. 301056E
Chartered Accountants

Cyrus P Mistry
Chairman

Ajoy Misra
Managing Director

L Krishnakumar
Executive Director

Dibyendu Majumder
Partner
Membership No. 057687

V Leeladhar
Harish Bhat
Directors

K Venkataramanan
Chief Financial Officer

V Madan
Vice-President and
Secretary

Mumbai, 28th May 2014

CASH FLOW STATEMENT

for the year ended 31st March 2014

Rs in Lakhs

	2014	2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	58549.00	32095.35
Adjusted for :		
Depreciation and Amortisation	1635.28	1639.38
Dividend Income	(16341.68)	(9050.08)
Unrealised Exchange Loss / (Gain)	281.00	(2.05)
Finance Cost	3919.69	3201.14
Interest Income	(2105.95)	(2211.88)
Profit on sale of Current Investments (net)	-	(0.97)
Provision for Doubtful Debts and Advances	-	0.89
Liabilities no longer required written back	(1002.06)	(1212.25)
Debts and Advances written off	54.51	-
Provision for Doubtful Debts/Advances written back	(64.71)	(12.79)
(Profit)/ Loss on sale/ discard of Fixed Assets (net)	(19265.10)	95.18
Exceptional Expenses	1671.39	1468.43
Provision on Investment	2000.00	-
Profit on Sale of Long Term Trade Investments	(3552.90)	(5326.06)
	(32770.53)	(11411.06)
Operating Profit before working capital changes	25778.47	20684.29
Adjustments for:		
Trade Receivables	(617.81)	(1848.51)
Other Receivables	(2189.05)	(799.44)
Inventories	1564.31	(19809.13)
Trade Payables	3656.86	3474.43
	2414.31	(18982.65)
Cash generated from Operations	28192.78	1701.64
Direct Taxes paid (net)	(13425.68)	(7922.16)
	(13425.68)	(7922.16)
Net Cash from / (used in) Operating Activities	14767.10	(6220.52)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3082.49)	(2519.05)
Sale of Fixed Assets	4466.97	17.21
Purchase of Long-Term Investments	-	(11.94)
Sale/Redemption of Long-Term Investments	3914.11	6827.27
Investment in Associates	(4313.34)	(983.19)
Investment in Joint Ventures	(8250.00)	(1747.50)
Investments in a Subsidiary	-	(3351.76)
Redemption of Investments in Subsidiaries	-	2209.03
Placement/Redemption of Current Investments (net)	-	500.00
Dividend Income	16341.68	9051.05
Interest Income received	1887.20	2227.42
Redemption of Fixed deposit placed with banks having maturity over 1 year	3000.00	-
Inter Corporate loan to Subsidiary	(3733.20)	-
Inter Corporate Deposits & Loans Placed	(11000.00)	(4000.00)
Inter Corporate Deposits & Loans Redeemed	15500.00	2500.00
Net Cash from/(used in) Investing Activities	14730.93	10718.54

CASH FLOW STATEMENT

for the year ended 31st March, 2014

Rs in Lakhs

	2014	2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of 3% Non-Convertible, privately placed, Debentures	32500.00	-
Redemption of 3% Non-Convertible, privately placed, Debentures	(32500.00)	-
Redemption Premium on 3% Non-Convertible, privately placed, Debentures	(6345.53)	-
Working Capital Facilities (net)	(5206.04)	14174.69
Dividend paid	(13295.57)	(13295.57)
Dividend Tax paid	(2031.51)	(1965.29)
Finance Cost	(3926.39)	(3156.55)
Net Cash from/(used in) Financing Activities	(30805.04)	(4242.72)
Net increase/(decrease) in Cash and Cash Equivalents	(1307.01)	255.30
D. CASH AND CASH EQUIVALENTS BALANCES		
Opening Balance	1536.11	1280.79
Exchange Gain/(Loss) on translation of foreign currency cash/cash equivalents	-	0.02
Balances at the end of the year	229.10	1536.11
Cash and Cash Equivalents comprises of:		
Cash and Cheques in hand	1.65	96.05
Bank Balances in Current Account	227.45	1440.06
Balances at the end of the year	229.10	1536.11

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on 'Cash Flow Statements (AS-3)' issued by Companies (Accounting Standards) Rules, 2006.
- Previous year's figures have been rearranged/regrouped wherever necessary.

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

For **Lovelock & Lewes**
Firm Registration No. 301056E
Chartered Accountants

Cyrus P Mistry
Chairman

Ajoy Misra
Managing Director

L Krishnakumar
Executive Director

Dibyendu Majumder
Partner
Membership No. 057687

V Leeladhar
Harish Bhat
Directors

K Venkataramanan
Chief Financial Officer

V Madan
Vice-President and
Secretary

Mumbai, 28th May 2014

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

1. General Information:

Tata Global Beverages Limited ("the holding company") and its subsidiaries, joint ventures and associates (together, "the Group") is a global beverages company engaged in the trading, production and distribution of Tea, Coffee and Water. The group has branded beverage business operations mainly in India, Europe, US, Canada and Australia, plantation business in India/Sri Lanka and extraction business mainly in India, US and China.

2. Significant Accounting Policies:

(a) Accounting Convention

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

The presentation of the accounts is based on the revised Schedule VI of the Companies Act 1956. All assets and liabilities are classified into current and non-current generally based on criteria of realisation/settlement within a twelve month period from the balance sheet date.

(b) Fixed Assets and Depreciation

i) Tangible:

Tangible Assets are carried at cost of acquisition less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. The cost of extension planting of cultivable land including cost of development is capitalised.

Assets acquired on hire purchase, for which ownership will vest at a future date, are capitalised at cash cost.

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

Depreciation is provided on tangible assets including asset created on lands under lease on a monthly straightline basis over the estimated useful life of the asset or at the rate prescribed in Schedule XIV to the Companies Act, 1956.

Renewal of land leases is assumed, consistent with past practice.

Estimated useful lives of Assets are as follows:

Desktop and Computers	4 years
Printers	4 years
Servers	4 years
Leashold improvements	Over the life of lease

ii) Intangible:

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment loss, if any.

Expenditure on software and related implementation costs are capitalised where it is expected to provide enduring economic benefits and are amortised on a monthly basis over a period of five years.

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

Product development Cost incurred on new products having enduring benefits is recognised as Intangible Assets and are amortised on a monthly basis over a period of 10 years.

(c) Impairment

At each balance sheet date, the management assess whether there is any indication that the assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

assessments of time value of money and the risks specific to the asset. Cash flows used to determine value in use are derived from the annual budgets and strategic plans of the cash generating units. For certain cash generating units, variable growth has been considered even beyond five years, given the maturity of the business and scope for geographical expansion.

Reversal of impairment loss is recognised as income in the statement of profit and loss.

(d) Leases

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially assumed all risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease period at lower of fair value or present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases. Lease rental under operating leases are recognised in the statement of profit and loss on a straight-line basis over the period of lease.

(e) Borrowing Costs

Borrowing cost includes interest, ancillary costs incurred in connection with the arrangement of borrowings and exchange difference arising from foreign currency borrowings to the extent they are regarded as adjustment to the interest cost.

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

(f) Investments

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

(g) Inventories

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

(h) Foreign Currency Transactions

Transactions in foreign currencies are recorded at average fortnightly spot rates. The exchange difference resulting from settled transactions is recognised in the statement of profit and loss. Year end balances of monetary items are restated at the year end exchange rates and the resultant net gain or loss is recognised in the statement of profit and loss.

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

(i) Revenue Recognition

- (i) Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per terms of contract.
- (ii) Income and fees from services are accounted as per terms of relevant contractual agreements/arrangements.
- (iii) Export incentives are accounted on accrual basis.

(j) Other Income

Interest income and income from investments are accounted on accrual basis.

Dividend income is recognised when the right to receive dividend is established.

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

(k) Replanting/Rejuvenation

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

(l) Compensation of Land

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

(m) Employee Benefits

i) Post retirement employee benefits:

Post retirement benefits like Provident Fund which are in the nature of defined benefit plans and also Defined Contribution Superannuation schemes, in the nature of defined contribution plans, are maintained by the Company and for certain categories contributions are made to State Plans. In respect of PF contribution made to a Self Administered Trust, the Company is liable for annual contributions and any shortfall in the fund assets based on the Government specified minimum rates of return, such contribution and shortfall, if any is recognised as an expense in the year incurred.

Post retirement defined benefits including gratuity, superannuation and medical benefits for qualifying executives/wholtime directors as provided by the Company are determined through independent actuarial valuation at year end and charge recognised in the statement of profit and loss. For schemes, where recognised funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Actuarial gains and losses are recognised in the statement of profit and loss.

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

ii) Other Employee Benefits:

Other employee benefits are accounted for on

accrual basis. Liabilities for compensated absences are determined based on independent actuarial valuation at year end and charge is recognised in the statement of profit and loss. Short-term Employee Benefits are recognised on an undiscounted basis whereas Long-term Employee Benefits are recognised on a discounted basis.

iii) Other Employee Termination Benefits:

Payments to employees on termination along with additional liabilities towards retirement benefits arising pursuant to the termination are charged to the statement of profit and loss in the year in which it is incurred.

(n) Research and Development

Research and Development expenditure of revenue nature is charged to revenue and capital expenditure is included under fixed assets.

(o) Taxes on Income

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets.

Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(p) Financial Instruments

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

Hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. Gain or loss on account of change in the fair value of hedging instruments in respect of effective portion of cash flow hedges are recognised in the hedging reserve account.

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Financial Statement for the year ended 31st March 2014

On occurrence of the underlying transactions the accumulated balance is transferred from hedging reserve and recognised in the statement of profit and loss. The portion of the gain or loss on the hedging instruments if determined to be an ineffective cash flow hedge is recognised in the statement of profit and loss. Fair value hedges are marked to market on balance sheet date and gain or loss recognised in the statement of profit and loss.

(q) Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of cash flow statement comprise of cash at bank and in hand and short term investments/bank deposits with an original maturity of three months or less.

(r) Provisions

Provisions are recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the

obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date and are not discounted to its present value. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(s) Contingent Liabilities

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Rs. in Lakhs

	2014	2013
3. SHARE CAPITAL		
Authorised		
75,00,00,000 Equity Shares of Re 1 each	7500.00	7500.00
Issued, Subscribed and Paid-Up		
61,83,98,570 Equity Shares of Re 1 each, fully paid-up	6183.99	6183.99
	6183.99	6183.99

a) The details of Shareholders holding more than 5% shares as at 31st March 2014 is set out as below :

Name of Share holder	2014	2013
	No of shares % of holding	No of shares % of holding
Tata Sons Limited	142854570 23.10%	142854570 23.10%
Life Insurance Corporation Limited	34676286 5.61%	42348874 6.85%
Tata Chemicals Limited	43175140 6.98%	43175140 6.98%

b) The reconciliation of the number of shares as at 31st March 2014 is set out below :

Particulars	2014	2013
Number of shares as at the beginning of the year	618398570	618398570
Add: Shares issued during the year	-	-
Number of shares as at the end of the year	618398570	618398570

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

	Rs in Lakhs	
	2014	2013
4. RESERVES AND SURPLUS		
Capital Reserve	8.67	8.67
Securities Premium Account	60112.96	60112.96
Less: Deduction during the year *	4819.81	-
	55293.15	60112.96
Debenture Redemption Reserve	8125.00	8125.00
Add: Transferred from Surplus in Statement of Profit and Loss	8125.00	-
Less: Transferred to Surplus in Statement of Profit and Loss	8125.00	-
	8125.00	8125.00
Revaluation Reserve	2186.16	2186.16
Contingency Reserve	100.00	100.00
Hedging Reserve	21.95	(294.76)
Add: Movement during the year (net)	327.62	316.71
	349.57	21.95
General Reserve	98574.40	95987.86
Add: Transferred from Surplus in Statement of Profit and Loss	4469.70	2586.54
	103044.10	98574.40
Surplus in Statement of Profit and Loss		
Balance in the beginning of the year	56516.09	48600.85
Add: Profit for the year	44697.00	25865.35
Add: Transferred from Debenture Redemption Reserve	8125.00	-
Amount available for appropriation	109338.09	74466.20
Appropriations		
Proposed Dividend	13913.97	13295.57
Provision for Dividend Distribution Tax **	794.83	2068.00
Transferred to Debenture Redemption Reserve	8125.00	-
Transferred to General Reserve	4469.70	2586.54
Balance at the close of the year	82034.59	56516.09
Total	251141.24	225645.23

* Utilised for Premium payable on redemption of 3% Non Convertible Privately Placed Debentures Rs. 4788.47 lakhs and issue expenses Rs. 31.34 Lakhs relating to said debenture (net of tax).

**For the purpose of computation of dividend distribution tax (DDT) on the proposed dividend, the Company has reduced DDT on the dividend received from its Indian subsidiaries and foreign subsidiaries on which tax has been paid under section 115-O and section 115-BBD of the Income Tax Act, 1961. Accordingly Provision for Dividend distribution tax (DDT) for the current year is net of DDT credit of Rs 1569.84 Lakhs (Rs 191.58 Lakhs) relating to current/earlier years.



NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

Rs. in Lakhs

	2014	2013
5. LONG TERM BORROWINGS		
Secured Loans		
3250, 3 % Non-Convertible, privately placed, Debentures of Rs 10 lakhs each. Redeemable at premium of Rs. 223205 per debenture on 22.10.2016, at the end of 3 years from the date of allotment 22.10.2013. Secured by way of a first mortgage on certain immovable assets of the Company and partly by pledge of shares of certain companies held as investments.	32500.00	-
Nil (3250), 3 % Non-Convertible, privately placed, Debentures of Rs 10 Lakhs each.		32,500.00
Less: Maturing within next 12 months	-	32,500.00
Redeemed at premium of Rs.195247 per debenture on 4.11.2013, at the end of 3 years from the date of allotment 4.11.2010.		
Series 1 - 3000 Debentures aggregating to Rs. 30000 Lakhs were secured by way of a first mortgage on certain immovable properties of the company and first ranking exclusive charge on Long-Term Bank Deposit of Rs.3000 Lakhs.		
Series 2 - 250 Debentures aggregating to Rs.2500 Lakhs were secured by way of a first mortgage on certain immovable properties of the company and pledge of shares of certain companies held as investments.		
	32500.00	-
6. OTHER LONG-TERM LIABILITIES		
Premium Payable on Redemption of Debentures	7254.16	-
	7254.16	-
7. LONG-TERM PROVISIONS		
Employee Benefits	8881.61	7996.75
	8881.61	7996.75

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

Rs. in Lakhs

	2014	2013
8. SHORT-TERM BORROWINGS		
Secured Loans		
From Banks		
Working Capital Facilities*	4388.85	10856.89
Secured by way of hypothecation of raw materials, finished products, stores and spares, and book debts on pari passu basis		
*Security creation for Rs. 2000 lakhs is under process		
Unsecured Loans		
From Banks	8762.00	7500.00
	13150.85	18356.89
9. TRADE PAYABLES		
Trade Payables*	14752.38	13174.91
Due to Micro and Small Enterprises	176.30	382.34
	14928.68	13557.25
* Includes due to Related Parties - Rs 1424.27 Lakhs (Rs 1643.10 Lakhs)		
10. OTHER CURRENT LIABILITIES		
Unpaid Dividends*	559.24	516.00
Interest Accrued but not due on borrowings	435.48	442.18
Statutory Liabilities	1205.56	895.20
Security Deposits from Customers	2959.72	2862.40
Current Maturities of Finance Lease Obligations	-	2.83
Premium Payable on Redemption of Debentures (Refer Note 5)	-	6345.53
Current Maturities of Long Term Debentures (Refer Note 5)	-	32500.00
Others	10291.98	9192.91
	15451.98	52757.05
*There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund		
11. SHORT-TERM PROVISION		
Taxation less advance payment Rs 122907.11 Lakhs (Rs 109286.09 Lakhs)	3098.18	2714.20
Wealth Tax less advance payment Rs 325.19 Lakhs (Rs 310.78 Lakhs)	41.02	40.43
Other Provisions	615.00	-
Proposed Dividend	13913.97	13295.57
Tax on Dividend (Net of Rs 1341.77 Lakhs)	1022.90	2259.58
Employee Benefits	1220.97	1214.11
	19912.04	19523.89

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

12. FIXED ASSETS

Rs. in Lakhs

	Cost				Depreciation			Net Book Value		
	As at 01.04.2013	Additions/ Adjustment	Deductions/ Adjustment	As at 31.03.2014	As at 01.04.2013	For the Year	Deductions/ Adjustment	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
TANGIBLE										
Owned:										
Land	144.21	-	2.39	141.82 @	-	-	-	-	141.82	144.21
Tea Estate Land/Fuel Area (Including Development)	554.99	-	-	554.99	-	-	-	-	554.99	554.99
Buildings	4474.24	45.72	368.13	4151.83 @	1259.83	82.4	187.31	1154.92	2996.91	3214.41
Bridges	0.09	-	-	0.09	0.03	-	-	0.03	0.06	0.06
Plant & Equipment	15660.17	1518.58	590.54	16588.21 @	8374.07	963.86	567.25	8770.68	7817.53	7286.1
Furniture, Fixtures & Office Equipment	2337.06	520.98	90.46	2767.58	1179.21	210.31	59.07	1330.45	1437.13	1157.85
Motor Vehicles	328.90	35.66	16.73	347.83	193.57	15.75	2.15	207.17	140.66	135.33
Asset taken on Finance Lease:										
Plant and Equipment	60.81	-	60.81	-	10.40	6.01	16.41	0.00	-	50.41
Total	23560.47	2120.94	1129.06	24552.35	11017.11	1278.33	832.19	11463.25	13089.10	12543.36
Previous year	22266.92	2318.95	1025.40	23560.47	10612.04	1318.08	913.01	11017.11	12543.36	
INTANGIBLE										
Capitalised Software	1331.01	432.74	-	1763.75	903.67	152.68	-	1056.35	707.40	427.34
Patent/Knowhow	1763.38	-	-	1763.38	191.03	174.27	-	365.30*	1398.08	1,572.35
Non-Compete Fee	300.00	-	-	300.00	175.00	30.00	-	205.00*	95.00	125.00
Total	3394.39	432.74	-	3827.13	1269.70	356.95	-	1626.65	2200.48	2124.69
Previous Year	3302.26	92.13	-	3394.39	948.4	321.3	-	1269.70	2124.69	

- 1) Cost of Land Includes a portion leased to an Associate.
- 2) Cost of Buildings include Rs. 589.84 Lakhs (Rs. 589.84 Lakhs) represented by shares in Co-operative Housing Societies / a Company.
- 3) (@) Includes amount of Rs. 125.69 Lakhs (Rs. 125.69 Lakhs), Rs. 61.70 Lakhs (Rs. 61.70 Lakhs), Rs. 8.01 Lakhs (Rs. 8.01 Lakhs), respectively, jointly owned/held with a subsidiary company.
- 4) (+) Unexpired period of amortisation for Patent/Knowhow is 95 months and Non-Compete fee is 38 months.

