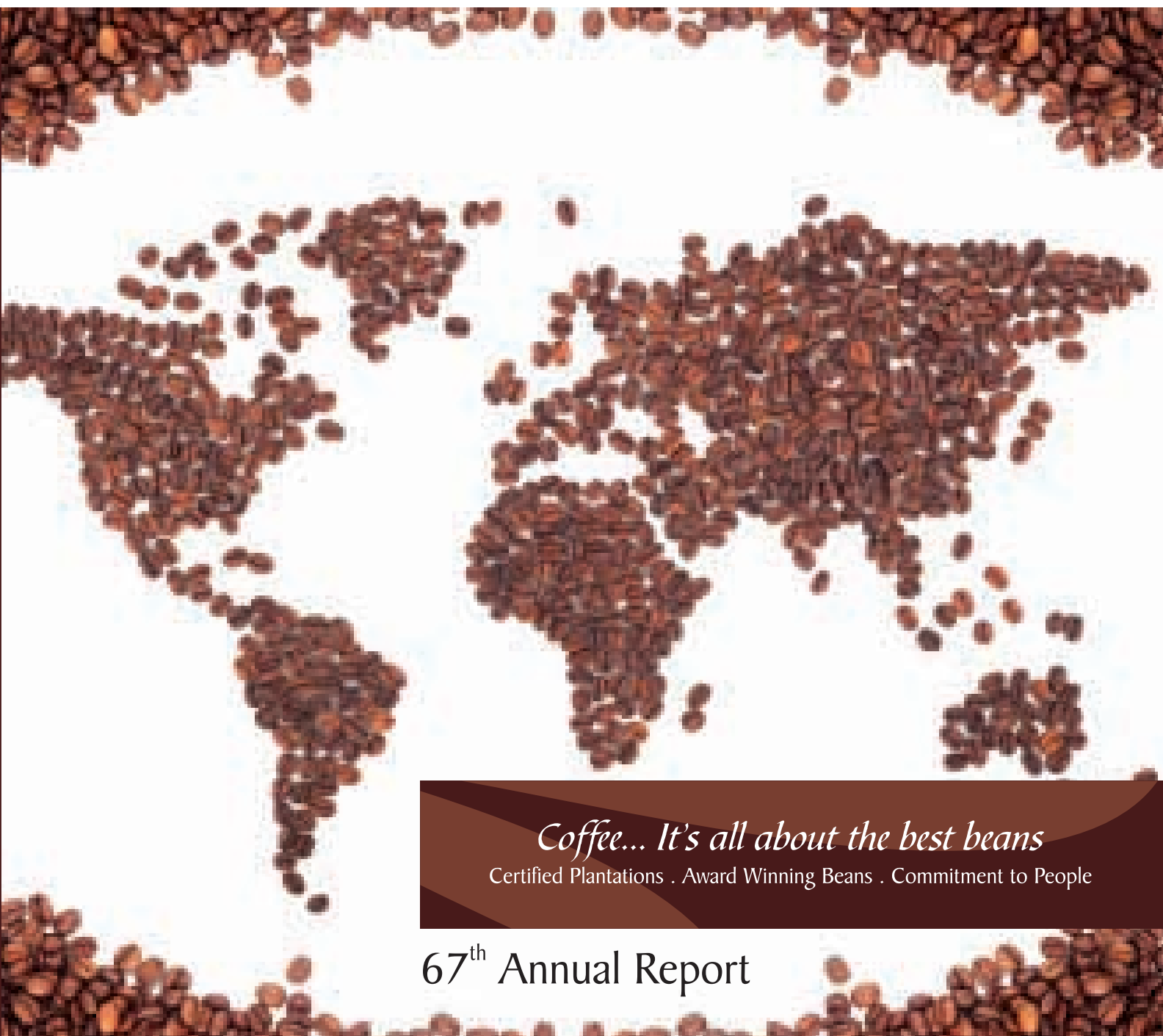




TATA COFFEE

2009 - 2010



Coffee... It's all about the best beans

Certified Plantations . Award Winning Beans . Commitment to People

67th Annual Report

**Annual General Meeting on
Friday, the 23rd July, 2010 at the
Registered Office
at 12 Noon**

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COMPANY INFORMATION**Board of Directors**