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

13. NON-CURRENT-INVESTMENTS

Rs. in Lakhs

	Class	Nos.	Face Value of each	2014	2013
Long Term					
Trade Investments (Fully paid up and valued at cost)					
(a) Quoted Equity Investments					
Investment in Subsidiaries:					
Tata Coffee Ltd. (note 1)#	Equity Shares	10735982	Rs. 10	16150.65	16150.65
Mount Everest Mineral Water Ltd.	Equity Shares	17021092	Rs. 10	24619.40	24619.40
				40770.05	40770.05
(#) Inclusive of Rs. 2186.16 Lakhs (Rs 2186.16 Lakhs) kept in Revaluation Reserve					
Others:					
Tata Chemicals Ltd. (Note 1)	Equity Shares	11185522	Rs. 10	5032.80	5032.80
The Indian Hotels Co. Ltd.	Equity Shares	1687742	Re 1	271.99	271.99
Tata Motors Ltd.	Equity Shares	116665	Rs. 2	46.84	46.84
Tata Motors Ltd.	"A" Ordinary Shares	16665	Rs. 2	10.17	10.17
Tata Investment Corporation Ltd.	Equity Shares	160000	Rs. 10	236.19	236.19
Tata Steel Ltd.	Equity Shares	12021	Rs. 10	17.02	17.02
Titan Company Ltd.	Equity Shares	9248060	Rs. 1	295.24	295.24
				5910.25	5910.25
(b) Unquoted Equity Investments					
Investment in Subsidiaries :					
Tata Tea Extractions Inc.	Common Stock	14000000	US\$ 1	5980.46	5980.46
Tata Global Beverages Group Ltd.	Ordinary Shares	70666290	GBP 1	50070.98	50070.98
Tata Global Beverages Capital Ltd.	Ordinary Shares	89606732	GBP 1	76388.70	76388.70
Consolidated Coffee Incorporated	Common Stock	199	US\$ 0.01	9248.55	9248.55
Zhejiang Tata Tea Extraction Company Ltd. (Note 3) @				469.93	2469.93
Tata Tea Holdings Private Limited	Equity Shares	50000	Rs. 10	5.00	5.00
				142163.62	144163.62
@ Amount of Investments is RMB 385 Lakhs (RMB 385 Lakhs) in the share capital of the company					
Investment in Associates :					
Estate Management Services Pvt. Ltd. (Note 4)	Ordinary Shares *	12078406	LKR 10	1456.91	1106.21
		(15346800)			
Amalgamated Plantations Pvt. Ltd. (Note 5)	Equity Shares	61024400	Rs. 10	6102.44	2501.00
		(25010000)			
Kanan Devan Hills Plantations Company Pvt. Ltd.	Equity Shares	3976563	Rs. 10	1233.19	1233.19
TRIL Constructions Limited	Equity Shares	11748148	Rs. 10	1174.81	-
		(NIL)			
				9967.35	4840.40
* Sale of these investments requires first offer of sale to the Venture partners.					
Investment in Joint Ventures :					
NourishCo Beverages Limited	Equity Shares	62500000	Rs. 10	6250.00	3500.00
		(35000000)			
Tata Starbucks Limited	Equity Shares	90000000	Rs. 10	9000.00	3500.00
		(35000000)			
				15250.00	7000.00
Others:					
Tata Sons Ltd.	Equity Shares	1755	Rs. 1000	975.00	975.00
Tata Services Ltd.	Ordinary Shares	475	Rs. 1000	4.77	4.77
Tata Capital Ltd	Equity Shares	613598	Rs. 10	95.02	95.02
Tata Industries Ltd.	Equity Shares	6519441	Rs. 100	11582.32	11582.32
Taj Air Ltd.	Equity Shares	4200000	Rs. 10	420.00	420.00
				13077.11	13077.11

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

Rs. in Lakhs

	Class	Nos.	Face Value of each	2014	2013
(c) Unquoted Preference Shares					
Investment in Associates:					
Amalgamated Plantations Pvt Ltd	0.01% Non-Cum. Redeemable Preference Shares @	67000000	Rs. 10	6700.00	6700.00
TRIL Constructions Limited	0.001% Non Cumulative Non-redeemable, mandatorily and fully convertible Preference Shares @@	66751852	Rs. 10	6675.19	-
		(NIL)			
				13375.19	6700.00
@ Redeemable with Special redemption premium within 7-9 years from issue date					
@@ Redeemable within six year from the issue date.					
Other than Trade (Fully paid-up and valued at cost)					
(a) Quoted Equity Investments					
SBI Home Finance Ltd. (Note 2)	Equity Shares	100000	Rs. 10	-	-
(b) Unquoted Equity Investments					
W. B. Estates Acquisition Compensation Bond				0.08	0.08
The Annamallais Ropeways Co Ltd.(Note 2)	Ordinary Shares	2092	Rs. 100	-	-
ABC Tea Workers Welfare Services	Ordinary Shares	20000	Rs. 10	2.00	2.00
Assam Hospitals Ltd	Equity Shares	200000	Rs. 10	20.00	20.00
The Valparai Co-operative Wholesale Stores Ltd. (Note 2)	Ordinary Shares	350	Rs. 10	-	-
Suryakiran Apartment Services Private Ltd.	Equity Shares	2146	Rs. 10	0.21	0.21
Jalpaiguri Club Ltd. (Cost Re. 1)	Ordinary Shares	60	Rs. 10	-	-
GNRC Ltd	Equity Shares	50000	Rs. 10	5.00	5.00
IFCI Venture Capital Funds Ltd.	Equity Shares	250000	Rs. 10	25.00	25.00
Ritspin Synthetics Ltd (Note 2)	Equity Shares	100000	Rs. 10	-	-
TEASERVE	Equity Shares	1	Rs. 5000	0.05	0.05
(The Tamil Nadu Tea Manufacturers' Service Industrial Co-operative Society Ltd.)					
Woodlands Multispeciality Hospital Limited	Equity Shares	12280	Rs. 10	0.44	0.44
				52.78	52.78
(c) Unquoted Debentures					
The Bengal Chamber of Commerce & Industry	6 1/2% Debentures	7	Rs. 1000	0.07	0.07
Shillong Club Ltd. (Cost Rs. 2)	5% Debentures	31	Rs. 100	-	-
				0.07	0.07
(d) Unquoted Preference Shares					
Thakurbari Club Ltd. (Cost Re. 1)	Preference Shares	26	Rs. 100	-	-
				-	-
Total				240566.42	222514.28
Aggregate Amount of Quoted investments				46,680.30	46,680.30
Market Value of Quoted investments				179,684.08	238,832.23
Aggregate Amount of Unquoted investments				193,886.12	175,833.98
Aggregate provision for diminution in value of investments				2022.14	22.14
1.	3723648 shares of Tata Chemicals Limited and 3100040 shares of Tata Coffee Limited are pledged against outstanding 3% Non Convertible privately placed Debentures (769276 shares of Tata Chemicals Limited and 210000 shares of Tata Coffee Limited were pledged against outstanding 3% Non-Convertible privately placed "Series 2" Debentures aggregating to Rs 2500 Lakhs).				
2.	Fully provided (Original Cost Rs 22.14 Lakhs)				
3.	Provided for diminution, other than temporary, of Rs 2000 Lakhs. The charge to the Statement of Profit and Loss has been classified as an "Exceptional Item" for the current year				
4.	The company divested a part of its stake to a new Investor and thereafter the company also subscribed to additional shares. The current shareholding of the company in EMSPL is 31.85%.				
5.	Subscription to 36014400 Equity shares of Rs 3601.44 Lakhs on a rights basis pursuant to a Shareholders/Share Subscription Agreement.				

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

Rs. in Lakhs

	2014	2013
14. DEFERRED TAX ASSETS		
Deferred Tax Liability		
Depreciation	1866.61	1828.98
	1866.61	1828.98
Deferred Tax Assets		
Provision for doubtful debts/advances	246.21	268.21
Employee Benefits	3023.94	2645.49
Employee Separation Schemes	466.10	542.58
Carry forward agricultural income-tax loss*	38.58	13.33
Premium on Redemption of Debentures	2103.15	-
Other Assets	943.72	679.39
	6821.70	4149.00
	4955.09	2320.02
*To the extent of offsetting Deferred Tax Liabilities		
15. LONG TERM LOANS AND ADVANCES		
Unsecured and Considered Good unless other wise stated		
Capital Advances	271.89	103.24
Security Deposit*	1912.64	1612.31
Other Advances		
Inter Corporate Loans (secured)	2400.00	2400.00
Employee Loans and Advances	96.11	92.31
Considered Doubtful		
Security Deposit	28.89	28.89
Less: Provision for Doubtful Deposits	28.89	28.89
	4680.64	4207.86
*includes Security Deposits to Related Party Rs 100 lakhs (Rs 100 lakhs)		
16. OTHER NON-CURRENT ASSETS		
Property Rights Pending Development (Refer Note 48)	7050.00	-
	7050.00	-

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

Rs. in Lakhs

	2014	2013
17. INVENTORIES		
(At lower of cost or Net realisable Value)		
Raw Material		
Tea (Includes in transit Rs 59.49 Lakhs (Rs 47 Lakhs))	42062.05	43973.47
Packing Materials	2589.61	2867.73
	44651.66	46841.20
Finished Goods		
Tea	17993.46	17658.64
Others	29.65	10.16
	18023.11	17668.80
Traded Goods		
Formulations	231.08	75.14
Stores and Spare Parts		
	685.78	570.80
	63591.63	65155.94

18. TRADE RECEIVABLES

Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	29.49	105.11
Considered Doubtful	520.23	520.23
Others		
Considered Good	11457.70	10806.27
	12007.42	11431.61
Less: Provision for Doubtful Debts	520.23	520.23
	11487.19	10911.38

19. CASH AND BANK BALANCES

Cash and Cash Equivalents		
Cash and Cheques in hand	1.65	96.05
Bank Balances in Current Account	227.45	1440.06
	229.10	1536.11
Other Bank Balances		
Unclaimed Dividend Accounts	559.24	516.00
Fixed Deposits with Bank (original maturity of more than 6 months but less than 12 months) *	-	3000.00
	788.34	5052.11

* Earmarked as a Lien on Series 1, 3% Non Convertible Debentures aggregating to Rs 30000 lakhs

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

Rs. in Lakhs

	2014	2013
20. SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered Good unless other wise stated		
Due from Related Parties	2773.63	1417.39
Insurance Claims Recievable	54.37	4.47
Tax Receivable and other Advances	2214.26	1663.31
Inter Corporate Deposits	9500.00	14000.00
Inter Corporate Loan	3279.74	-
Employee Loans and Advances	57.94	57.30
Prepaid Expenses	1112.13	1027.91
Considered Doubtful		
Other Advances for Supply of Goods and Services	175.25	239.96
Less: Provision for Advances	175.25	239.96
	18992.07	18170.38
21. OTHER CURRENT ASSETS		
Interest Accrued	548.03	329.28
Export Incentive Receivable	550.00	315.00
	1098.03	644.28
22. REVENUE FROM OPERATIONS		
Sales of Tea	260226.92	227325.89
Others	457.78	277.08
Sales of Traded Goods	194.36	79.56
Service Income	151.97	118.67
Less: Excise duty	40.73	17.63
	260990.30	227783.57
Other Operating Revenues		
Export Incentive	843.00	760.00
Liabilities no longer required written back	1002.06	1212.25
Management Service Fees	3743.00	1764.60
Provision for Doubtful Advances written back**	64.71	12.79
Miscellaneous Receipts*	1652.44	1076.29
	7305.21	4825.93
	268295.51	232609.50
* Miscellaneous Receipts includes Subsidy from State Govt Nil (Rs. 13.83 lakhs).		
** Net of debts and advances written off Nil (Rs. 12.55 Lakhs)		
23. OTHER INCOME		
Dividend Income from Non Current Trade Investments	1985.46	1888.66
Dividend from Mutual Funds	95.96	195.98
Dividend from Investment in Subsidiaries	14260.26	6965.44
Profit on sale of Current Investments (net)	-	0.97
	16341.68	9051.05
Rent Income	40.86	34.67
Interest Income on Advances	1798.53	2090.55
Interest Income on Deposits	307.42	3.65
Interest Income from Investments	-	117.68
	2105.95	2211.88
	18488.49	11297.60

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

Rs. in Lakhs

	2014	2013
24. COST OF MATERIALS CONSUMED		
Tea		
Opening Stock	43973.47	28192.63
Add: Purchases	153696.86	155295.93
Less: Closing Stock	42062.05	43973.47
	155608.28	139515.09
Green Leaf	2594.27	2099.62
Packing Material		
Opening Stock	2867.73	2529.32
Add: Purchases	13872.07	12646.92
Less: Closing Stock	2589.61	2867.73
	14150.19	12308.51
Others	658.43	605.33
	173011.17	154528.55

25. CHANGES IN INVENTORY OF FINISHED GOODS/TRADED GOODS

Stock as at 1st April		
Tea	17658.64	13747.73
Others	85.30	142.35
	17743.94	13890.08
Stock as at 31st March		
Tea	17993.46	17658.64
Others	260.73	85.30
	18254.19	17743.94
	(510.25)	(3853.86)

26. EMPLOYEE BENEFITS EXPENSE

Salaries, Wages and Bonus *	10191.89	8709.08
Contribution to Provident Fund and other Funds	1319.04	1138.60
Workmen and Staff Welfare Expenses	1039.75	1577.33
Others	606.44	580.65
	13157.12	12005.66

* Includes net credit of earlier years Nil (Rs 28 Lakhs)

27. FINANCE COSTS

Interest		
On Fixed Loans	1711.00	1617.86
On Debentures	1019.48	975.00
On Other Loans	1150.75	608.28
	3881.23	3201.14
Other Borrowing Costs	38.46	-
	3919.69	3201.14

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

Rs. in lakhs

	2014	2013
28. OTHER EXPENSES		
Manufacturing and Contract Packing Expenses *	4669.18	3789.42
Consumption of Stores and Spare Parts	794.62	708.95
Power and Fuel (net of recovery)	2997.74	2790.67
Repairs to Plant and Machinery	377.69	360.74
Repairs to Buildings	429.01	455.84
Rent	3376.60	2667.91
Rates and Taxes	606.30	582.27
Advertisement and Sale Charges	20813.85	16313.15
Freight	4702.80	4425.64
Insurance	266.94	284.13
Management Service Fees	1922.65	3301.71
Exchange Loss (Net)	354.73	695.72
Loss on Sale/Discard of Fixed Assets (net)	26.90	95.18
Provision for Doubtful Debts and Advances	-	0.89
Debts and Advances written off	54.51	-
Miscellaneous Expenses	12505.31	9493.17
	53898.83	45965.39
* Includes Contract Packing expenses Rs 2966.20 lakhs (Rs 2329.56 lakhs)		

29. EXCEPTIONAL ITEMS

Income

Profit on sale of Non Core Investment	3552.90	5326.06
Profit on sale of Bangalore Property (Note 48)	19248.00	-

Expenditure

Provision for Retirement Benefit/Contractual Obligations (Net)	(1492.22)	(1180.84)
Cost of new Initiatives and restructuring activities	(643.00)	(117.00)
Provision on Investment	(2000.00)	-
Product Development Costs	(1445.00)	(1694.00)
One time Pension increase Costs	-	(547.00)
	17220.68	1787.22

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

30. Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2014 aggregated Rs 772.40 Lakhs (Rs. 636.37 Lakhs) [Net of advances Rs 271.89 Lakhs (Rs 103.24 Lakhs)].

31. Contingent Liabilities not provided for in respect of:

(a) Claims under adjudication not acknowledged as debts:

	Gross Rs in Lakhs	Net of Estimated Tax Rs in Lakhs
(i) Taxes, Statutory Duties/ Levies etc.	1111.91 (1060.45)	691.97 (665.19)
(ii) Commercial and other Claims	450.87 (500.61)	287.20 (315.26)

(b) Labour disputes under adjudication relating to some staff – amount not ascertainable.

(c) Guarantee given to the lender of subsidiaries Rs 2893.89 Lakhs (Rs.13221.77 Lakhs) out of which Rs Nil (Rs.13221.77 Lakhs) is fully backed by a counter guarantee given by another subsidiary

32. Micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the confirmations received in response to intimation in this regard sent by the Company to the suppliers. No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at 31st March 2014.

33. The Company had entered into a put option agreement with International Finance Corporation (IFC) in relation to their investment in Amalgamated Plantations Private Limited (APPL). In terms of the said agreement, IFC has the right to exercise a put option whereby the Company is obliged to purchase a maximum of 300 lakhs shares in APPL, if certain conditions or events stipulated in the said agreement do not occur.

34. EXPENDITURE INCURRED IN RESPECT OF THE COMPANY'S RESEARCH AND DEVELOPMENT

Rs. in Lakhs

	2014	2013
Capital Expenditure	32.33	11.90
Revenue Expenditure	457.13	314.72
	489.46	326.62

35. a) The Company's leasing arrangements are in respect of operating leases for premises (residential, office, godown, etc.) and motor cars.

These operating leasing arrangements which are cancellable ranges between 5 months to 5 years and are usually renewable on mutually agreeable terms. The aggregate lease rentals payable in respect of premises are charged as Rent and in respect of motor cars amounting to Rs. 406.16 Lakhs (Rs.337.78 Lakhs) are charged under Miscellaneous expense under Note 28 of the statement of profit and loss account.

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

b) Obligation towards finance lease

	Rs. in Lakhs	
	2014	2013
Asset acquired under finance lease		
i) Minimum Lease Payments		
Not later than one year	-	2.86
Later than one year but not later than five year	-	-
Total	-	2.86
ii) Present value of Minimum Lease payments		
Not later than one year	-	2.83
Later than one year but not later than five year	-	-
	-	2.83
Add: Amount representing Interest Expense	-	-
Total	-	2.83

36. VALUE OF RAW MATERIALS AND STORES AND SPARE PARTS CONSUMED - GROSS

	Raw Materials		Stores and Spares	
	Value Rs in Lakhs	% of total consumption	Value Rs in Lakhs	% of total consumption
Imported	5489.34	3.17	80.78	6.73
	(4910.65)	(3.18)	(62.48)	(5.12)
Indigenous	167521.83	96.83	1120.01	93.27
	(149617.90)	(96.82)	(1158.91)	(94.88)
	173011.17	100.00	1200.79	100.00
	(154528.55)	(100.00)	(1221.39)	(100.00)

Rs. in Lakhs

	2014	2013
--	------	------

37. EARNINGS IN FOREIGN EXCHANGE

Value of Exports at F.O.B.	17242.81	15225.69
Technical Service Fees- Gross	139.71	105.63
Dividends - Gross	13626.59	5428.45
Management Service Fees	3743.00	1764.60
Interest	210.47	-
Others (Freight, Insurance etc.)	773.36	652.57

38. EXPENDITURE IN FOREIGN CURRENCY

Foreign Travel	248.44	168.49
Professional Fees	340.78	546.69
Management Service Fees	1711.15	2942.41
Other Expenses	101.90	123.38

39. VALUE OF IMPORTS ON C.I.F. BASIS

Raw Materials	5270.57	5283.35
Finished Goods	302.87	90.91
Stores, Spare Parts	108.42	75.30
Capital Goods	171.77	32.34

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

40. DIVIDEND REMITTED IN FOREIGN CURRENCY

No. of share holders	1	1
No. of shares held in Lakhs	59.56	28.06
Dividend remitted (Rs Lakhs)	128.06	60.32
Year	2012-13	2011-12

41. A) RELATED PARTY DISCLOSURE

Related Parties

Promoter

Tata Sons Limited.

Subsidiaries

Tata Global Beverages Group Limited
 Tata Global Beverages Holdings Limited
 Tata Global Beverages Services Limited
 Tata Global Beverages GB Limited
 Tata Global Beverages Overseas Holdings Limited
 Tata Global Beverages Overseas Limited
 Lyons Tetley Limited
 Tata Global Beverages U.S. Holdings, Inc.
 Tetley USA Inc
 Tata Global Beverages Canada Inc
 Tata Global Beverages Australia Pty Limited
 Stansand Limited
 Stansand (Brokers) Limited
 Stansand (Africa) Limited
 Stansand (Central Africa) Limited
 Tata Global Beverages Polska sp.zo.o
 Drassington Limited, UK
 Good Earth Corporation
 Good Earth Teas Inc.
 Teapigs Limited
 Teapigs US LLC (w.e.f 27th August 2013)
 Tata Global Beverages Czech Republic a.s,
 Joekels Tea Packers (Proprietary) Limited
 Tata Global Beverages Investments Limited
 Campestres Holdings Limited
 Kahutara Holdings Limited
 Suntyco Holding Limited
 Onomento Co Limited
 OOO Tea Trade LLC
 OOO Sunty LLC

Subsidiaries(contd.)

Tata Coffee Limited
 Consolidated Coffee Inc.
 Eight 'O Clock Holdings Inc.
 Eight 'O Clock Coffee Inc.
 Alliance Coffee Limited.
 Tata Tea Extractions Inc
 Tata Global Beverages Capital Limited
 Mount Everest Mineral Water Limited
 Zhejiang Tata Tea Extraction Company Limited.
 Tata Tea Holdings Private Limited.

Associates

Estate Management Services Pvt. Limited, Sri Lanka
 Amalgamated Plantations Pvt. Limited.
 Kanan Devan Hills Plantation Company Pvt. Limited
 TRIL Constructions Limited (w.e.f. 20th August 2013)

Joint Ventures

NourishCo Beverages Limited
 Tata Starbucks Limited

Associates of Subsidiaries

The Rising Beverages Company LLC (till 31st December 2013)
 Bjets Pte. Ltd.
 RBC HoldCo LLC

Joint Venture of Subsidiaries

Tetley ACI (Bangladesh) Limited
 Southern Tea LLC
 Empirical Group LLC
 Tetley Clover (Private) Limited.

Key Management Personnel

Mr. Harish Bhat - Managing Director (till 31st March 2014)
 Mr. Ajoy Misra - Executive Director
 Mr. L Krishna Kumar - Executive Director (w.e.f. 1st April 2013)

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

Particulars of transactions during the year ended 31st March 2014

Rs. in Lakhs

Nature of Transactions	Subsidiaries	Associates	Joint Ventures	Promoter	Key Management Personnel	Total
Sale of Goods & Services	17611.57	72.41	54.51	-	-	17738.49
	(14951.49)	(0.53)	(38.15)	-	-	(14990.17)
Other Operating Income	3742.22	509.08	25.64	-	-	4276.94
	(1764.60)	(209.08)	(7.89)	-	-	(1981.57)
Rent Paid	-	116.62	-	95.46	-	212.08
	-	(73.07)	-	(11.93)	-	(85.00)
Purchase of Goods & Services	5461.36	28057.69	-	-	-	33519.05
	(6064.16)	(18067.62)	-	-	-	(24131.78)
Fees for Product Development	674.16	-	1273.04	-	-	1947.20
	(516.86)	-	(1348.32)	-	-	(1865.18)
Other Expenses (Net)	-	255.54	-	773.03	-	1028.57
	-	(345.00)	-	(653.92)	-	(998.92)
Reimbursement of Expenditure/(Income)	(102.50)	212.45	84.92	50.18	-	245.05
	(22.17)	(209.25)	121.18	1.61	-	(108.63)
Dividend/Interest received	14471.14	955.29	-	140.40	-	15566.83
	(7080.24)	(464.08)	-	(140.40)	-	(7684.72)
Dividend Paid	-	-	-	3071.37	-	3071.37
	-	-	-	(3071.37)	-	(3071.37)
Investments Redeemed	-	-	-	-	-	-
	(2209.03)	-	-	-	-	(2209.03)
InterCorporate Loan/Deposits Given	3733.20	-	-	-	-	3733.20
	-	-	-	(100.00)	-	(100.00)
Investments Made	-	4313.34	8250.00	-	-	12563.34
	-	(60.00)	(1747.50)	-	-	(1807.50)
Guarantee Given	2894.00	-	-	-	-	2894.00
	(5491.00)	-	-	-	-	(5491.00)
Directors Remuneration*	-	-	-	-	677.47	677.47
	-	-	-	-	(304.67)	(304.67)
Outstanding at the year end:						
Debit						
	8010.54	3105.88	21.03	-	-	
	(4090.65)	(2797.99)	(14.38)	-	-	
Credit						
	430.77	-	164.54	700.08	-	
	(781.62)	-	(263.33)	(598.15)	-	

* Provision for employee benefits, which are based on actuarial valuation done on an overall Company basis, is excluded. The above does not include share of recurring benefits payables to former Managing Director.



NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

B) DISCLOSURES IN RESPECT OF TRANSACTIONS IN EXCESS OF 10% OF THE TOTAL RELATED PARTY TRANSACTIONS OF THE SAME TYPE

			Rs. in Lakhs	
			2014	2013
1	Sale of Goods and Services	Tata Global Beverages Group Limited	9180.24	3059.14
		Tata Global Beverages Australia Pty. Limited	400.37	4745.86
		Tata Global Beverages Polska Sp.z.o.o	1342.62	1873.86
		Tata Tea Extractions Inc.	5616.49	4769.47
2	Other Operating Income	Tata Global Beverages Services Limited	3742.22	1764.60
		Kanan Devan Hills Plantation Company Private Limited	509.08	209.08
3	Purchase of Goods & Services	Amalgamated Plantations Pvt. Ltd.	18548.45	14737.29
		Tata Global Beverages Services Limited	1812.92	3243.60
		Kanan Devan Hills Plantation Company Private Limited	9509.24	3330.34
4	Rent Paid	Tata Sons Ltd.	95.46	11.93
		Amalgamated Plantations Pvt. Ltd.	72.22	54.57
		Kanan Devan Hills Plantation Company Private Limited	44.40	18.50
5	Fees for Product Development	Mount Everest Mineral Water Limited	674.16	516.86
		NourishCo Beverages Limited	1273.04	1348.32
6	Other Expenses (Net)	Tata Sons Ltd.	773.03	653.92
		Amalgamated Plantations Pvt. Ltd.	255.54	345.00
7	Reimbursement of Expenditure (Net)	Mount Everest Mineral Water Limited	122.63	60.94
		Tata Global Beverages Services Limited	(112.68)	87.29
		Consolidated Coffee Inc.	(99.16)	-
		Amalgamated Plantations Pvt. Ltd.	246.35	209.25
		Kanan Devan Hills Plantation Company Private Limited	(33.90)	-
		NourishCo Beverages Limited	(64.49)	(103.92)
8	Dividend and Interest Received	Tata Starbucks Limited	149.41	(17.26)
		Tata Sons Ltd.	50.18	(1.61)
		Tata Global Beverages Group Limited	3974.49	1866.43
9	Dividend Paid	Tata Global Beverages Capital Limited	4585.45	2661.00
		Tata Coffee Ltd.	805.20	1832.57
		Consolidated Coffee Inc.	1585.89	720.25
		Tata Tea Extractions Inc.	3309.65	-
		Tata Sons Ltd.	3071.37	3071.37
10	Deposits/Inter Corporate Loan Given	Tata Sons Ltd.	-	100.00
		Zhejiang Tata Tea Extraction Company Limited.	3733.20	-
11	Investments Sold	Tata Coffee Ltd.	-	2209.03
12	Investments Made	Amalgamated Plantations Pvt Ltd.	3601.44	60.00
		NourishCo Beverages Limited	2750.00	1747.50
		Tata Starbucks Limited	5500.00	-
13	Gurantee Given	Zhejiang Tata Tea Extraction Company Limited.	2894.00	-
		Kahutara Holdings Limited	-	5974.10

C) DISCLOSURE UNDER CLAUSE 32 OF THE LISTING AGREEMENT

Amount of Loans and Advances in nature of loans outstanding from Subsidiaries as at 31st March 2014		Rs. in Lakhs	
		Outstanding 31st March 2014	Maximum during the year
Subsidiary Company			
Zhejiang Tata Tea Extraction Company Limited.		3279.74	3279.74
Associate Company			
Kanan Devan Hills Plantation Company Private Limited		2400.00	2400.00

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

42. The Company has only one reportable primary segment i.e. tea. It has identified Geographical segment as the secondary segment During the year and the previous comparable year, the value of export sales made by the Company did not exceed the quantitative threshold set. Accordingly, reporting on disclosures in the secondary format of geographical segment are not applicable to the Company.

43. INTEREST IN JOINT VENTURE

- i) The Company's interest, as a venturer, in jointly controlled entities (incorporated Joint Venture) is :

Name	Country of Incorporation	% Ownership interests as at 31st March 2014	% Ownership interests as at 31st March 2013
NourishCo Beverages limited	India	50%	50%
Tata Starbucks Limited	India	50%	50%

- ii) The Company's interest in these Joint Ventures is reported as Non Current Trade Investments (Note - 13) and stated at cost. However, the Company's share of each of the assets, liabilities, income and expenses, etc. (each without elimination of the effect of transactions between the Company and the Joint Venture) related to its interests in these Joint Ventures are :

	Rs. in Lakhs	
Balance Sheet	2014	2013
SOURCES OF FUNDS		
(a) Share Capital	15250.00	7000.00
(b) Reserves and Surplus	(8396.98)	(3834.54)
Shareholder's Funds	6853.02	3165.46
Non-current liabilities		
(a) Other long-term liabilities	24.14	16.86
(b) Long-term provisions	32.85	8.94
Sub-total - Non-current liabilities	56.99	25.80
Current Liabilities		
(a) Short-term Borrowings	771.75	-
(b) Trade Payables	2235.99	1677.03
(c) Other current liabilities	1322.18	926.05
(d) Short-term provisions	83.40	11.01
Sub-total - Current liabilities	4413.32	2614.09
TOTAL SOURCES OF FUNDS	11323.33	5805.35
Assets		
Non-current assets		
(a) Fixed Assets	6349.02	2407.70
(b) Deferred tax Assets	-	-
(c) Long-term loans and advances	1168.02	744.06
(d) Other non-current assets	15.60	-
Sub-total - Non-current assets	7532.64	3151.76
Current assets		
(a) Inventories	1868.82	792.97
(b) Trade Receivables	135.40	83.38
(c) Cash and Bank balance	1510.12	1346.85
(d) Short-term loans and advances	260.85	423.15
(e) Other current assets	15.50	7.24
Sub-total - Current assets	3790.69	2653.59
TOTAL APPLICATION OF FUNDS	11323.33	5805.35

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

	Rs. in Lakhs	
Statement of Profit and Loss	2014	2013
Income		
Revenue from Operations	8545.38	3216.59
Other Income	192.83	244.37
Total Revenue	8738.21	3460.96
Expenses		
Cost of Materials Consumed	2826.14	532.82
Purchases of Stock-in-Trade	3179.17	2250.76
Change in Inventories of Finished Goods	(36.27)	(14.95)
Employee Benefits Expense	1714.71	593.93
Finance Costs	9.69	0.23
Depreciation and Amortisation expense	519.33	76.89
Other Expenses	5654.39	3115.33
Total Expenses	13867.16	6555.01
Profit before exceptional	(5128.94)	(3094.05)
Exceptional items (net)	566.50	447.97
Profit before tax	(4562.44)	(2646.08)
Provision for Taxation	-	8.59
Profit after Taxation	(4562.44)	(2654.67)

- iii) Capital Commitment of the Company in relation to the interest in Tata Starbucks Limited is Rs Nil (Rs 2300 Lakhs), being its contribution to subscribe to the share capital of the Joint Venture as when required.

44. POST RETIREMENT EMPLOYEE BENEFITS

The Company operates defined benefit schemes like provident fund and defined contribution superannuation schemes. For these schemes, contributions are made by the Company, based on current salaries, to recognized funds maintained by the Company and for certain categories contributions are made to State Plans. In case of Provident fund schemes, contributions are also made by the employees. An amount of Rs 794.29 Lakhs (Rs. 706.49 Lakhs) has been charged to the Statement of Profit and Loss on account of defined contribution schemes.

The Company also operates defined benefit schemes like retirement gratuity, defined superannuation benefits and post retirement medical benefits. The superannuation benefits and medical benefits are restricted to certain categories of employees and qualifying Employee/Directors in the form of pension, medical and other benefits in terms of a specific policy related to the same (others). The defined benefit schemes offer specified benefits to the employees on retirement. Annual actuarial valuations are carried out by an independent actuary in compliance with Accounting Standard 15 (revised 2005) on Employee Benefits. Wherever recognised funds have been set up, annual contributions are also made by the Company. Employees are not required to make any contribution.

Amounts recognized in the Statement of Profit and Loss and charged to Contribution to Provident Fund and other Funds, Workmen and Staff Welfare Expenses and Exceptional Items are as follows:

	Rs in Lakhs							
	Pension		Gratuity		Medical		Others	
	2014	2013	2014	2013	2014	2013	2014	2013
Current Service Cost	-	-	127.10	92.86	133.27	112.99	268.97	2749.10
Interest on obligation	116.11	100.17	215.22	174.63	274.00	248.86	229.69	123.60
Expected Return on plan assets	(98.08)	(64.18)	(158.68)	(142.89)	-	-	-	-
Net actuarial loss/(gain) recognised during the year	(26.74)	(45.71)	250.06	391.76	(507.75)	191.68	1052.57	(90.42)
Effects of the limit in Para 59(b)	11.03	(4.40)	-	-	-	-	-	-
Total recognised in Profit and Loss Account	2.32	(14.12)	433.70	516.36	(100.48)	553.53	1551.23	2782.28

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

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

	Rs in Lakhs							
	Pension		Gratuity		Medical		Others	
	2014	2013	2014	2013	2014	2013	2014	2013
Opening defined benefit obligation	1104.59	1325.31	2635.92	2109.23	3279.16	2794.68	2656.02	-
Current Service Cost	-	-	127.10	92.87	133.27	112.99	268.97	2749.10
Interest Cost	116.11	100.18	215.22	174.63	274.00	248.86	229.70	123.60
Actuarial loss/(gain)	(93.00)	(92.72)	280.77	451.83	(507.75)	191.68	1052.57	(90.42)
Liabilities assumed on Acquisition/ (settled on Divestiture) etc.	-	-	37.87	80.99	-	-	-	-
Benefit Paid	(75.00)	(228.18)	(213.26)	(273.63)	(67.94)	(69.05)	(299.28)	(126.26)
Closing Defined Benefit Obligation	1052.70	1104.59	3083.62	2635.92	3110.74	3279.16	3907.98	2656.02

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

	Pension		Gratuity	
	2014	2013	2014	2013
Opening fair value of Plan Assets	837.34	1001.36	2119.57	2052.37
Expected Return on Plan Assets	98.09	64.18	158.68	142.89
Actuarial gain/(loss)	(66.26)	(47.01)	30.71	56.24
Contribution/(Withdrawal) by employer	-	-	516.35	60.71
Assets acquired on Acquisition/(settled on Divestiture)	-	-	37.87	80.99
Benefits Paid	(30.47)	(181.19)	(213.36)	(273.63)
Closing Fair value of Plan Assets	838.70	837.34	2649.82	2119.57
Actual Return on Plan Assets	31.82	17.17	189.39	199.13

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

	2014	2013
Govt. of India Securities	7.3%	10.3%
PSU bonds	3.3%	4.2%
Insurance managed Funds	88.6%	85.4%
Others	0.8%	0.1%
Total	100%	100%

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

	Rs in Lakhs			
	Increase		Decrease	
	2014	2013	2014	2013
Effect on aggregate of interest cost and current service cost	75.02	37.54	(68.53)	(34.44)
Effect on defined benefit obligation	464.01	301.16	(435.21)	(276.28)

Principal Actuarial assumptions used:

	2014	2013
Discount rates	8.85%	8.16%
Expected rate of return on plan assets	7.50%	7.50%
Expected salary increase rates	6% and 7% based on employee category	5% and 6% based on employee category
Medical inflation rate	8%	8%
Mortality rates	LIC 1994-96 mortality tables	LIC 1994-96 mortality tables

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

Amounts recognized in the Balance Sheet are as follows:

	Rs. in Lakhs												
	Pension			Gratuity			Medical			Others			
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010	2014	2013	2012
Present value of funded obligation	610.76	641.83	841.71	896.27	911.38	3083.52	2635.92	2109.22	2053.42	1909.66	-	-	-
Fair Value of Plan Assets	838.7	837.35	1001.36	1023.49	999.38	2649.82	2119.56	2052.36	1811.61	1851.47	-	-	-
Present Value of Unfunded Obligation	(227.94)	(195.52)	(159.65)	(127.22)	(88.00)	433.70	516.36	56.86	241.81	58.19	-	-	-
Amount not recognised as an asset (limit in Para 59 (b) of AS-15)	77.48	66.45	70.85	58.83	40.53	-	-	-	-	-	-	-	-
Net Liability	291.47	333.69	394.80	458.23	536.13	433.70	516.36	56.86	241.81	58.19	3110.74	3279.16	2794.69
											2121.41	2491.08	2121.41
											3,907.98	2,656.02	2,656.02

Rs. in Lakhs

	2014	2013	2012	2011	2010
Experience adjustment on Plan Liability	750.90	(6.47)	313.69	373.76	571.66
Experience adjustment on Plan Assets	2.72	102.92	12.79	46.13	121.07

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

The contribution expected to be made by the Company for the year ending 31st March 2015 is not readily ascertainable.

The Guidance on Implementing AS15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) states that benefits involving employer established provident funds, which require interest shortfalls to be compensated are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities during the quarter ended 31st December 2011.

The actuary has accordingly provided a valuation and based on the below provided assumptions there is no shortfall as at 31st March 2014.

Particulars	Provident Fund	
	2014	2013
Plan Assets as at period end	8215.22	7200.51
Present Value of Funded Obligations at period end	8215.22	7200.51
Amount Recognised in the Balance Sheet	-	-

Assumptions used in determining the present value of obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	Provident Fund	
	2014	2013
Guaranteed Rate of Return	8.75%	8.50%
Discount Rate for remaining term to Maturity of Investment	8.90%	7.96%
Expected Rate of Return on Investment	8.68%	8.76%

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

45. DISCLOSURE REQUIREMENT FOR DERIVATIVES INSTRUMENTS

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

a) The outstanding forward exchange contracts for sale of foreign currency as at 31st March 2014 are:

No of Contracts	US\$ in Lakhs	AU\$ in Lakhs	RMB in Lakhs	Rupee Equivalent in Lakhs
87	78.00	68.00	186.00	11156.45
(84)	(75.00)	(56.50)	(-)	(7484.36)

b) The foreign currency exposures of monetary items that have not been hedged are:

	US\$ equivalent in lakhs	Rs in Lakhs
Amounts receivable in foreign currency	130.79	7835.55
	(70.30)	(3,817.13)
Amounts payable in foreign currency	4.51	270.01
	(15.94)	(865.61)

46. MISCELLANEOUS EXPENSES AND EXCEPTIONAL ITEMS INCLUDES:

Rs. in Lakhs

	2014	2013
a) Contribution to Progressive Electoral Trust	131.50	-
b) Auditors Remuneration and expenses		
Statutory Audit	36.00	36.00
Tax Audit	11.00	9.00
Other Services	83.95	60.95
Reimbursement of Expenses(including Service tax)	22.17	21.95

47. OTHER PROVISIONS

Rs. in lakhs

Year	Opening Balance	Provision during the year	Amount paid/ Adjusted during the year	Closing balance
2013-14	-	615.00	-	615.00

Relates to provisions for trade obligations.