R.K. Krishna Kumar (Chairman)
 R. Govindarajan
 P.T. Sigamporia
 U.M. Rao
 Prof. A. Monappa
 Ms. Sangeeta Talwar
 Venu Srinivasan
 S. Santhanakrishnan
 T.V. Alexander
 Hameed Huq (Managing Director)

Registered Office

Pollibetta – 571 215
 Kodagu, Karnataka State

Corporate Office

No. 57, Railway Parallel Road,
 Kumara Park (W), Bangalore – 560 020
 Tel : (080) 23560695 Fax : (080) 23341843
 E-mail : investors@tatacoffee.com
 Website : www.tatacoffee.com

Registrars

TSR Darashaw Ltd.
 6-10, Haji Mosa Patrawala Ind. Estate,
 20, Dr. E. Moses Road,
 Mahalaxmi, Mumbai – 400 011
 Tel : 022-6656 8484 Fax : 022-6656 8496
 E-mail : csg-unit@tsrdarashaw.com
 Website : www.tsrdarashaw.com

Auditors

N.M. Rajji & Co.
 SNB Associates

Bankers

Corporation Bank
 Indian Overseas Bank
 Standard Chartered Bank
 Hongkong and Shanghai Banking Corp. Ltd.
 ICICI Bank Limited
 HDFC Bank Limited

Debenture Trustees**Rights Issue of Partly Convertible Debentures**

IDBI Trusteeship Services Ltd.
 Asian Building, Ground Floor,
 17, R. Kamani Marg, Ballard Estate,
 Mumbai - 400 001.

Board Committees**Audit Committee**

S. Santhanakrishnan – Chairman
 R. Govindarajan
 U. Mahesh Rao

Shareholders/Investors Grievance Committee

R.K. Krishna Kumar – Chairman
 R. Govindarajan
 Hameed Huq

Remuneration Committee

U. Mahesh Rao – Chairman
 R.K. Krishna Kumar
 R. Govindarajan
 Prof. A. Monappa

NOTICE

NOTICE is hereby given that the 67th Annual General Meeting of the Company will be held at the Registered Office of the Company at Pollibetta, Kodagu, on Friday the, 23rd July, 2010 at 12 Noon to transact the following business :

1. To receive and adopt the audited Profit and Loss Account for the year ended 31st March, 2010 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. R.K. Krishna Kumar who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. P.T. Siganporia who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Ms. Sangeeta Talwar who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification, the following Resolutions :

7. As an Ordinary Resolution :

RESOLVED that Mr. Hameed Huq be and is hereby appointed as Director of the Company not liable to retire by rotation.

8. As an Ordinary Resolution :

RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") read with Schedule XIII of the Act, the Company hereby approves the appointment of and terms of remuneration payable to Mr. Hameed Huq as Managing Director for the period from 3rd January, 2010 to 2nd January, 2013 upon the terms and conditions, including the remuneration to be paid in the event of inadequacy of profits in any financial year, as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors of the Company to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Huq.

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

9. As a Special Resolution:

RESOLVED that pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, (the Act) a sum not exceeding 1% of the net profits of the Company per annum computed in the manner prescribed in Section 309 (5) of the Act, be paid to and distributed as commission amongst the Directors of the Company or some or any of them (other than the Managing Director/Wholetime Directors) in respect of the profits of the Company for each of the five financial years commencing 1st April, 2010 in such amounts or proportion and in such manner as may be decided by the Board of Directors of the Company.

By Order of the Board

M.K.C. Pai
Company Secretary

Place : Bangalore

Date : 17th June, 2010

NOTES :

1. The Register of Members of the Company will remain closed from 9th July, 2010 to 23rd July, 2010, both days inclusive.
2. **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead and the 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.**
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the items of Special Business is annexed hereto.
4. Dividend, if declared at the Annual General Meeting will be paid within 30 days thereof to those members whose names appear on the Register of Members of the Company, after giving effect to valid transfers in respect of the shares lodged with the Company on or before the close of business hours on 8th July, 2010 or to their mandatees. The dividend in respect of shares held in electronic form would be payable to the beneficial owners of Shares recorded with the Depositories as of the end of 8th July, 2010 as per details furnished by the Depositories for the purpose.
5. **All unclaimed/unpaid dividends upto the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not en-cashed the warrants in respect of the dividend upto the aforesaid financial year are requested to claim their dividend from the Registrar of Companies, 2nd Floor, "E" Wing, Kendriya Sadan, Koramangala, Bengaluru, Karnataka by making an application in the prescribed Form.**

Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the unclaimed/unpaid dividend for the financial years ended 31st March, 1996 to 31st March, 2002 have been transferred to the Investor Education and Protection Fund of the Central Government ("the Fund"). The balance lying in the unpaid dividend account for the year ended 31st March, 2003 will be transferred to the Fund shortly. Shareholders are requested to note that once unpaid/unclaimed amounts are transferred to the Fund, no claim shall lie against the Fund or the Company. Shareholders who have not yet encashed their dividend warrants are requested to do so sufficiently in advance before the said transfers take place.

6. Securities and Exchange Board of India (SEBI) vide their Circular dated 15th October, 2001, had made it mandatory for all companies to use the bank account details furnished by the shareholders for distributing dividend through Electronic Clearing Service (ECS) wherever ECS and Bank Details are available. In the event of ECS facility not being available for any reason, companies are required to print the bank account details on the payment instrument for distribution of dividend to the investors.

As per RBI notification, with effect from 1st October, 2009, the remittance of money through ECS is replaced by National-ECS (NECS) and banks have been instructed to move to the NECS platform with immediate effect. NECS essentially operates on the new and unique bank account number allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions.

Shareholders holding shares in physical form are requested to notify their bank details giving the name of the bank, the branch, account number and type and also any change of address to the Company's Registrar and Transfer Agent, TSR Darashaw Ltd. In case the holdings are in electronic form, the said details should be conveyed to their Depository Participant. Shareholders who wish to avail the NECS facility offered by the Company should, in addition to the aforesaid bank details also furnish their Bank Branch Code & CBS Account number to the Registrars / Depository Participant. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Transfer Agent.

The bank particulars of the Shareholders recorded with the Depository Participant as of the book closure date, the data of which will be received through Depositories will be used by the Company for printing on the dividend warrants. This would ensure that the dividend warrants cannot be deposited in any account other than the one specified on the warrants. For safety and in the interest of the shareholders, it is important that bank account details are correctly provided to the Depository Participants. The bank details (mandate) for shares held in physical form will not be applicable/applied for shares held in electronic form and vice versa.

**Details of Directors seeking appointment/re-appointment /retiring by rotation
(In pursuance of Clause 49 of the Listing Agreement)**

Name of Director	R.K. Krishna Kumar	P.T. Siganporia	Sangeeta Talwar	Hameed Huq
Date of Birth	18.07.1938	22.05.1951	05.05.1956	31.01.1951
Date of Appointment	10.01.1991	20.10.2004	27.10.2006	03.01.2010
Qualifications	M.A. Economics	B.Sc., PGDBM	B.A. (Eco), MBA	B.A. (Hons.)
Expertise in specific functional area	Long experience of overall business management of Indian and Overseas Corporate Bodies.	Marketing, Sales and Overall Business Management and Administration.	Marketing, Sales, Distribution and Overall Business Management and Administration.	General Management of plantations.
Chairman/ Director of other Companies (excluding foreign companies) as on 31.03.2010	As detailed below (1)	1. Tata Tea Limited – Managing Director 2. Mount Everest Mineral Water Ltd. – Non-Executive Chairman	Tata Tea Limited – Executive Director	Alliance Coffee Limited - Director
Chairman/Member of Committees* of the Boards of which he is a Director as on 31.03.2010	As detailed below (1)	Nil	Nil	Nil
No. of Shares held in the Company	Nil	50	Nil	199

* Includes Audit, Remuneration and Shareholders/Investors Grievance Committees only of other companies.