48. The Company had entered into a development agreement with Tata Realty and Infrastructure Limited for development of commercial/residential property through a special purpose vehicle TRIL Constructions Limited (TCL). The consideration for the transfer of land with buildings/structures in Yeshwantpur, Bangalore was Rs 19500 Lakhs. The said consideration was discharged by combination of cash, investment in TCL through equity and compulsorily convertible preference shares (Refer Note 13 - Non Current Investments) and constructed office space in the property to be developed. The profit arising on the said transaction has been accounted under exceptional items.

NOTES FORMING PART OF THE

Financial Statement for the year ended 31st March 2014

49. The Board of Directors of the Company in its meeting held on 12th November 2013 had approved the scheme of merger of its subsidiary, Mount Everest Mineral Water Limited (MEMW), with the Company in terms of a scheme of amalgamation under Section 391-394 and other applicable provisions of the Companies Act, 1956. The necessary approvals from the Stock exchanges and SEBI have been obtained. The scheme is proposed to be placed for approval at a Court convened meeting of the shareholder of the Company to be held on 4th June 2014. The appointed date of the scheme is 1st April 2013. The scheme would be effective on the receipt of necessary approvals and completion of formalities as laid down there under. Accordingly, the operating results of MEMW would be reflected by the Company from the appointed date of 1st April 2013 after the scheme becomes effective post obtaining all the requisite approvals. In terms of the scheme, till such date the scheme becomes effective the merging entity's business operations are being carried out in trust on behalf of the Company.

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

For **Lovelock & Lewes**
Firm Registration No. 301056E
Chartered Accountants

Cyrus P Mistry
Chairman

Ajoy Misra
Managing Director

L Krishnakumar
Executive Director

Dibyendu Majumder
Partner
Membership No. 057687

**V Leeladhar
Harish Bhat**
Directors

K Venkataramanan
Chief Financial Officer

V Madan
Vice-President and
Secretary

Mumbai, 28th May 2014

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Tata Global Beverages Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Tata Global Beverages Limited ("the Company") and its subsidiaries, its jointly controlled entities and associate companies; hereinafter referred to as the "Group" (refer Note 2(b) to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at 31st March 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements, Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements, and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures notified under Section 211(3C) of the Companies Act, 1956 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in sub-section (3C) of Section 211 of the Act.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 9 below, and to the best of our information and according to the explanations given to us, in our opinion, read with the proviso and the effect of matter referred to paragraph 8 below, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2014;
 - in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

8. As mentioned in Note 40(c) to the consolidated financial statements, the overseas subsidiaries of the group have defined benefit schemes relating to which the actuarial losses or gains are allowed to be recognised in the Reserves as per the local generally accepted accounting practices followed in those respective jurisdictions. For the purpose of consolidated financial statements the holding company management has adopted the accounting policy in respect of actuarial gains or losses for its overseas defined benefit schemes to reflect the applicable accounting framework of the respective jurisdictions and consequently accounted it in the Reserves instead of in the statement of profit and loss. Had the Company followed the practice of recognition of actuarial gains on the aforesaid defined benefit plans in the Statement of Profit and Loss as per Accounting Standard (AS 15) on Employee Benefits, the charge to employee benefits expenses would have been lower by Rs. 733.18 Lakhs, the deferred tax credit would have been lower by Rs. 141.81 Lakhs, the consolidated profit before taxes and minority interest would have been higher by Rs. 591.37 Lakhs and the consolidated profit after taxes after minority interest would have been higher by Rs. 524.26 Lakhs.
9. We did not audit the consolidated financial statements of (i) 38 subsidiaries and 6 jointly controlled entities included in the consolidated financial statements, which constitute total assets of Rs. 805,318 Lakhs and net assets of Rs. 602,698 Lakhs as at 31st March 2014, total revenue of Rs. 531,475 Lakhs, net profit of Rs. 19,346 Lakhs and net cash flows amounting to Rs 4,882 Lakhs for the year then ended; and (ii) 6 associate companies which constitute net loss of Rs 1,287 Lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

Other Matter(s)

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Dibyendu Majumder
Partner
Membership Number: 057687

Place: Mumbai
Date: May 28, 2014

CONSOLIDATED BALANCE SHEET

as at 31st March 2014

Rs. in Lakhs

	Note	2014	2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	4	6183.99	6183.99
Reserves and Surplus	5	578700.70	474827.89
		584884.69	481011.88
Minority Interest		92406.96	81390.91
Non-Current Liabilities			
Long-term Borrowings	6	105374.72	67270.41
Deferred Tax Liabilities (Net)	7	4625.14	5395.90
Other Long-term Liabilities	8	8054.59	9240.67
Long-term Provisions	9	21851.38	20315.23
		139905.83	102222.21
Current Liabilities			
Short-term Borrowings	10	34758.50	34412.94
Trade Payables		76888.11	79033.55
Other Current Liabilities	11	36803.50	70308.62
Short Term Provisions	12	25499.04	31008.14
		173949.15	214763.25
TOTAL		991146.63	879388.25
ASSETS			
Non-Current Assets			
Fixed Assets	13		
Tangible Assets		75696.95	60543.68
Intangible Assets		23579.54	23078.22
Goodwill on Consolidation		418824.39	359811.94
Capital Work-in-Progress		5938.58	9050.90
Intangible Assets under Development		18.14	16.62
		524057.60	452501.36
Non-current Investments	14	60786.66	57602.55
Long-term Loans and Advances	15	13579.00	8364.50
Other non-current Assets	16	7050.00	-
		605473.26	518468.41
Current Assets			
Current Investments	17	310.11	190.64
Inventories	18	151845.87	138292.27
Trade Receivables	19	65434.80	71292.17
Cash and Bank Balances	20	72523.72	69770.36
Short-term Loans and Advances	21	92788.87	79240.98
Other Current Assets	22	2770.00	2133.42
		385673.37	360919.84
TOTAL		991146.63	879388.25

Summary of Significant Accounting Policies

3

The Notes are an integral part of the Consolidated Financial Statements

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

For **Lovelock & Lewes**
Firm Registration No. 301056E
Chartered Accountants

Cyrus P Mistry
Chairman

Ajoy Misra
Managing Director

L Krishnakumar
Executive Director

Dibyendu Majumder
Partner
Membership No. 057687

V Leeladhar
Harish Bhat
Directors

K Venkataramanan
Chief Financial Officer

V Madan
Vice-President and
Secretary

Mumbai, 28th May 2014



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2014

Rs. in Lakhs

	Note	2014	2013
INCOME			
Revenue from Operations - Net	23	773761.06	735097.76
Other Income	24	8180.18	8600.62
Total Revenue		781941.24	743698.38
EXPENSES			
Cost of Materials Consumed	25	352808.57	336076.62
Purchase of Stock-in-Trade	26	26356.50	24377.03
Change in Inventories of Finished Goods/Work-in-progress/ Stock-in-Trade	27	(11419.34)	(4153.97)
Employee Benefits Expense	28	78798.97	74010.63
Finance Costs	29	8653.15	8444.48
Depreciation and Amortisation Expense		13169.11	10747.14
Less: Amount drawn from Revaluation Reserve		(263.25)	(237.57)
Other Expenses	30	252027.67	227938.48
Total Expenses		720131.38	677202.84
Profit before Exceptional Items and Taxes		61809.86	66495.54
Exceptional Items	31	8876.21	(2816.57)
Profit before Tax		70686.07	63678.97
Tax expenses			
Current tax		16258.30	17715.18
(Net of reversal of earlier years Rs. 2332.01 Lakhs (Rs. 921 Lakhs))			
Deferred tax		2190.64	(1308.10)
		18448.94	16407.08
Profit after Taxation before Share of results of Associates and Minority Interest		52237.13	47271.89
Share of net profit/(loss) in Associates		(1287.10)	(2766.15)
Minority Interest		(2898.53)	(7230.73)
Profit for the year		48051.50	37275.01
Earnings Per Share			
Equity share of face value Re. 1 each			
Basic and Diluted		7.77	6.03
Number of shares for computing Earnings per shares			
Basic and Diluted		618398570	618398570
The Notes are an integral part of the Consolidated Financial Statements			
This is the Consolidated Statement of Profit and Loss referred to in our Report of even date.			

For **Lovelock & Lewes**
Firm Registration No. 301056E
Chartered Accountants

Cyrus P Mistry
Chairman

Ajoy Misra
Managing Director

L Krishnakumar
Executive Director

Dibyendu Majumder
Partner
Membership No. 057687

V Leeladhar
Harish Bhat
Directors

K Venkataramanan
Chief Financial Officer

V Madan
Vice-President and
Secretary

Mumbai, 28th May 2014

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March 2014

Rs. in Lakhs

	2014	2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	70686.07	63678.97
Adjusted for :		
Depreciation and amortisation		
(net of withdrawals from Revaluation Reserve)	12905.86	10509.57
Dividend Income	(1630.75)	(1870.20)
Profit on Sale of Long-term Trade Investments	(3171.13)	(5233.75)
Profit on sale of current investments (net)	(16.06)	(10.72)
Unrealised foreign exchange (gain)/loss	312.45	11.50
Finance Cost	8653.15	8444.48
Interest Income	(6412.60)	(6622.56)
Provision for doubtful debts and advances	36.50	218.27
Liabilities no longer required written back	(1552.42)	(1388.13)
Debts and advances written off	53.71	-
Provision for doubtful debts and advances no longer required written back	(80.48)	(79.99)
(Profit)/ loss on sale/ discard of fixed assets (net)	(19473.18)	171.68
Other Exceptional Expense/(Income) (net)	6505.51	2427.68
	(3869.44)	6577.83
Operating Profit before working capital changes	66816.63	70256.80
Adjustments for:		
Trade and other receivables	12838.98	(11783.13)
Inventories	(8723.15)	(21654.22)
Trade payables	(4699.22)	(3831.45)
	(583.39)	(37268.80)
Cash generated from operations	66233.24	32988.00
Direct taxes paid	(25477.87)	(15699.98)
Net Cash from Operating Activities	40755.37	17288.02
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(20374.45)	(17928.39)
Sale of fixed assets	5805.81	676.25
Purchase of Long-term Investments	-	(11.94)
Sale/(Redemption) of Long-term Investments	-	6827.27
Additional Investments in Subsidiaries	-	(37488.53)
Sale of Investments in Associates	3914.11	-
Investments in Associates	(7691.59)	(5055.19)
(Purchase)/Sale of Current Investments (net)	(98.33)	387.96
Dividend Income	1674.60	1853.79
Interest received	5900.32	6525.21
Redemption of Bank Deposits (net)	3000.00	45533.51
Inter Corporate Loans and Deposits (net)	(2749.80)	283.06
Net cash from/(used in) Investing Activities	(10619.33)	1603.00



CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March 2014

Rs. in Lakhs

	2014	2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Debentures (including premium)	(38845.53)	(895.09)
Proceeds from issuance of Debentures	32500.00	-
Proceeds from long-term borrowings	1852.38	24373.63
Repayment of long-term borrowings	(5200.58)	-
Proceeds from short-term borrowings (net)	-	4852.53
Working capital facilities (net)	749.08	15897.45
Dividend paid	(16230.33)	(15110.32)
Dividend tax paid	(2524.71)	(2450.07)
Interest paid	(8625.04)	(8071.45)
Net Cash used in Financing Activities	(36324.73)	18596.68
Net increase / (decrease) in Cash and Cash Equivalents	(6188.69)	37487.70
D. CASH AND CASH EQUIVALENTS		
Balances at the beginning of the year	66083.31	27800.65
Exchange Gain/ (Loss) on translation of foreign currency cash/ cash equivalents	11920.66	794.96
Balances at the end of the year	71815.28	66083.31
Cash and Cash Equivalents comprises of:		
Cash and Cash Equivalents	14078.36	26307.97
Short-Term Bank Deposits	57736.92	39775.34
Balances at the end of the year	71815.28	66083.31

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on Cash Flow Statements (AS-3) issued by Companies (Accounting Standards) Rules, 2006.
- The cash held in bank deposits includes Rs. 189.31 Lakhs (Rs. 760.22 Lakhs) of restricted cash which may only be used to service the external debt.
- Previous year's figures have been rearranged/regrouped wherever necessary.

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

For **Lovelock & Lewes**
Firm Registration No. 301056E
Chartered Accountants

Cyrus P Mistry
Chairman

Ajoy Misra
Managing Director

L Krishnakumar
Executive Director

Dibyendu Majumder
Partner
Membership No. 057687

V Leeladhar
Harish Bhat
Directors

K Venkataramanan
Chief Financial Officer

V Madan
Vice-President and
Secretary

Mumbai, 28th May 2014

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

1. General Information

Tata Global Beverages Limited ("the Holding Company") and its subsidiaries, joint ventures and associates (together, "the Group") is a global beverages company engaged in the trading, production and distribution of Tea, Coffee and Water. The group has branded beverage business operations mainly in India, Europe, US, Canada and Australia, plantation business in India/Sri Lanka and extraction business mainly in India, US and China.

2. (a) Basis of Consolidation

The consolidated financial statements comprises of the financial statements of the Group. The consolidated financial statements are prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements", Accounting Standard 23 on "Accounting for Associates in Consolidated Financial Statements" and Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures" notified under Section 211(3C) of the Companies Act, 1956.

The consolidated financial statements are prepared on the following basis:

(i) Investment in Subsidiaries

- The financial statements of the Holding Company and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances, intra-group transactions and unrealised profits or losses thereon have been fully eliminated.

- The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Holding Company.
- The value of the consideration given over/ below the net value of the identifiable assets acquired in the subsidiary companies are recognised as goodwill/capital reserve. Goodwill on consolidation disclosed under fixed assets is not amortised but is, however, tested for impairment.

(ii) Investment in Associates

- Investments in associates have been accounted for using the equity method whereby the investment is initially recorded at cost and adjusted thereafter for post acquisition change in the Holding Company's share of net assets. On acquisition of an associate, the goodwill/ capital reserve from such acquisition is included in the carrying value of the investment and also disclosed separately.

(iii) Investment in Joint Ventures

- Joint Venture of Holding Company as well as subsidiaries has been accounted in the consolidated financial statements using the proportionate consolidation method whereby a venturer's share of each of the assets, liabilities, income and expenses of the jointly controlled entity is accounted for on a pro-rata basis.

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Financial Statement for the year ended 31st March 2014

b) i) The subsidiaries, joint ventures and associates considered in the consolidated financial statements are:

Name of the Companies	Country of Incorporation	Voting power held (%)	Effective voting power held by the Holding Company (%)	Voting power held	Effective voting power held by the Holding Company
				(%)	(%)
		2014		2013	
A) SUBSIDIARIES					
Tata Global Beverages Group Ltd. [58.59% through subsidiaries]	U K	88.65	88.65	88.65	88.65
Subsidiaries of Tata Global Beverages Group Ltd.					
Tata Global Beverages Holdings Ltd.	U K	100.00	88.65	100.00	88.65
Tata Global Beverages Services Ltd.	U K	100.00	88.65	100.00	88.65
Tata Global Beverages GB Ltd.	U K	100.00	88.65	100.00	88.65
Tata Global Beverages Overseas Holdings Ltd.	U K	100.00	88.65	100.00	88.65
Tata Global Beverages Overseas Ltd.	U K	100.00	88.65	100.00	88.65
Lyons Tetley Ltd.	U K	100.00	88.65	100.00	88.65
Drassington Ltd.	U K	100.00	88.65	100.00	88.65
Teapigs Ltd.	U K	100.00	88.65	100.00	88.65
Teapigs US LLC (w.e.f. 27th August 2013)	USA	100.00	88.65	-	-
Stansand Ltd.	U K	100.00	88.65	100.00	88.65
Stansand (Brokers) Ltd.	U K	100.00	88.65	100.00	88.65
Stansand (Africa) Ltd.	Kenya	100.00	88.65	100.00	88.65
Stansand (Central Africa) Ltd.	Malawi	100.00	88.65	100.00	88.65
Joekels Tea Packers (Proprietary) Ltd.	South Africa	51.00	45.21	51.00	45.21
Tata Global Beverages Polska sp.zo.o	Poland	100.00	88.65	100.00	88.65
Tata Global Beverages Czech Republic a.s.	Czech Republic	100.00	88.65	100.00	88.65
Tata Global Beverages US Holdings Inc.	USA	100.00	88.65	100.00	88.65
Tetley USA Inc.	USA	100.00	88.65	100.00	88.65
Good Earth Corporation	USA	100.00	88.65	100.00	88.65
Good Earth Teas Inc.	USA	100.00	88.65	100.00	88.65
Tata Global Beverages Canada Inc.	Canada	100.00	88.65	100.00	88.65
Tata Global Beverages Australia Pty Ltd.	Australia	100.00	88.65	100.00	88.65
Tata Global Beverages Investments Ltd.	U K	100.00	88.65	100.00	88.65
Campestres Holdings Ltd.*	Cyprus	100.00	88.65	100.00	88.65
Kahutara Holdings Ltd.*	Cyprus	65.00	57.62	65.00	57.62
Suntycy Holding Ltd.	Cyprus	100.00	57.62	100.00	57.62
Onomento Co Ltd.	Cyprus	100.00	57.62	100.00	57.62
OOO Tea Trade LLC	Russia	100.00	57.62	100.00	57.62
OOO Sunty LLC	Russia	100.00	57.62	100.00	57.62
Joint ventures of Tata Global Beverages Group Ltd.					
Empirical Group LLC	USA	56.00	49.64	56.00	49.64
Southern Tea LLC	USA	50.00	44.33	50.00	44.33
Tetley ACI (Bangladesh) Ltd.	Bangladesh	50.00	44.33	50.00	44.33

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Financial Statement for the year ended 31st March 2014

Name of the Companies	Country of Incorporation	2014		2013	
		Voting power held (%)	Effective voting power held by the Holding Company (%)	Voting power held (%)	Effective voting power held by the Holding Company (%)
Tetley Clover (Pvt.) Ltd.	Pakistan	50.00	44.33	50.00	44.33
Associates of Tata Global Beverages Group Ltd.					
The Rising Beverages Company LLC (Refer Note (ii)(a) below)	USA	-	-	2.28	2.02
Bjets Pte. Ltd.	Singapore	49.31	43.71	49.31	43.71
RBC HoldCo. LLC (Refer Note (ii)(b) below)	USA	32.80	29.08	-	-
Tata Global Beverages Capital Ltd	U K	100.00	100.00	100.00	100.00
Tata Coffee Ltd.	India	57.48	57.48	57.48	57.48
Subsidiaries of Tata Coffee Ltd.					
Alliance Coffee Ltd.	India	100.00	57.48	100.00	57.48
Consolidated Coffee Inc.	USA	100.00	78.70	100.00	78.70
Subsidiary of Consolidated Coffee Inc.					
Eight O'Clock Holdings Inc.	USA	100.00	78.70	100.00	78.70
Eight O'Clock Coffee Inc.	USA	100.00	78.70	100.00	78.70
Associates of Consolidated Coffee Inc.					
The Rising Beverages Company LLC (Refer Note (ii)(a) below)	USA	-	-	47.30	37.23
RBC HoldCo LLC (Refer Note (ii)(b) below)	USA	27.09	21.32	-	-
Tata Tea Extractions Inc.	USA	100.00	100.00	100.00	100.00
Zhejiang Tata Tea Extraction Company Ltd.	China	70.00	70.00	70.00	70.00
Tata Tea Holdings Private Ltd.	India	100.00	100.00	100.00	100.00
Mount Everest Mineral Water Ltd.	India	50.07	50.07	50.07	50.07
B) ASSOCIATES					
Amalgamated Plantations Pvt. Ltd.	India	41.03	41.03	49.66	49.66
Estate Management Services Pvt. Ltd.	Sri Lanka	31.85	31.85	49.00	49.00
Kanan Devan Hills Plantation Co. Pvt. Ltd.	India	28.52	28.52	28.52	28.52
TRIL Constructions Ltd. (w.e.f. 20th August 2013)	India	32.50	32.50	-	-
C) JOINT VENTURES					
NourishCo Beverages Ltd.	India	50.00	50.00	50.00	50.00
Tata Starbucks Ltd.	India	50.00	50.00	50.00	50.00

* Having regard to its activities and the primary economic environment to which these entities are exposed to, with effect from 1st April 2013, the functional currency of these entities have been changed from Russian Roubles to US dollars, to provide more appropriate and relevant information on these entities' financial position and performance.