(1) Directorships in Companies & Memberships in Committees of Mr. R.K. Krishna Kumar

Sl. No.	Name of the Company	Membership in Committees	
		Name of the Committee	Position held
1.	Tata Sons Limited	Remuneration	Member
2.	Tata Industries Limited		
3.	The Indian Hotels Company Limited	1. Remuneration 2. Shareholders/Investors Grievance	1. Member 2. Member
4.	Tata Tea Limited	1. Audit 2. Remuneration	1. Member 2. Member
5.	Tata Housing Development Co. Ltd.		
6.	Ewart Investments Limited		
7.	Piem Hotels Limited		
8.	Oriental Hotels Limited	Remuneration	Member
9.	Infiniti Retail Limited	Remuneration	Chairman
10.	Tata Realty & Infrastructure Limited	Remuneration	Chairman

EXPLANATORY STATEMENT**Pursuant to Section 173(2) of the Companies Act, 1956****Item Nos. 7 & 8**

Mr. Hameed Huq on the expiry of his term as Wholetime Director was appointed by the Board as Additional Director of the Company with effect from 3rd January, 2010. In terms of Section 260 of the Companies Act, 1956, Mr. Huq holds office till the date of the ensuing Annual General Meeting and is eligible for re-appointment as a Director not liable to retire by rotation in terms of the Articles of Association. Notice under Section 257 of the Companies Act, 1956 along with requisite deposit has been received from a member signifying his intention to propose the candidature of Mr. Huq as Director.

The Board also appointed Mr. Huq as the Managing Director of the Company for a period of three years with effect from 3rd January, 2010 on the terms and conditions including remuneration as indicated below. Mr. Huq's appointment is subject to the approval of the members in general meeting.

- (i) Tenure of Agreement: For the period from 3rd January, 2010 to 2nd January, 2013.
- (ii) Nature of duties: Mr. Huq ("the Appointee") 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 the Board from time to time and exercise such powers as may be assigned to him, subject to 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 subsidiaries and/or associated companies, including performing duties as assigned by the Board from time to time by serving on the boards of such companies or any other executive body or any committee of such a company.
- (iii) A. Remuneration: Salary: Rs.3,00,000/- per month in the scale of Rs.3,00,000/- to Rs.5,00,000/- with annual increments effective April 1 every year as may be decided by the Board, based on merit and taking into account the Company's performance; incentive remuneration, if any, and/or commission based on certain performance criteria to be laid down by the Board; benefits, perquisites and allowances as may be determined by the Board from time to time.
- B. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, incentive remuneration, perquisites and allowances, as specified above.

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

- (iv) The terms and conditions of appointment also include clauses pertaining to adherence with the Tata Code of Conduct, including no conflict of interest with the

- (v) Company, non-compete and maintenance of confidentiality.
- (v) The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, within the maximum amounts payable to the Appointee, in accordance with the provision of the Act or any amendments made hereafter in this regard and subject to such approvals as may be required.
- (vi) 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 of Notice.
- (vii) The Appointee is being appointed as a Director by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1)(l) of the Act.
- (viii) If and when the appointment comes to an end for any reason whatsoever, the Appointee will cease to be the Managing Director and also cease to be a Director. If at any time, the Appointee ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director, as the case may be, and the appointment shall forthwith terminate.

In compliance with the provisions of Sections 269, 309 and other applicable provisions of the Act read with Schedule XIII of the Act, the terms of appointment and remuneration specified above are now being placed before the Members for their approval.

The Directors commend the resolutions at Item Nos.7 & 8 of the accompanying notice for approval of the Members.

Mr. Huq is interested in Item Nos. 7 & 8 of the Notice.

Abstract of the terms of appointment of Mr. Huq as Managing Director has already been circulated to the members pursuant to Section 302 of the Act.

Item No. 9

By a Special Resolution passed by the members of the Company at the Annual General Meeting held on 4th August, 2005, authority was given under Section 309 of the Companies Act, 1956 to the determination and distribution amongst the Directors (other than the Managing Director and Wholetime Directors) of a sum not exceeding 1% of the net profits of the Company as Commission for a period of five years commencing 1st April, 2005. Approval of the Shareholders is now being sought to the payment of Commission not exceeding 1% of the Net profits of the Company to the Directors (other than the Managing and Wholetime Directors) in respect of profits of the Company for each of the five financial years commencing 1st April, 2010. The amount, to be determined by the Board will be paid to and distributed amongst all or some of the Directors in accordance with the directions the Board may give in this regard.