- ii) (a) During the year, the Holding Company's overseas subsidiaries sold their entire stake in a US based functional beverage company (post conversion of loan notes of 10.81%). The decision to divest the investments was based on changed market conditions, its performance and significant future funding requirements.
- (b) The surviving entity which holds the sale consideration, primarily contingent on future performance and restructuring success of the business, has not been consolidated as the control is intended to be temporary.

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Financial Statement for the year ended 31st March 2014

- iii) European Bank of Reconstruction and Development (EBRD) has entered into a put option agreement with Campestres Holdings Ltd. (CHL) and Tata Global Beverages Investments Ltd. (TGBIL), overseas subsidiaries of the holding company, in relation to their investment in Kahutara Holdings Ltd. In terms of the said agreement, EBRD has the right to exercise a put option whereby CHL and TGBIL are obliged to purchase the shares held by EBRD at fair market value after 6 years from the subscription date. Conversely, CHL has the right to exercise a call option on all the shares held by EBRD at the end of the stipulated 8 years at fair market value. The stipulated time period of 8 years may be bought forward if certain events as per the agreement are triggered.
 - iv) The Holding Company has entered into a put option agreement with International Finance Corporation (IFC) in relation to their investment in Amalgamated Plantations Private Limited (APPL). In terms of the said agreement, IFC has the right to exercise a put option whereby the Holding Company is obliged to purchase a maximum of 300 Lakh shares in APPL, if certain conditions or events stipulated in the said agreement do not occur.
 - v) The Holding Company has invested, during the year, Rs. 3601.44 Lakhs in Amalgamated Plantations Private Limited (APPL) pursuant to a rights issue. Further, APPL has converted the 6% Cumulative Compulsorily Convertible Participatory Preference Shares (CCCPPS) issued to its employees which resulted in dilution of Holding Company's shareholding from 49.66% to 41.03%.
 - vi) During the year, the Holding Company has divested a part of its stake in Estate Management Services Pvt. Ltd. (EMSPL) to a new investor and thereafter subscribed to additional shares in EMSPL. The current shareholding is 31.85%.
 - vii) The holding company has entered into a development agreement with Tata Realty and Infrastructure Limited for development of its property at Yeshwantpur, Bangalore through a special purpose vehicle TRIL Constructions Limited (TRIL). The consideration of Rs. 19500 Lakhs for transferring the property along with buildings/ structures was discharged through a combination of cash, investment in TRIL through a mix of equity and compulsorily convertible preference shares and constructed office space in the proposed development.
- The profit arising on the said transaction has been accounted under exceptional items (Refer Note 31).
- viii) The Board of Directors of the Holding Company in its meeting held on 12th November 2013 had approved the scheme of merger of its subsidiary, Mount Everest Mineral Water Limited (MEMW), with the Holding Company in terms of a scheme of amalgamation under Section 391-394 and other applicable provisions of the Companies Act, 1956. The necessary approvals from the Stock exchanges and SEBI have been obtained. The scheme is proposed to be placed for approval at a Court convened meeting of shareholders of the Holding Company to be held on 4th June 2014. The appointed date of the scheme is 1st April 2013. The scheme would be effective on the receipt of necessary approvals and completion of formalities as laid down there under. Accordingly, the operating results of MEMW would be reflected by the Holding Company from the appointed date of 1st April 2013 after the scheme becomes effective post obtaining all the requisite approvals. In terms of the scheme, till such date the scheme becomes effective, the merging entity's business operations are being carried out in trust on behalf of the Holding Company.
 - ix) During the year, Tata Coffee Limited (TCL), Indian subsidiary of the Holding Company, has filed for merger of its wholly owned subsidiary Alliance Coffee Limited (ACL) with the Honorable High Court of Karnataka. The operating results of ACL would be reflected by TCL from the appointed date of 1st April 2013 on approval of the said scheme which is pending with Honorable High Court of Karnataka. In terms of the scheme, till such date the scheme becomes effective, the merging entity's business operations are being carried out in trust on behalf of TCL.
 - x) During the month of May 2014, an overseas subsidiary of the Holding Company acquired a 100% stake in the equity capital of Earth Rules Pty. Ltd., Australia, engaged in coffee business under the 'MAP' brand, with presence in Roast & Ground coffee and coffee in Pods (single serve portions) segment in Australia.

3. Significant Accounting Policies

a) Accounting Convention

The financial statements have been prepared in accordance with the historical cost convention on an accrual basis and comply with the applicable Accounting

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Financial Statement for the year ended 31st March 2014

Standards notified u/s 211(3C) of the Companies Act, 1956.

The presentation of the financial statements is broadly based on the format used by the Holding Company, which has presented its accounts based on the Schedule VI of the Companies Act, 1956. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/settlement within twelve months period from the balance sheet date.

b) Fixed Assets and Depreciation

i) Tangible

Tangible Assets are carried at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Cost of extension planting of cultivable land including cost of development is capitalised. Assets acquired on hire purchase, for which ownership will vest at a future date, are capitalised at cash cost. Subsidies receivable from Government in respect of fixed assets are deducted from the cost of respective assets as and when they accrue.

Depreciation is provided on asset, including asset created on lands under lease, on a straight-line basis over the estimated useful life of the asset. Renewal of land leases is assumed, consistent with past practice. Estimated useful lives of assets are as follows:

Leasehold buildings	– Over the life of lease
Leasehold Improvements	– Over the life of lease
Buildings	– 30 to 62 years
Plant and Machinery	– 3 to 21 years
Furniture and Fixtures	– 7 to 16 years
Office Equipments	– 2 to 16 years
Motor Vehicles	– 4 to 11 years

In an Indian subsidiary certain assets amounting to Rs. 13215.65 Lakhs (Rs. 12405.41 Lakhs) (Gross Block) in respect of which depreciation is provided under written down value method (accumulated depreciation Rs. 5128.01 Lakhs (Rs. 4817.50 Lakhs)).

ii) Intangible

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment loss, if any. Expenditure on software and related implementation cost, product development cost on new products, non-compete fee and other intangibles items qualifying for recognition as intangible assets and which provide enduring benefits are recognised as such.

Intangible assets are amortised over their estimated useful life on a straight-line basis. Estimated useful lives are as follows:

Patent /Knowhow	–10 years
Trademark	– 25 years
Computer Software	– 5 to 10 years
Non-Compete Fees	– 10 years

c) Impairment

At each balance sheet date, the management assess whether there is any indication that the assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected from the continuing use of the asset and from its disposal at the end of its useful life. For certain cash generating units, variable growth has been considered even beyond five years, given the potential of the business. Reversal of impairment loss is recognised as income in the statement of profit and loss.

d) Leases

Lease of assets where the Group, as a lessee, has substantially assumed all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental is allocated between the liability and the interest cost so as to achieve a constant periodic rate of interest on the outstanding liability for each year.



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Financial Statement for the year ended 31st March 2014

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rental under operating leases are recognised in the statement of profit and loss on a straight-line basis over the period of lease.

e) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of such assets. Borrowing costs include amortisation of issue/ancillary costs relating to the borrowings which are being appropriately amortised over the expected term of the borrowing.

f) Investments

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

g) Inventories

Inventories, other than stores and spares are stated at cost or net realisable value whichever is lower. Stores and spares are carried at cost, provision is made for obsolete, slow-moving and defective stocks, where necessary.

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

h) Foreign Currency Transactions/Translation

(i) Foreign Currency Transactions

Transactions in foreign currency are recorded at a rate that approximates the prevalent exchange rate on the transaction date. Exchange differences resulting from settled transactions are adjusted in the statement of profit and loss. Year-end balances of monetary items are restated at the year-end exchange rates and the resultant net gain or loss is recognised in the statement of profit and loss.

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

(ii) Foreign Currency Translation

In relation to non-integral overseas subsidiaries/joint ventures all assets and liabilities are translated at the year end exchange rates, whereas income and expenditure are translated at an exchange rate that approximates the prevalent exchange rate on the transaction date. All resulting exchange differences are cumulated in Foreign Currency Translation Reserve until the disposal of net investment. On disposal of the net investment, the amount accumulated in Foreign Currency Translation Reserve is recognised in the statement of profit and loss.

In respect of integral foreign operations, the financial statements are translated as if the transactions of the foreign operations are those of the Holding Company.

i) Revenue Recognition

- (i) Sales are recognised when significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract. Provisions for sales returns and other off invoice allowances relating to that year's sale are offset from sales.
- (ii) Income and fees from services are accounted as per terms of relevant agreements/arrangements.
- (iii) Export incentives are accounted on an accrual basis.

j) Other Income

Interest income and income from investments are accounted on an accrual basis.

Dividend income are recognised when the right to receive dividend is established.

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Financial Statement for the year ended 31st March 2014

k) Replanting/Rejuvenation

Cost of replanting/ rejuvenating tea/ coffee bushes/ fuel trees is charged to revenue.

Related Tea/Coffee Board subsidies are accrued as other income on obtaining approval from Tea/Coffee Board.

l) Compensation of Land

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

m) Employee Benefits

i) Post retirement employee benefits: Contribution to post retirement defined benefit and contribution schemes like Provident Fund (PF), Superannuation Schemes and other such schemes are accounted for on accrual basis by the Group. With regard to PF contribution made by the holding company to a Self Administered Trust, holding company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contribution and shortfall, if any, as an expense in the year incurred.

Post retirement defined benefits including gratuity, superannuation and medical benefits for qualifying executives/whole-time directors as provided by the Group are determined through independent actuarial valuation at year end and charge recognised in the statement of profit and loss. For schemes, where recognised funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Actuarial gains and losses are recognised in the statement of profit and loss.

The Group recognises in the statement of profit and loss, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

ii) Other Employee Benefits: Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on

independent actuarial valuation at year end and charge is recognised in the statement of profit and loss. Short-term Employee Benefits are recognised on an undiscounted basis whereas Long-term Employee Benefits are recognised on a discounted basis.

iii) Employee Termination Benefits: Payments to employees on termination along with additional liabilities towards retirement benefits arising pursuant to the termination are charged to the statement of profit and loss in the year in which it is incurred.

iv) With regard to overseas subsidiaries and associates, liabilities for retirement benefits are determined as per the regulations and principles followed in the respective countries. Defined benefit obligation of overseas subsidiaries accounted for in the reserves in its financial statements, in compliance with the local generally accepted accounting principles, are recognised in Group's Reserves and Surplus (Refer Note 40(c)).

n) Research and Development

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

o) Taxes on Income

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with local laws of various jurisdiction where the Group operates.

Deferred tax is recognised on all timing differences to the extent that it is probable that a liability or asset will crystallize in accordance with local practices of various jurisdictions where the Group operates. As at the balance sheet date, unless there is evidence to the contrary, of management's expectation of future profits for set off with reasonable or virtual certainty, as applicable, deferred tax assets pertaining to business loss are recognised.

p) Financial Instruments

Foreign currency forward contracts, interest rate swaps and options relating to commodities and foreign

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Financial Statement for the year ended 31st March 2014

currencies are used to hedge associated risk relating to certain firm commitments and forecasted transactions. The Group designates these hedging instruments as cash flow hedges.

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

q) Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of cash flow statement comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

r) Provision

Provisions are recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date and are not discounted to its present value. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

s) Contingent Liabilities

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Rs. in Lakhs

	2014	2013
4. SHARE CAPITAL		
AUTHORISED		
750000000 Equity Shares of Re.1 each	7500.00	7500.00
ISSUED, SUBSCRIBED AND PAID-UP		
618398570 Equity Shares of Re. 1 each, fully paid-up	6183.99	6183.99
	6183.99	6183.99

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Rs. in Lakhs

	2014	2013
5. RESERVES AND SURPLUS		
Capital Reserves	8.67	8.67
Capital Subsidy Reserve		
Opening Balance	-	30.10
Less: Amount transferred to Surplus		(30.10)
Closing Balance	-	-
Capital Redemption Reserve	10.41	10.41
Securities Premium Account		
Opening Balance	60112.96	60112.96
Less: Deduction during the year*	(4819.81)	-
Closing Balance	55293.15	60112.96
Debenture Redemption Reserve		
Opening Balance	8125.00	9482.44
Add: Amount transferred in from Surplus	8125.00	-
Less: Amount transferred to Surplus	(8125.00)	(1357.44)
Closing Balance	8125.00	8125.00
Revaluation Reserve		
Opening Balance	4379.89	4241.55
Add: Other Adjustments	90.57	375.91
Less: Amount transferred to Statement of Profit and Loss	(263.25)	(237.57)
Closing Balance	4207.21	4379.89
Contingency Reserve	100.00	100.00
Amalgamation Reserves	832.53	832.53
Foreign Currency Translation Reserve		
Opening Balance	15176.46	12086.74
Add: Movements during the year (net)	83079.60	3089.72
Less: Amount transferred to Statement of Profit and Loss on disposal of an Associate	(5620.60)	-
Closing Balance	92635.46	15176.46
Hedging Reserve		
Opening Balance	1232.43	(1150.39)
Add/(Less): Movement during the year (net)	(2211.29)	2382.82
Closing Balance	(978.86)	1232.43
Actuarial Gain/(Loss) Reserve		
Opening Balance	(9766.94)	(7,071.71)
Add/(Less): Movement during the year (net)	512.14	(2695.23)
Closing Balance	(9254.80)	(9766.94)
General Reserves		
Opening Balance	95587.02	91824.23
Add: Transferred from Surplus	4570.28	3732.69
Add: Other Adjustments	-	30.10
Closing Balance	100157.30	95587.02
Surplus in the Statement of Profit and Loss		
Opening Balance	299029.46	279882.83
Add: Profit for the year	48051.50	37275.01
Add: Transfer from Debenture Redemption Reserve	8125.00	1357.44
Amount available for appropriation	355205.96	318515.28
Less: Appropriation		
Proposed Dividend	(13913.97)	(13295.57)
Provision for Dividend Distribution Tax	(1032.08)	(2457.56)
Transfer to Debenture Redemption Reserve	(8125.00)	-
Transfer to General Reserve	(4570.28)	(3732.69)
Net Surplus in the Statement of Profit and Loss	327564.63	299029.46
Total Reserves and Surplus	578700.70	474827.89

* Utilised for Provision for Premium Payable on redemption of 3% Non-Convertible Privately Placed Debenture of Rs. 4788.47 Lakhs and issue expenses of Rs. 31.34 Lakhs relating to said Debentures (net of tax).



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Financial Statement for the year ended 31st March 2014

Rs. in Lakhs

	2014	2013
6. LONG-TERM BORROWINGS		
Secured (unless otherwise stated)		
Debentures		
3250, 3% Non-convertible, privately placed, Debentures of Rs.10 Lakhs each. (Refer Note a)	32500.00	-
Less: Maturing within the next 12 months	-	-
	32500.00	-
Nil (3250), 3% Non-convertible, privately placed, Debentures of Rs.10 Lakhs each. (Refer Note b)	-	32500.00
Less: Maturing within the next 12 months	-	(32500.00)
	-	-
Loan From Banks		
Term Loan (Refer Note c)	1702.27	2157.63
Less: Maturing within the next 12 months	(680.91)	(616.47)
	1021.36	1541.16
External Commercial Borrowing (Refer Note d)	4868.50	5430.00
Less: Maturing within the next 12 months	(1498.00)	(1018.13)
	3370.50	4411.87
Senior Debt (Refer Note e)	68183.31	64374.25
Less: Maturing within the next 12 months	(1497.74)	(3056.87)
	66685.57	61317.38
From Others		
Unsecured Loan Notes (Refer Note f)	1797.29	-
Less: Maturing within the next 12 months	-	-
	1797.29	-
Obligation under Finance Lease (Refer Note g)	-	2.83
Less: Maturing within the next 12 months	-	(2.83)
	-	-
Total Long-term Borrowings	105374.72	67270.41
Total Long-term Borrowings (Gross)	109051.37	104464.71
Less: Total Maturing within the next 12 months	(3676.65)	(37194.30)
	105374.72	67270.41

- Redeemable at premium of Rs. 223205 per debenture on 22nd October 2016, at the end of 3 years from the date of allotment 22nd October 2013. Secured by way of a first mortgage on certain immovable assets of the company and partly by pledge of shares of certain companies held as investments.
- Redeemed at premium of Rs. 195247 per debenture on 4th November 2013, at the end of 3 years from the date of allotment November 4, 2010.
Series 1 - 3000 debentures aggregating to Rs. 30000 Lakhs were secured by way of a first mortgage on certain immovable properties of the holding company and first ranking exclusive charge on Bank Deposit of Rs. 3000 Lakhs.
Series 2 - 250 debentures aggregating to Rs. 2500 Lakhs were secured by way of a first mortgage on certain immovable properties of the holding company and pledge of shares of certain companies held as investments.
- Repayable in quarterly instalments, last instalment due in September 2016, secured by way of mortgage of certain immovable and movable properties of an overseas subsidiary and guarantee given by the Holding Company.
- Repayable in sixteen equal quarterly instalments commencing from 3rd September 2013. The borrowing is secured by deposit of title deeds of a immovable property and a charge over the machinery of the expansion project of an Indian subsidiary.
- Debt amounting to Rs. 58412.03 Lakhs (Rs. 54301.50 Lakhs) is repayable within 28th March 2018 and is secured over assets of certain overseas subsidiaries. Debt amounting to Rs. 9771.28 Lakhs (Rs. 10072.75 Lakhs) is repayable within 6 years from date of its origination and is secured by way of pledge of shares and guarantee given by the Holding Company.
- Repayable in March 2017.
- Secured against fixed assets obtained under related finance arrangement.

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

	Rs. in Lakhs	
	2014	2013
7. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability		
Depreciation	18447.51	15921.99
	18447.51	15921.99
Deferred Tax Asset		
Provision for Doubtful Debts/Advances	361.29	380.11
Employee Benefits	3926.27	3644.06
Premium on redemption of Debentures	2132.43	-
Others	7372.40	6488.59
Carry forward agricultural income-tax loss*	29.98	13.33
	13822.37	10526.09
Net Deferred Tax Liabilities	4625.14	5395.90
*To the extent of offsetting deferred tax liabilities		
8. OTHER LONG-TERM LIABILITIES		
Premium payable on Redemption of Debentures	7254.16	-
Deposits	236.49	168.20
Others	563.94	9072.47
	8054.59	9240.67
9. LONG-TERM PROVISIONS		
Employee Benefits	21851.38	20315.23
	21851.38	20315.23
10. SHORT-TERM BORROWINGS		
From Banks		
Secured		
Working Capital Facilities (Refer below)	24911.58	22372.94
Unsecured		
Working Capital Facilities	9846.92	12040.00
	34758.50	34412.94
Secured by way of hypothecation of inventories, crop, book debts and movable assets, other than plant and machinery and furniture, of the holding company. For an Indian subsidiary, working capital facility is secured by hypothecation of coffee crop, stocks and receivables, whilst a part of the cash credit funding is also secured by deposit of title deeds of a coffee estate. For overseas subsidiaries working capital facilities are secured by specific security over their certain assets. Security creation of Rs. 2000 Lakhs on borrowings in holding company is under process.		
11. OTHER CURRENT LIABILITIES		
Current Maturities of Long-term Borrowings (Refer Note 6)	3676.65	37191.47
Security Deposits from Customers	4354.03	4727.40
Unpaid Dividends	708.44	666.65
Interest Accrued but not due	566.50	521.33
Finance Lease Obligations (Refer Note 6)	-	2.83
Premium payable on Redemption of Debentures	-	6345.53
Other Payables	27497.88	20853.41
	36803.50	70308.62
12. SHORT-TERM PROVISION		
Employee Benefits	2013.27	4337.07
Taxation less advance payment	4653.90	7654.53
Proposed Dividend	13913.97	13295.57
Tax on Dividend	1435.67	2497.65
Other Provisions	3482.23	3223.32
	25499.04	31008.14



NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

13. FIXED ASSETS

Rs. in Lakhs

	Cost				As at 31.03.2014	Depreciation/Amortisation				Net Book Value		
	As at 01.04.2013	Additions	Deductions/ Adjustment	Translation Exchange difference		As at 01.04.2013	Depreciation/ Amortisation for the year	Deductions/ Adjustment	Translation Exchange difference	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
TANGIBLE												
Land (including Development)	6508.37	-	(625.77)	128.32	6010.92 *	130.18	12.56	(68.17)	6.22	80.79	5930.13	6378.19
Tea/Coffee Estate Land/ Fuel Area (including Development)	755.60	-	-	-	755.60	-	-	-	-	-	755.60	755.60
Buildings	20346.93	2602.02	(379.42)	1211.13	23780.66	7034.05	835.84	(201.41)	434.62	8103.10	15677.56	13312.88
Bridges	16.43	-	-	-	16.43	2.44	-	-	-	2.44	13.99	13.99
Plant and Machinery	106511.94	16261.80	(2671.16)	11240.18	131342.76	74919.77	7231.13	(2443.06)	9907.39	89615.23	41727.53	31592.17
Furniture and Fixtures	18344.17	4546.71	(113.06)	2685.25	25463.07	11294.02	2310.49	(151.74)	1811.99	15264.76	10198.31	7050.15
Office Equipment	586.47	115.58	(27.88)	38.02	712.19	370.80	83.43	(15.96)	27.05	465.32	246.87	215.67
Motor Vehicles	2508.26	338.60	(308.76)	82.93	2621.03	1283.23	330.58	(193.16)	53.42	1474.07	1146.96	1225.03
Total Tangibles	155578.17	23864.71	(4126.05)	15385.83	190702.66	95034.49	10804.03	(3073.50)	12240.69	115005.71	75696.95	60543.68
Previous Year	144463.51	14129.28	(4906.76)	1892.14	155578.17	89293.68	8703.41	(3980.77)	1018.17	95034.49	60543.68	
INTANGIBLE												
Intangibles^	27590.94	-	-	2932.70	30523.64	6012.93	1208.22	901.19	585.19	8707.53 @	21816.11	21578.01
Capitalised Software	3242.78	709.64	(41.31)	84.57	3995.68	1867.57	380.59	(2.61)	81.70	2327.25	1668.43	1375.21
Non-Compete Fee	300.00	-	-	-	300.00	175.00	30.00	-	-	205.00	95.00	125.00
Total Intangibles	31133.72	709.64	(41.31)	3017.27	34819.32	8055.50	1618.81	898.58	666.89	11239.78	23579.54	23078.22
Previous Year	28670.25	1051.47	-	1412.00	31133.72	6349.03	1365.00	-	341.47	8055.50	23078.22	
Goodwill on Consolidation	364094.69	-	(452.77)	60664.85	424306.77	4282.75	746.27²	-	453.36	5482.38	418824.39	359811.94
Previous Year	350260.95	5788.23	-	8045.51	364094.69	3388.33	678.73	-	215.69	4282.75	359811.94	
Total	550806.58	24574.35	(4620.13)	79067.95	649828.75	107372.74	13169.11	(2174.92)	13360.94	131727.87	518100.88	443433.84
Previous Year	523394.71	20968.98	(4906.76)	11349.65	550806.58	99031.04	10747.14	(3980.77)	1575.33	107372.74	443433.84	

Notes:

- (*) Includes leasehold land of Rs. 202.40 Lakhs (Rs. 202.40 Lakhs) belonging to two Indian subsidiaries and also includes a portion of land leased to an Associate.
- Cost of Buildings include Rs. 589.84 Lakhs (Rs. 589.84 Lakhs) represented by shares in Co-operative Housing Societies / a Company.
- (¹) Represents amortisation of certain intangible assets included as goodwill under India GAAP by an overseas subsidiary.
- (@) Unexpired period of amortisation for certain intangibles is 336 months, 208 months and 95 months.
- (²) Includes Trademark, Brands and Patents/Knowhow.
- Though the brands have indefinite useful life in the jurisdiction in which they are capitalised, an estimated life of 35 years has been considered for the purpose of these Consolidated Financials Statements.
- Plant and Machinery includes assets taken on finance lease - Gross Block : Nil (Rs. 60.81 Lakhs); WDV - Nil (Rs. 50.41 Lakhs).
- Exchange differences arising due to restatement of fixed assets in overseas subsidiaries, as at year end, have been transferred to Foreign Currency Translation Reserve.

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

14. NON-CURRENT INVESTMENTS

			Rs. in Lakhs	
	Face Value of each	Nos.	2014	2013
TRADE INVESTMENT (fully paid and valued at cost)				
(a) Quoted Equity Investments				
Tata Chemicals Ltd. (Refer Note (a))	Rs. 10	11345522	5457.01	5457.01
The Indian Hotels Co Ltd.	Re. 1	1687742	271.99	271.99
Tata Motors Ltd.	Rs. 2	116665	46.84	46.84
Tata Motors Ltd. - 'A' Ordinary Shares	Rs. 2	16665	10.17	10.17
Tata Investment Corporation Ltd.	Rs. 10	160000	236.19	236.19
Tata Steel Ltd.	Rs. 10	12021	17.02	17.02
Titan Industries Ltd.	Re. 1	9248060	295.24	295.24
Joonktolle Tea & Industries Ltd.	Rs. 10	12602	6.63	6.63
			6341.09	6341.09
(b) Unquoted Equity Investments				
Investment in Associates				
Amalgamated Plantations Pvt. Ltd.	Rs. 10	61024400 (25010000)	6102.44	2501.00
Estate Management Services Pvt. Ltd.	LKR 10	12078406 (15346800)	1456.90	1106.21
Kanan Devan Hills Plantations Company Pvt. Ltd.	Rs. 10	3976563	1233.19	1233.19
The Rising Beverages Company LLC. - Class A shares	US\$	- (503.649)	-	12334.04
BJETS Pte Ltd.	US\$ 1	21584823	8836.51	7283.29
TRIL Constructions Limited	Rs. 10	11748148	1174.81	-
			18803.85	24457.73
Others				
Tata Sons Ltd.	Rs. 1000	1755	975.00	975.00
Tata Capital Ltd.	Rs. 10	613598	95.02	95.02
Tata Services Ltd.	Rs. 1000	475	4.77	4.77
Tata Industries Ltd.	Rs. 100	6519441	11582.32	11582.32
Taj Air Ltd.	Rs. 10	22200000	3037.49	2577.40
Chembra Peak Estates Ltd.	Rs. 10	3481	0.41	0.41
Wartyhully Estates Ltd.	Rs. 10	24748	0.93	0.93
			15695.94	15235.85
(c) Unquoted Preference Shares				
Investment in Associates				
Amalgamated Plantations Pvt Ltd.	Rs. 10	67000000	6700.00	6700.00
0.01% Non-Cumulative Redeemable Preference Shares (Redeemable with special redemption premium within 7 - 9 years from issue date)				
TRIL Constructions Limited				
0.001% Non-Cumulative Non-redeemable, mandatorily and fully convertible Preference Shares (Redeemable within 6 years from issue date)				
	Rs. 10	66751852	6675.19	-
			13375.19	6700.00
(d) Unquoted Debentures/Bonds				
Investment in Associates				
The Rising Beverages Company LLC. - Convertible Loan Notes # # Convertible at the option of the shareholders			-	4072.63
			-	4072.63
OTHER INVESTMENT (fully paid and valued at cost)				
(a) Quoted Equity Investments				
SBI Home Finance Ltd. (Refer Note (c))	Rs. 10	100000	-	-
Industrial Development Bank of India	Rs. 10	16160	13.13	13.13
			13.13	13.13

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

Rs. in Lakhs

	Face Value of each	Nos.	2014	2013
(b) Unquoted Equity Investments				
The Annamallais Ropeways Company Ltd. - Ordinary Shares (Refer Note (c))	Rs. 100	2092	-	-
ABC Tea Workers Welfare Services - Ordinary Shares	Rs. 10	20000	2.00	2.00
Assam Hospitals Ltd	Rs. 10	200000	20.00	20.00
The Valparai Co-operative Wholesale Stores Ltd - Ordinary Shares (Refer Note (c))	Rs. 10	350	-	-
Suryakiran Apartment Services Private Ltd	Rs. 10	2146	0.21	0.21
Jalpaiguri Club Ltd- Ordinary Shares (Cost Re 1)	Rs. 10	60	-	-
GNRC Ltd	Rs. 10	50000	5.00	5.00
IFCI Venture Capital Funds Ltd	Rs. 10	250000	25.00	25.00
Ritspin Synthetics Ltd (Refer Note (c))	Rs. 10	200000	-	-
Coorg Orange Growers Co-operative Society Ltd	Rs. 100	4	-	-
Tata Coffee Co-operative Stores Limited	Rs. 5	20	-	-
Coorg Cardamom Co-operative Marketing Society Ltd.	Rs. 100	1	-	-
Southern Scribe Instruments pvt Ltd	Rs. 100	7280	7.28	7.28
TEASERVE	Rs. 5000	1	0.05	0.05
(The Tamil Nadu Tea Manufacturers' Service Industrial Co-op Society Ltd)				
Woodlands Multispeciality Hospital Limited - Equity Shares	Rs. 10	12280	0.44	0.44
			59.98	59.98
(c) Unquoted Preference Shares				
Thakurbari Club Ltd (Cost Re. 1)	Rs. 100	26	-	-
			-	-
(d) Unquoted Government Securities:				
W.B. Estates Acquisition Compensation Bond			0.08	0.08
			0.08	0.08
(e) Unquoted Debentures				
The Bengal Chamber of Commerce & Industry - 6 1/2% Debentures	Rs. 1000	7	0.07	0.07
Shillong Club Ltd - 5% Debentures - (Cost Rs. 2)	Rs. 100	31	-	-
			0.07	0.07
	Total		54289.33	56880.56
Net appreciation in investments in associates under equity method (Refer Note (d))			6497.33	721.99
			60786.66	57602.55
Total of Investments				
Quoted			6354.22	6354.22
Unquoted			54432.44	51248.33
Aggregate Amount			60786.66	57602.55
Market value of quoted investments			59339.61	62301.66
Notes :				
(a) 3723648 shares of Tata Chemicals Ltd is pledged against outstanding 3% Non Convertible privately placed Debentures (769276 shares of Tata Chemicals Ltd were pledged against outstanding 3% Non Convertible privately placed "Series 2" Debentures aggregating to Rs 2500 Lakhs)				
(b) Cost of investments in Bjets Pte Ltd. and The Rising Beverages Company LLC includes Goodwill amounting to Rs 6839.01 Lakhs and Nil (Rs 5949.00 Lakhs) respectively; cost of investment in Amalgamated Plantations Pvt. Ltd. and Kanan Devan Hills Plantations Co. Pvt Ltd. includes capital reserve of Rs 1559.78 Lakhs and Rs 1180.26 Lakhs respectively.				
(c) Fully provided (Original Cost Rs 32.14 Lakhs)				
(d) Includes the following adjustments on account of Associate Companies:				
			Rs. in Lakhs	
Pre-acquisition share of profit / (loss)			(152.25)	(152.25)
Post acquisition profit			9953.07	5175.03
Current year profit / (loss)			(1287.10)	(2766.15)
Dividend received			(2016.39)	(1534.64)
			6497.33	721.99

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

Rs. in Lakhs

	2014	2013
15. LONG-TERM LOANS AND ADVANCES		
(unsecured and considered good unless otherwise stated)		
Inter Corporate Loans - Secured	7492.55	2400.00
Capital Advances	453.43	1040.28
Security Deposit		
Considered Good	3729.57	3446.03
Considered Doubtful	32.73	34.88
	3762.30	3480.91
Less: Provision for Doubtful Deposits	(32.73)	(34.88)
	3729.57	3446.03
Other Advances		
Considered Good	1903.45	1478.19
Considered Doubtful	12.34	12.34
	1915.79	1490.53
Less: Provision for Doubtful Advances	(12.34)	(12.34)
	1903.45	1478.19
	13579.00	8364.50

16. OTHER NON-CURRENT ASSETS

Property rights pending development (Refer Note 2(b)(vii))	7050.00	-
	7050.00	-

17. CURRENT INVESTMENTS

(At lower of cost and fair value)

	Face Value of each	Nos		
Unquoted Mutual Fund				
Tata Mutual fund	Rs. 10	11851.112	226.43	112.04
Units of TLFG - Tata Floater Fund Growth		(6439.990)		
HSBC Ultra Short-term Fund	Rs. 10	793909	83.68	78.60
Weekly Dividend		(780717)		
			310.11	190.64
Total Current Investments			310.11	190.64
Net fair value of investment in Mutual Fund			311.73	190.64

18. INVENTORIES

(At lower of cost and net realisable value)

Stores, Spare Parts and Packing Materials	8088.59	7695.68
Raw Material*	81917.75	79076.40
Finished Goods**	60605.32	50614.26
Stock-in-Trade	357.56	413.96
Work-in-Progress	876.65	491.97
	151845.87	138292.27

*includes intransit of Rs. 2580.89 Lakhs (Rs. 4214.35 Lakhs)

**includes intransit of Rs. 855.80 Lakhs (Rs. 644.76 Lakhs)

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

Rs. in Lakhs

	2014	2013
19. TRADE RECEIVABLES		
Receivables outstanding for a period exceeding six months from due date		
Considered Good	40.70	237.19
Considered Doubtful	808.35	1150.58
	849.05	1387.77
Less: Provision for Doubtful Debts	(808.35)	(1150.58)
	40.70	237.19
Other Receivables		
Considered Good*	65394.10	71054.98
Considered Doubtful	239.10	235.11
	65633.20	71290.09
Less : Provision for Doubtful Debts	(239.10)	(235.11)
	65394.10	71054.98
	65434.80	71292.17

*Other Receivable includes secured receivable of Rs. 1405.83 Lakhs (Rs. 763.22 Lakhs).

20. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash/Cheques in hand	76.70	138.24
Balances with Bank		
Current Account	14001.66	26169.73
Deposit Account ^	57736.92	39775.34
	71815.28	66083.31
Other Bank Balances		
Deposit Account *	-	3020.40
Unclaimed Dividend Account	708.44	666.65
	708.44	3687.05
	72523.72	69770.36

^ The cash held in bank deposits includes Rs. 189.31 Lakhs (Rs. 760.22 Lakhs) of restricted cash which may only be used to service the external debt.

* includes Nil (Rs. 3000 Lakhs) bank deposits earmarked as a Lien on Series 1, 3% Non-Convertible Debentures aggregating to Rs. 30000 Lakhs.

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

Rs. in Lakhs

	2014	2013
21. SHORT-TERM LOANS AND ADVANCES		
(unsecured and considered good unless otherwise stated)		
Inter Corporate Loans	67428.51	64252.92
(including secured loan amounting to Rs. 42051.12 Lakhs (Rs. 37009.17 Lakhs))		
Deposits		
Considered Good	1286.60	511.16
Considered Doubtful	38.00	38.00
	1324.60	549.16
Less: Provision for Doubtful Deposits	(38.00)	(38.00)
	1286.60	511.16
Other Advances		
Considered Good	15692.64	12116.03
Considered Doubtful	283.88	333.07
	15976.52	12449.10
Less: Provision for Doubtful Advances	(283.88)	(333.07)
	15692.64	12116.03
Prepaid Expenses	2908.77	2360.87
Advance Tax	5472.35	-
	92788.87	79240.98
22. OTHER CURRENT ASSETS		
Interest Accrued	1332.02	583.78
Export Incentive receivable	1437.98	1549.64
	2770.00	2133.42

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

Rs. in Lakhs

	2014	2013
23. REVENUE FROM OPERATIONS		
Sale of Products	761702.47	726526.99
Sale of Services	573.00	599.19
Other Operating Revenues		
Miscellaneous Receipts*	2806.21	2248.27
Liabilities no longer required written back	1552.42	1388.13
Provision for debts and advances write back	80.48	79.99
Royalty Income	4299.82	1,460.38
Export Incentive	2823.74	2888.55
	11562.67	8065.32
	773838.14	735191.50
Less: Excise Duty	(77.08)	(93.74)
	773761.06	735097.76
* Miscellaneous Receipts includes Statutory Board Subsidies Nil (Rs. 13.83 Lakhs).		
24. OTHER INCOME		
Interest Income		
Long-term Investments	-	5.02
Others - on advances and deposits	6412.60	6617.54
	6412.60	6622.56
Dividend income		
Long-term Investments	1529.71	1674.22
Current Investments	101.04	195.98
	1630.75	1870.20
Profit on sale of Current Investments (net)	16.06	10.72
Rent Income	99.28	92.77
Other non-operating income	21.49	4.37
	8180.18	8600.62
25. COST OF MATERIALS CONSUMED		
Raw Materials Consumed		
Tea	236552.74	212256.98
Coffee	66049.79	77832.31
Others	1737.08	1139.54
	304339.61	291228.83
Consumption of Packing Materials	48468.96	44847.79
	352808.57	336076.62
26. PURCHASE OF STOCK-IN-TRADE		
Tea	17021.91	14788.89
Coffee	3182.44	4092.25
Others	6152.15	5495.89
	26356.50	24377.03

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

Rs. in Lakhs

	2014	2013
27. CHANGES IN INVENTORIES OF FINISHED GOODS/ WORK-IN-PROGRESS/STOCK-IN-TRADE		
Stock as at 1st April		
Finished Goods	50614.26	46399.91
Stock-in-Trade	413.96	444.80
Work-in-Progress	491.97	521.51
	51520.19	47366.22
Stock as at 31st March		
Finished Goods	60605.32	50614.26
Stock-in-Trade	357.56	413.96
Work-in-Progress	876.65	491.97
	61839.53	51520.19
	(10319.34)	(4153.97)
Less: Inventory write down accounted in Exceptional Items	1100.00	-
Refer Note 31		
	(11419.34)	(4153.97)

	2014	2013
28. EMPLOYEE BENEFITS EXPENSE		
Rs. in Lakhs		
Salaries, Wages and Bonus	72058.59	67378.02
Contribution to Provident Fund and other Funds	4864.50	4341.48
Workmen and Staff Welfare Expenses	1875.88	2291.13
	78798.97	74010.63

	2014	2013
29. FINANCE COSTS		
Interest Expense	8230.15	7935.52
Other Borrowing Cost	115.32	318.53
Exchange loss (net)	307.68	190.43
	8653.15	8444.48

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

Rs. in Lakhs

	2014	2013
30. OTHER EXPENSES		
Manufacturing and Contract Packing Expenses	11509.10	9691.44
Consumption of Stores and Spare Parts	4404.38	3930.44
Power and Fuel	9633.84	8524.97
Repairs to Plant and Machinery	2558.56	2073.86
Repairs to Buildings	1743.05	1499.56
General Repairs	1786.91	1498.62
Rent	7434.94	5652.12
Rates and Taxes	1738.57	1620.74
Advertisement and Sale Charges	140225.89	123895.83
Commission on Sales	12610.11	14814.67
Freight	17223.09	15978.92
Insurance	2266.31	2175.39
Legal and Professional Expenses	10220.73	8655.74
Miscellaneous Expenses*	28563.46	27536.23
Provision for Doubtful Debts and Advances	36.50	218.27
Debts and Advances written off	53.71	-
Loss on sale of fixed assets	18.52	171.68
	252027.67	227938.48

*Includes Exchange Loss - Rs. 353.53 Lakhs (Rs. 187.73 Lakhs)

31. EXCEPTIONAL ITEMS

Income

Profit on sale of Long-term Investments (net)	3171.13	5233.75
Profit on sale of property	19473.18	-
Realised Profit on sale of Plantation Division *	8590.80	-
Exchange Gain	275.07	1201.97
	31510.18	6435.72

Expenditure

Long-term initiatives	(2255.27)	(610.45)
Re-organisation/Business Restructure costs	(4607.86)	(3997.45)
Redundancy costs	(632.09)	(433.84)
Provision for Retirement Benefits/contractual Obligation (net)	(1492.22)	(2138.78)
One time Pension increase costs	-	(547.00)
Product Development costs	(1028.42)	(1246.35)
Disposal of Investment in an Associate	(10320.15)	-
Write-down of Inventory to Net realisable value in an overseas subsidiary	(1100.00)	-
Others	(1197.96)	(278.42)
	(22633.97)	(9252.29)
	8876.21	(2816.57)

* unrecognised in the year of sale.

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

32. Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2014 aggregated Rs. 1519.30 Lakhs (Rs. 2197.52 Lakhs).

33. Contingent Liabilities not provided for in respect of :

a) Claims under adjudication not acknowledged as debts:

Rs. in Lakhs

Particulars	2014	2013
i. Taxes, Statutory Duties/Levies etc.	2660.20	2827.86
ii. Commercial and other Claims	1132.97	2172.25

b) Labour disputes under adjudication relating to some staff – amount not ascertainable for holding company and Rs. 85.32 Lakhs (Rs. 296.06 Lakhs) for an Indian subsidiary.

c) In the case of overseas subsidiaries there are contingent liabilities in respect of forward exchange contracts, operating leases, outstanding letters of credit and financing arrangements of joint ventures. All of these arrangements have been undertaken in the normal course of trade and are centrally managed by the central treasury team of the overseas subsidiary. Because the value of many of these liabilities is dependent on future market price movements, the directors believe that it is not practically possible to provide an estimate of the Group's potential liability under such arrangements.

d) Bank and other guarantees - Rs. 942.03 Lakhs (Rs. 809.87 Lakhs).

34. RESEARCH AND DEVELOPMENT EXPENDITURE:

Rs. in Lakhs

	2014	2013
Capital	32.33	11.90
Revenue	737.71	634.06
Total	770.04	645.96

35. DETAILS OF PROVISION:

Rs in Lakhs

Particulars	Reorganisation Cost [#]		Others ^{&}	
	2014	2013	2014	2013
Opening Balance	3214.01	1155.83	9.31	-
Provision made during the year	996.72	4993.26	682.53	9.31
Amount paid / adjusted during the year	1420.34	2935.08	-	-
Closing Balance	2790.39	3214.01	691.84	9.31

[#] relates to restructure of certain corporate functions and is expected to be paid in near future.

[&] relates to provision for trade obligations.

36. LEASES

Finance Lease

The Company's leasing arrangements are in respect of finance lease for plant and machinery. The finance lease arrangements are non-cancellable in nature for a period of 24 months.

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

Disclosure in respect of finance leases:

Rs. in Lakhs

	2014			2013		
	Within 1 Year	1 to 5 Years	Total	Within 1 Year	1 to 5 Years	Total
Minimum lease payments under finance lease	-	-	-	2.86	-	2.86
Less: Amount representing finance charge	-	-	-	0.03	-	0.03
Present value of minimum lease payment	-	-	-	2.83	-	2.83

Operating Lease

Group's leasing arrangements are for premises (residential, office, factory, godown and stores), equipments and vehicles, these range between 5 months to 10 years and are usually renewable on mutually agreed terms.

Disclosure in respect of operating leases:

Rs. in Lakhs

	2014	2013
Minimum lease payments under Non-cancellable operating lease		
Within one year	3708.36	2504.01
Later than one year and not later than five years	13631.56	11814.40
Later than five years	5289.03	5295.27
Total	22628.95	19613.68
Lease payments recognised in the Statement of Profit and Loss	8389.68	5985.90

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

37. The proportionate share of the assets, liabilities, income and expenditure of the joint venture of Holding Company and its subsidiary companies (refer Note 2(b) above) included in these consolidated financial statements are given below:

JV's Balance Sheet as at 31st March 2014

	Rs. in Lakhs	
	2014	2013
SOURCES OF FUNDS		
Share Capital	19259.90	10790.68
Reserves and Surplus	(8502.53)	(3457.53)
Shareholders Funds	10757.37	7333.15
Non-Current Liabilities:		
Deferred Tax (net)	(88.58)	(66.96)
Other Long-term Liabilities	24.14	16.86
Long-term Provisions	32.85	8.94
Total Non-Current Liabilities	(31.59)	(41.16)
Current Liabilities:		
Short-term Borrowings	4533.32	2090.20
Trade Payables	5008.08	5013.97
Other Current Liabilities	2017.12	456.27
Short-term Provisions	192.14	98.09
Total Current Liabilities	11750.66	7658.53
TOTAL SOURCES OF FUNDS	22476.44	14950.52
APPLICATION OF FUNDS		
Non-Current Assets		
Fixed Assets		
Tangible Assets	5436.65	2226.32
Intangible Assets	333.12	180.02
Capital work in progress	1458.69	863.74
Long-term Loans and Advances	1183.63	944.66
Total Non Current Assets	8412.09	4214.74
Current Assets		
Inventories	9195.68	6300.51
Trade Receivables	2257.84	2715.53
Cash and Bank Balance	2052.88	1010.84
Short-term Loans and Advances	552.03	708.00
Other Current Assets	5.92	0.90
Total Current Assets	14064.35	10735.78
TOTAL APPLICATION OF FUND	22476.44	14950.52

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

37. CONTD.

JV's Statement of Profit and Loss for the year ended 31st March 2014

Rs in Lakhs

	2014	2013
Income		
Revenue from Operations	49729.19	40538.45
Other Income	121.49	250.33
Total Revenue	49850.68	40788.78
Expenses		
Cost of Materials Consumed	23249.58	18469.63
Purchase of Trading Goods	11705.07	10064.56
Change in Inventories of Finished Goods/ Work-in-progress/ stock-in-trade	(36.27)	(14.95)
Employee Benefits Expense	4213.96	2712.69
Finance Costs	216.36	150.99
Depreciation and Amortisation Expense	738.01	256.20
Other Expenses	13840.78	10303.35
Total Expenses	53927.49	41942.47
Profit before Exceptional Items and Taxes	(4076.81)	(1153.69)
Exceptional Items (net)	566.50	447.97
Profit before tax	(3510.31)	(705.72)
Tax Expenses	9.67	28.09
Profit after Taxation	(3519.98)	(733.81)

Capital Commitment of the Holding Company in relation to the interest in Tata Starbucks Ltd. is Nil (Rs. 2300 Lakhs), being its contribution to subscribe to the share capital of the Joint Venture as and when required.

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

38 A. CONSOLIDATED RELATED PARTY DISCLOSURE

Particulars of transactions during the year ended 31st March 2014

Nature of Transactions	Rs. in Lakhs				
	Joint Ventures	Associates	Promoter	Key Management Personnel	Total
Sale of Goods and Services	2330.55	72.41	-	-	2402.96
	(2658.63)	(0.53)	-	-	(2659.16)
Other Operating Income	14.33	509.08	-	-	523.41
	-	(209.08)	-	-	(209.08)
Purchase of Goods and Services	7173.89	29030.81	-	-	36204.70
	(6641.38)	(18067.62)	-	-	(24709.00)
Rent Paid	-	116.62	95.46	-	212.08
	-	(73.07)	(11.93)	-	(85.00)
Fees paid for Product Development	636.52	-	-	-	636.52
	(674.16)	-	-	-	(674.16)
Other Expenses (Net)	-	255.54	1498.32	-	1753.86
	-	(345.00)	(1323.20)	-	(1668.20)
Deposits Given	-	-	-	-	-
	-	-	(100.00)	-	(100.00)
Directors Remuneration *	-	-	-	819.85	819.85
	-	-	-	(641.18)	(641.18)
Dividend Paid	-	-	3071.37	-	3071.37
	-	-	(3071.37)	-	(3071.37)
Investments Made	-	8173.34	-	-	8173.34
	-	(4023.75)	-	-	(4023.75)
Reimbursement of Expenses (net)	42.46	212.45	50.18	-	305.09
	((60.59))	(209.25)	((1.61))	-	(147.05)
Dividend/Interest Received	-	955.29	140.40	-	1095.69
	-	(464.07)	(140.40)	-	(604.47)
Balances Outstanding	Debit	284.54	3105.87	-	3390.41
		(276.61)	(2797.77)	-	(3074.38)
	Credit	283.34	-	1417.93	1701.27
		(327.16)	-	(1093.87)	(1421.03)

* Provision for employee benefits, which are based on actuarial valuation done on an overall basis, is excluded.

The above does not include share of recurring/special benefits payable to former Directors.



NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

Related Parties

Promoter

Tata Sons Ltd.

Associates

Estate Management Services Pvt Ltd.

Amalgamated Plantations Pvt. Ltd.

Kanan Devan Hills Plantations Co. Pvt. Ltd.

TRIL Constructions Ltd. (w.e.f. 20th August 2013)

Key Management Personnel

Mr. Harish Bhat - Managing Director & Group CEO, Tata Global Beverages Ltd.
(till 31st March 2014)

Mr. Ajoy Misra - Executive Director & Group Deputy CEO, Tata Global Beverages Ltd.

Mr. L Krishna Kumar - Executive Director & Group CFO, Tata Global Beverages Ltd.

Joint Ventures

NourishCo Beverages Ltd.

Tata Starbucks Ltd.

Joint Ventures of Subsidiary

Tetley ACI (Bangladesh) Ltd.

Empirical Group LLC, USA

Southern Tea LLC, USA

Tetley Clover Pvt Ltd., Pakistan

Associate of Subsidiary

The Rising Beverages Company LLC, USA (till December 31,2013)

Bjets Pte. Ltd. Singapore

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

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

			Rs. in Lakhs	
			2014	2013
1	Sale of Goods and Services	Southern Tea LLC, USA	342.04	333.58
		NourishCo Beverages Ltd.	985.36	854.46
		Empirical Group LLC, USA	14.57	688.62
		Tetley Clover Pvt. Ltd., Pakistan	861.44	720.97
2	Other Operating Income	Kanan Devan Hills Plantations Co. Pvt. Ltd.	509.08	209.08
3	Purchase of Goods & Services	Amalgamated Plantations Pvt. Ltd.	18548.45	14737.29
		Kanan Devan Hills Plantations Co. Pvt. Ltd.	10482.36	3330.34
		Southern Tea LLC, USA	7165.45	6641.06
4	Rent Paid	Tata Sons Ltd.	95.46	11.93
		Amalgamated Plantations Pvt. Ltd.	72.22	54.57
		Kanan Devan Hills Plantations Co. Pvt. Ltd.	44.40	18.50
5	Fees paid for Product Development	NourishCo Beverages Ltd.	636.52	674.11
6	Other Expenses (Net)	Tata Sons Ltd.	1498.32	1323.20
		Amalgamated Plantations Pvt. Ltd.	255.54	345.00
7	Dividend Paid	Tata Sons Ltd.	3071.37	3071.37
8	Investments Made	The Rising Beverages Company LLC	3860.00	3963.75
		Amalgamated Plantations Pvt. Ltd.	3601.44	60.00
		Estate Management Services Pvt Limited	711.90	
9	Reimbursement of Expenses (net)	Amalgamated Plantations Pvt. Ltd.	246.35	209.25
		NourishCo Beverages Ltd.	(32.25)	(51.96)
		Tata Starbucks Ltd.	74.71	(8.63)
		Kanan Devan Hills Plantations Co. Pvt. Ltd.	(33.90)	-
		Tata Sons Ltd.	50.18	(1.61)
10	Deposits Given	Tata Sons Ltd.	-	100.00
11	Dividend and Interest Received	Amalgamated Plantations Pvt. Ltd.	250.77	122.72
		Estate Management Services Pvt. Ltd.	171.42	180.77
		Kanan Devan Hills Plantations Co. Pvt. Ltd.	533.10	160.58
		Tata Sons Ltd.	140.40	140.40



NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

39. CONSOLIDATED SEGMENT REPORTING

a) By Business Segments:

Particulars					Rs. in Lakhs
	Tea	Coffee and Other Produce	Others	Unallocated	Total
Sales Revenue from External Customers	565535.93	187996.07	8666.39	-	762198.39
	(529078.04)	(190325.57)	(7628.83)	-	(727032.44)
Other Operating Revenue	4584.51	6752.26	225.90	-	11562.67
	(3658.61)	(4336.81)	(69.90)	-	(8065.32)
Total Segment Revenue	570120.44	194748.33	8892.29	-	773761.06
	(532736.65)	(194662.38)	(7698.73)	-	(735097.76)
Add: Other Income				8180.18	8180.18
				(6800.62)	(8600.62)
Total Income	570120.44	194748.33	8892.29	8180.18	781941.24
	(532736.65)	(194662.38)	(7698.73)	(8600.62)	(743698.38)
Segment result	63020.20	21458.27	(3223.49)		81254.98
	(59728.34)	(28969.65)	((3362.22))		(85335.77)
Add: Other Income				8180.18	8180.18
				(8600.62)	(8600.62)
Add: Unallocable (expenditure) net of income				(18972.15)	(18972.15)
				((18996.37))	((18996.37))
Less: Finance Cost				(8653.15)	(8653.15)
				((8444.48))	((8444.48))
	63020.20	21458.27	(3223.49)	(19445.12)	61809.86
	(59728.34)	(28969.65)	((3362.22))	((18840.23))	(66495.54)
Exceptional Income / (Expenditure)				8876.21	8876.21
				((2816.57))	((2816.57))
Profit before Tax	63020.20	21458.27	(3223.49)	(10568.91)	70686.07
	(59728.34)	(28969.65)	((3362.22))	((21656.80))	(63678.97)
Provision for Taxation				(18448.94)	(18448.94)
				((16407.08))	((16407.08))
Profit after Taxation before Share of Results of Associates and Minority Interest	63020.20	21458.27	(3223.49)	(29017.85)	52237.13
	(59728.34)	(28969.65)	((3362.22))	((38063.88))	(47271.89)
Share of Results of Associates				(1287.10)	(1287.10)
				((2766.15))	((2766.15))
Profit after Taxation before Minority Interest	63020.20	21458.27	(3223.49)	(30304.95)	50950.03
	(59728.34)	(28969.65)	((3362.22))	((40830.03))	(44505.74)
Segment Assets	490572.34	257701.66	27799.21		776073.21
	(424704.99)	(236036.55)	(26124.20)		(686865.74)
Investments				61096.77	61096.77
				(57793.19)	(57793.19)
Unallocated Assets				153976.65	153976.65
				(134729.32)	(134729.32)
Total Assets	490572.34	257701.66	27799.21	215073.42	991146.63
	(424704.99)	(236036.55)	(26124.20)	(192522.51)	(879388.25)
Segment Liabilities	86115.19	25974.72	1781.47		113871.38
	(79713.92)	(25987.33)	(3913.93)		(109615.18)
Unallocated liabilities				199983.60	199983.60
				(207370.28)	(207370.28)
Total Liabilities	86115.19	25974.72	1781.47	199983.60	313854.98
	(79713.92)	(25987.33)	(3913.93)	(207370.28)	(316985.46)
Capital Expenditure	9460.55	12032.08	890.40		
	(7766.93)	(14095.29)	(940.89)		
Depreciation & Amortisation	7085.25	5703.94	116.67		
	(6204.03)	(4062.05)	(243.49)		
Non Cash Expenditure other than depreciation and amortisation	101.28	24.45	-		
	(149.29)	(68.07)	(8.39)		

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

B) BY GEOGRAPHICAL SEGMENTS:

	India	UK	USA & Canada	Rest of the World	Total
Sales Revenue	273663.42	152314.73	189305.25	146914.99	762198.39
	(230896.80)	(154713.71)	(199367.41)	(142054.52)	(727032.44)
Segment Assets	197509.70	310974.86	218372.97	49215.68	776073.21
	(172094.38)	(278186.63)	(194596.21)	(41988.52)	(686865.74)
Purchase of Fixed Assets	13940.86	3324.27	3626.32	1491.58	22383.03
	(13224.65)	(7453.94)	(1134.39)	(990.13)	(22803.11)

Rs in Lakhs

Notes:

- Business Segments: The internal business segmentation and the activities encompassed therein are as follows:
 - Tea:** Cultivation, manufacture, blending and sale of tea in packet, bulk or value added forms.
 - Coffee and Other Produce:** Cultivation of coffee and related plantation crops and sale of coffee in various value added forms.
 - Others:** Sale of water products and other businesses.
- Geographical segments: Sales Revenue is on the basis of the geographical location of the customers. Carrying value of segment assets is based on geographical location of assets.
- The segment wise revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. Unallocable expenditure includes expenses incurred on common services at the corporate level, finance cost and exceptional items, unallocable income includes income from investments and exceptional items.
- Pricing of inter segment transfers are based on benchmark market prices.

40. POST RETIREMENT EMPLOYEE BENEFITS

- The Group operates defined contribution schemes like provident fund and defined contribution superannuation schemes. For these schemes, contributions are made by the Group, based on current salaries, to funds maintained by the Group and, for certain categories contributions are made to State Plans. For certain schemes, contributions are also made by the employees. An amount of Rs. 3333.54 Lakhs (Rs. 2967.03 Lakhs) has been charged to the statement of profit and loss on account of defined contribution schemes.
- The Group also operates defined benefit schemes like retirement gratuity, superannuation benefits and post retirement medical benefits. The superannuation benefits and medical benefits are restricted to certain categories of employees/Directors in the form of pension, medical and other benefits in terms of a specific policy related to the same ("Others"). The defined benefit schemes offer specified benefits to the employees on retirement. Annual actuarial valuations are carried out by independent actuaries. Wherever funds have been set up, annual contributions are also made by the Group. Employees are not required to make any contribution.
- The Group has substantial international operations with approximately 60% of its revenues coming from overseas operations. For the purposes of consolidated financial statements, actuarial gains and losses relating to defined benefit pension scheme of overseas subsidiaries has been accounted for in the Reserves instead of the statement of profit and loss, applying the accounting principles of consolidation under Accounting Standard 21 and the policy followed by the overseas subsidiaries and as recognised by the relevant overseas accounting framework. Adoption of the above policy is required to reflect a consistent framework amenable for better inter-firm comparison and to reflect the underlying performance.

Overseas actuarial gains/losses principally relate to a defined benefit retirement scheme of an overseas subsidiary which is closed for future accruals. These gains/losses represent increase in the value of future long-term payment obligations due to changes in interest rates and other actuarial assumptions based on the market position as at the year end. The actuarial assumptions are subject to significant fluctuations especially under volatile market conditions. Had the company followed the policy of accounting overseas actuarial gain/(loss) in the statement of profit and loss, the profit before tax, profit after tax before shares of results of Associate and Minority Interest and profit for the year would have been higher by Rs. 733.18 Lakhs (Previous year lower by Rs. 4215.20 Lakhs), Rs. 591.37 Lakhs (Previous year lower by Rs. 3245.70 Lakhs) and Rs. 524.26 Lakhs (Previous year lower by Rs. 2695.23 Lakhs) respectively.

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

- d. The following tables set out the details of funded and un-funded retirement benefit plans and amounts recognised in the financial statements:
- i. Amounts recognised in the Statement of Profit and Loss and charged to Contribution to Provident Fund and Other Funds, Staff Welfare and Exceptional items are as follows:

Rs. in Lakhs

	Pension		Gratuity		Medical		Others	
	2014	2013	2014	2013	2014	2013	2014	2013
Current Service Cost	-	-	409.88	336.36	169.79	136.40	106.86	3981.97
Interest on obligation	5376.91	4482.62	551.45	455.76	350.04	319.21	229.70	123.60
Expected Return on plan assets	(5152.58)	(4188.83)	(412.62)	(462.00)	-	-	-	-
Net actuarial loss/(gain) recognised during the year	(26.74)	(45.71)	456.07	890.47	(591.92)	59.77	1222.67	(90.42)
Effects of the limit in Para 59(b)	11.03	(4.40)	1.62	(0.85)	-	-	-	-
Total recognised in statement of profit and loss	208.62	243.68	1006.40	1219.74	(72.09)	515.38	1559.23	4015.15

- ii. Reconciliation of opening and closing balances of the present value of the obligations:

Rs. in Lakhs

	Pension		Gratuity		Medical		Others	
	2014	2013	2014	2013	2014	2013	2014	2013
Opening defined benefit obligation	96250.39	85218.35	6836.15	5618.06	4194.22	3777.93	3888.89	-
Current Service Cost	-	-	409.88	336.36	169.79	136.40	106.86	3981.97
Interest Cost	5376.91	4482.62	551.45	455.76	350.04	319.21	229.70	123.60
Actuarial loss/(gain)	76.20	9450.15	567.49	961.09	(591.92)	59.77	1222.67	(90.42)
Liabilities assumed on Acquisition/(settled on Divestiture) etc.	-	-	45.25	80.99	-	-	-	-
Exchange Rate Variation	20072.36	270.16	-	-	-	-	-	-
Benefit Paid	(3892.35)	(3170.89)	(643.24)	(616.11)	(99.71)	(99.09)	(321.61)	(126.26)
Closing Defined Benefit Obligation	117883.51	96250.39	7766.98	6836.15	4022.42	4194.22	5126.51	3888.89

NOTES TO CONSOLIDATED

Financial Statement for the year ended 31st March 2014

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

Rs. in Lakhs

	Pension		Gratuity	
	2014	2013	2014	2013
Opening fair value of Plan Assets	81042.20	69464.64	5636.82	4646.23
Expected Return on plan assets	5152.58	4188.83	412.62	462.00
Actuarial gain/(loss)	836.13	5280.66	111.42	66.80
Asset distributed on settlement	-	-	-	-
Contribution/(Withdrawal) by employer	4294.52	5155.81	1361.46	996.91
Assets acquired on Acquisition/(settled on Divestiture)	-	-	37.87	80.99
Exchange Rate Variation	17642.28	(30.86)	-	-
Benefits Paid	(3847.82)	(3016.88)	(643.24)	(616.11)
Closing Fair value of Plan Assets	105119.89	81042.20	6916.95	5636.82
Actual Return on Plan Assets	5988.71	9469.49	524.04	528.80

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

	2014	2013
Govt. of India Securities	0.24%	0.39%
Equity	37.60%	37.65%
Bonds	44.10%	44.70%
Insurance managed Funds	6.77%	7.26%
Property	7.27%	7.17%
Others	4.02%	2.83%
Total	100.00%	100.00%

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

Rs. in Lakhs

	Increase		Decrease	
	2014	2013	2014	2013
Effect on aggregate of interest cost and current service cost	169.58	47.81	(155.27)	(43.87)
Effect on defined benefit obligation	464.01	301.16	(435.21)	(276.28)

vi. Principal Actuarial assumptions used:

	2014	2013
Discount rates	8.85% / 8.00% / 9.30% / 9.00% / 4.50%	8.16% / 8.00% / 7.95% / 4.45%
Expected rate of return on plan assets	8.85% / 7.50%	9.40% / 7.50% / 6.50%
Expected salary increase rates	5.00% / 6.00% / 7.00 % / 10.00% based on employee category	5.00% / 6.00% / 8.00% based on employee category
Medical inflation rate	8.00 % / 10.00 % / 14.00 %	8.00%
Mortality rates	LIC 1994-96 mortality tables/ other approved norms for overseas schemes	LIC 1994-96 mortality tables/ other approved norms for overseas schemes

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

The contribution expected to be made by the Group for the year ending 31st March 2015 is not readily ascertainable.

SUBSIDIARY COMPANIES FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31 MARCH 2014

Item	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Investments (Other than Subsidiaries and holding company)	Average yearly rates for P&L items	Exchange Rate used for Conversion
													Rs in Lakhs
Tata Global Beverages Group Ltd.	Pound Sterling	234135	6390	836276	595751	-	3835	1972	5807	-	-	95.43	99.60
Tata Global Beverages Holdings Ltd.	Pound Sterling	-	173833	188757	14924	-	-	-	-	-	-	95.43	99.60
Tata Global Beverages Services Ltd.	Pound Sterling	159	344340	509700	165201	19844	1724	(134)	1590	-	-	95.43	99.60
Tata Global Beverages GB Ltd.	Pound Sterling	-	194977	295665	100688	15794	13030	(251)	10499	-	-	95.43	99.60
Tata Global Beverages Overseas Holdings Ltd.	Pound Sterling	-	2885	73096	70211	-	(172)	63	(109)	-	-	95.43	99.60
Tata Global Beverages Overseas Ltd.	Pound Sterling	-	(1663)	6607	8271	-	(222)	38	(184)	-	-	95.43	99.60
Lyons Tetley Limited (Dormant)	Pound Sterling	20	-	20	-	-	-	-	-	-	-	95.43	99.60
Tata Global Beverages US Holdings Inc	US Dollars	12253	14021	43679	17405	-	(210)	-	(210)	-	-	60.24	59.91
Tetley USA Inc	US Dollars	81779	(57528)	27201	2950	16162	1590	(28)	1562	-	-	60.24	59.91
Teapigs - USA	US Dollars	-	(53)	197	250	49	(54)	-	(54)	-	-	60.24	59.91
Tata Global Beverages Canada Inc	Canadian Dollars	816	6500	15191	7875	34745	1109	(267)	842	-	-	57.25	54.39
Tata Global Beverages Australia Pty Ltd.	Australian Dollars	6542	(5564)	6588	5609	15877	21	955	977	-	-	56.05	55.44
Stansand Ltd. (Dormant)	Pound Sterling	5	-	5	-	-	-	-	-	-	-	95.43	99.60
Stansand Brokers Ltd. (Dormant)	Pound Sterling	32	-	32	-	-	-	-	-	-	-	95.43	99.60
Stansand (Africa) Ltd.	Kenyan Shilling	3	544	1384	836	12828	(99)	20	(79)	-	-	0.69	0.71
Stansand (Central Africa) Ltd.	Malawi Kwacha	-	15	143	127	2275	(9)	3	(7)	-	-	0.15	0.17
Tata Global Beverages Polska sp.oz.o	Polish Zloty	8668	(9946)	2971	4250	7553	(1431)	-	(1431)	-	-	19.09	19.72
Drassington Ltd.	Pound Sterling	1948	(2143)	-	195	-	(42)	-	(42)	-	-	95.43	99.60
Good Earth Corporation	US Dollars	-	(508)	-	508	-	(44)	-	(44)	-	-	60.24	59.91
Good Earth Teas Inc.	US Dollars	54	(7104)	2998	10049	5280	(943)	-	(943)	-	-	60.24	59.91
Teapigs Ltd.	Pound Sterling	996	924	4719	2799	7880	766	(175)	592	-	-	95.43	99.60
Tata Global Beverages Czech Republic a.s	Czech Krona	60	(2506)	7971	10416	7357	(570)	-	(570)	-	-	3.06	3.00
Tata Global Beverages (GB) Investment Ltd.	Pound Sterling	232813	187018	419836	5	-	363	1573	1935	-	8149	95.43	99.60
Campstretts Holdings Ltd.	US Dollars	2	12698	12718	18	-	(211)	-	(211)	-	-	60.24	59.91
Kahutara Holdings Ltd.	US Dollars	12	17883	28320	10625	-	(535)	-	(535)	-	-	60.24	59.91
Suntico Holdings Ltd.	US Dollars	41	8247	8361	73	-	392	(52)	340	-	-	60.24	59.91
Onomento Co Ltd	US Dollars	4	1586	1612	22	371	341	-	341	-	-	60.24	59.91
OOO Sunity LLC	US Dollars	6898	(4455)	16363	13920	41412	(5327)	108	(5219)	-	-	60.24	59.91
OOO Teatrade LLC	US Dollars	-	450	6052	5602	1981	493	(85)	408	-	-	60.24	59.91
Joekels Tea Packers (Proprietary) Ltd.	South African Rand	-	1105	3888	2783	11615	371	(113)	258	-	-	5.95	5.66
Tata Global Beverages Capital Ltd	Pound Sterling	89249	310	160393	70835	-	4040	291	4331	-	-	95.43	99.60
Tata Coffee Ltd	Indian Rupees	1868	58522	88337	27947	65092	14823	(4166)	10657	2428	453	-	-
Alliance Coffee Ltd,	Indian Rupees	5	94	104	5	-	5	-	5	-	84	-	-
Consolidated Coffee Inc.	US Dollars	35886	(5871)	40077	10062	-	(6347)	3996	(2351)	-	-	60.24	59.91
EOC Holdings Inc. (Consolidated)	US Dollars	35886	4480	150517	110151	81217	9792	(3571)	6221	-	-	60.24	59.91
Tata Tea Extractions Inc.	US Dollars	8387	17395	30476	4694	8702	2394	(435)	1960	-	-	60.24	59.91
Zhejiang Tata Tea Extraction Company Ltd.	Chinese Yuan	5305	(4857)	8517	8069	387	(2827)	571	(2256)	-	-	9.84	9.64
Tata Tea Holdings Private Ltd.	Indian Rupees	5	(4)	1	-	-	1	-	1	-	-	-	-
Mount Everest Mineral Water Ltd.	Indian Rupees	3400	1242	5285	643	2645	239	-	239	-	226	-	-

TATA GLOBAL BEVERAGES LIMITED

Registered office: 1, Bishop Lefroy Road, Kolkata 700 020
Corporate Identity Number (CIN) - L15491WB1962PLC031425
E-mail id - investor.relations@tataglobalbeverages.com Website address – www.tataglobalbeverages.com



ATTENDANCE SLIP

(To be presented at the entrance)

I hereby record my presence at the 51st Annual General Meeting on Tuesday, 26th August, 2014 at 10.30 a.m., at the Oberoi Grand, 15, Jawaharlal Nehru Road, Kolkata 700 013

Folio No. _____ Client ID & DP ID No. _____ No. of Shares _____

Name of the Member _____ Signature _____

Name of the Proxyholder _____ Signature _____

1. Only member / proxyholder can attend the meeting
2. Member / Proxyholder should bring his / her copy of the annual report for reference at the meeting

TATA GLOBAL BEVERAGES LIMITED

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PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : _____

Registered Address : _____

Email Id : _____

Folio No. / Client ID No. : _____ DP ID NO. _____

I/We, being the member(s) of _____ shares of Tata Global Beverages Limited , hereby appoint

1. Name _____ E-mail id: _____

Address: _____
Signature: _____

Or failing him

2. Name _____ E-mail id: _____

Address: _____
Signature: _____

Or failing him

3. Name _____ E-mail id: _____

Address: _____
Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us , and on my /our behalf at the fifty first Annual General Meeting of the Company to be held on Tuesday, 26th August 2014, at 10.30 am at the Oberoi Grand, 15, Jawaharlal Nehru Road, Kolkata 700 013 and at any adjournment thereof in respect of such resolutions as are indicated below:

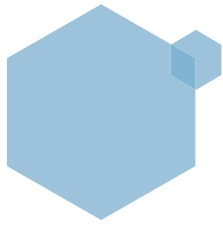
1. Adoption of Audited Financial Statements for the year ended March 31, 2014 together with the reports of the Directors and Auditors thereon.
2. Declaration of dividend
3. Re-appointment of Mr. Cyrus P Mistry as Director.
4. Appointment of Auditors and fixing their remuneration.
5. Appointment of Mr. Analjit Singh as an Independent Director.
6. Appointment of Mr. V. Leeladhar as an Independent Director.
7. Appointment of Mrs. Mallika Srinivasan as an Independent Director.
8. Appointment of Mrs. Ranjana Kumar as an Independent Director.
9. Appointment of Mr. Darius Pandole as an Independent Director
10. Appointment of Mrs. Ireena Vittal as Director and Independent Director
11. Appointment of Mr. Harish Bhat as Director
12. Appointment of Mr. Ajoy Misra as Managing Director
13. Approve Borrowing limits of the Company.
14. Creation of mortgage/Charge
15. Payment of commission to Non-Wholetime Directors

Affix
Revenue
Stamp

Signed this _____ day of _____ 2014

Signature of shareholder _____ Signature of proxyholder(s) _____

- Notes: 1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 1, Bishop Lefroy Road, Kolkata 700 020, not less than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios with different jointholders may use copies of this Attendance slip/Proxy.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Cyrus P. Mistry (Chairman)
R. K. Krishna Kumar (Vice-Chairman)
(upto 18.07.2013)
F. K. Kavarana (upto 27.03.2014)
U. M. Rao (upto 02.07.2013)
Mallika Srinivasan (Mrs.)
A. Singh
V. Leeladhar
Ranjana Kumar (Mrs.)
Darius Pandole
S. Santhanakrishnan
Ireena Vittal (Mrs.)
Harish Bhat
Ajoy Misra, Chief Executive Officer &
Managing Director
L. Krishnakumar, Executive Director &
Group Chief Financial Officer

V. Madan, Vice President and Secretary

REGISTERED OFFICE

1, Bishop Lefroy Road, Kolkata - 700 020
Telephone : 033-22813779/3891/4422/
4747/66053400
Fax : 033-22811199
Website : www.tataglobalbeverages.com

SOLICITORS AND LEGAL ADVISERS

**Amarchand & Mangaldas & Suresh A.
Shroff & Co.**
AZB Partners
Dua Associates
Khaitan & Co.
Orr Dignam & Co.

AUDITORS

Lovelock & Lewes

REGISTRARS

**Equity Shares and Fixed Deposits
TSR Darashaw Private Limited**

(Formerly Tata Share Registry Limited
(Unit : Tata Global Beverages 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 : 033-22883097

BANKERS

Axis Bank Limited
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
The Royal Bank of Scotland N.V.
YES Bank Limited

BOARD COMMITTEES

Audit Committee

V. Leeladhar (Chairman)
Ranjana Kumar (Mrs.)
Darius Pandole
S. Santhanakrishnan
Ireena Vittal (Mrs.)
Harish Bhat

Stakeholder Relationship Committee

V. Leeladhar (Chairman)
S. Santhanakrishnan
L. Krishnakumar

Nomination and Remuneration Committee

Ranjana Kumar (Mrs.) (Chairperson)
Cyrus P. Mistry
V. Leeladhar
Darius Pandole
Harish Bhat

Executive Committee

Cyrus P. Mistry (Chairman)
Harish Bhat
Ireena Vittal (Mrs.)
Ajoy Misra
L. Krishnakumar

Corporate Sustainability Reporting Committee

Ranjana Kumar (Mrs.) (Chairperson)
Prof. S. Parasuraman (Expert Member)
V. Leeladhar
S. Santhanakrishnan
Ajoy Misra

Ethics and Compliance Committee

V. Leeladhar (Chairman)
Ranjana Kumar (Mrs.)
Ajoy Misra



TATA GLOBAL BEVERAGES



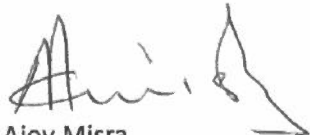
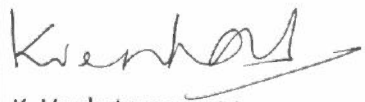
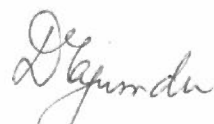
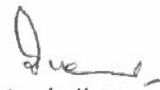
Tata Global Beverages Limited

1, Bishop Lefroy Road, Kolkata - 700020

www.tataglobalbeverages.com

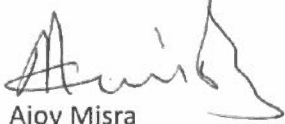


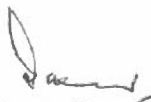
Form No. A

Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1.	Name of the Company	Tata Global Beverages Ltd
2.	Annual financial Statements for the year ended (Standalone)	31 st March 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	 Ajoy Misra Managing Director  K. Venkataramanan Chief Finance Officer For Lovelock & Lewes Firm Registration No: 301056E Chartered Accountants  Dibyendu Majumder Partner Membership Number: 057687  V. Leeladhar Chairman of Audit Committee	

Form No. A

Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1.	Name of the Company	Tata Global Beverages Ltd
2.	Annual financial Statements for the year ended (Consolidated)	31 st March 2014
3.	Type of Audit observation	Matter of Emphasis
4.	Frequency of observation	It is appearing from 31st March 2012
5.	<p>  Ajoy Misra Managing Director </p> <p>  K. Venkataramanan Chief Finance Officer </p> <p> For Lovelock & Lewes Firm Registration No: 301056E Chartered Accountants </p> <p>  Dibyendu Majumder Partner Membership Number: 057687 </p> <p>  V. Leeladhar Chairman of Audit Committee </p>	