The resolution set out in Item No.9 is to be considered accordingly and is placed before the Shareholders for their approval.

All Directors other than Mr. Huq are concerned or interested in the resolution to the extent of the payment that they may receive by way of Commission.

By Order of the Board
M.K.C. Pai
Company Secretary

Place : Bangalore
Date : 17th June, 2010

2005/2006 TO 2009/2010 A FIVE YEAR REVIEW

INCOME & DIVIDEND, ETC.

		2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Sale Value of Coffee and						
Estate Products and Gross Income						
From Services rendered	(Rs. in Lakhs)	19122.77	26849.65	32692.38	33678.62	37342.43
Profit Before Tax	(Rs. in Lakhs)	2634.50	2774.77	3857.45	2840.60	4999.92
As percentage of Sales		14	10	12	8	13
Profit After Tax	(Rs. in Lakhs)	2232.06	2023.06	2468.13	1864.42	3198.98
As percentage of Sales		12	8	8	6	9
As percentage of Networth		12	6	7	6	9
(Shareholders' Funds)						
Expenses as percentage of Income		86	91	88	92	87
Current Assets/Current Liabilities		4.05:1	2.52:1	2.39:1	1.73:1	2.59:1
Debt/Equity Ratio		0.75:1	0.57:1	0.58:1	0.58:1	0.41:1
Fixed Assets/Net Worth (as percentage)		102	71	72	81	65
Net Profit per Equity Share	(Rs.)	17.90	13.94	13.21	9.98	17.13
Dividend distributed	(Rs.)	6.5	6.5	7	6	7.50
Assets & Liabilities	(Rs. in Lakhs)					
Net Fixed Assets		18902.80	23945.41	24653.08	24374.13	23318.91
Stocks		8947.89	7508.46	8329.58	12545.97	11674.88
Debtors, Loans & Advances		7476.06	8601.10	11371.97	9694.43	9482.44
Other Assets		709.84	1965.44	771.56	1037.69	2149.27
Sundry Liabilities		4234.72	7186.86	8566.60	13441.60	8990.32
Net Current Assets		12899.07	10888.14	11906.51	9836.49	14316.27
Deferred Revenue Expenditure		154.14	50.48	23.63	3.96	-
Investments in Shares & Securities		1077.11	18705.22	18382.92	14677.62	14677.62
Total Assets		33033.12	53589.25	54966.14	48892.20	52312.80
Represented by	(Rs. in Lakhs)					
Share Capital		1246.87	1867.70	1867.70	1867.70	1867.70
Reserves		17351.03	32069.26	32293.45	28405.60	34120.26
Shareholders' interest (Net Worth)		18597.90	33936.96	34161.15	30273.30	35987.96
Loans		13890.62	19212.50	19934.78	17666.51	14864.22
Deferred Tax Liability (Net)		544.60	439.79	870.21	952.39	1460.62
Total Liabilities		33033.12	53589.25	54966.14	48892.20	52312.80

TATA COFFEE LIMITED**PRODUCTION (IN TONNES)**

YEAR	COFFEE			TEA	PEPPER	CARDAMOM	COFFEE	INSTANT
	ARABICA	ROBUSTA	TOTAL				CURED	COFFEE
2000/2001	2885	6370	9255	990	929	8.34	18167	4771
2001/2002	2595	5790	8385	1072	1196	6.62	16223	4507
2002/2003	3044	6813	9857	1114	856	4.43	13027	3590
2003/2004	2338	5539	7877	1048	1150	7.10	14548	5368
2004/2005	2680	4944	7624	1119	1328	10.98	13241	3341
2005/2006	2110	6434	8544	2699	981	14.23	11105	4263
2006/2007	2014	5503	7517	6936	861	44.49	11870	3628
2007/2008	2233	5771	8004	6576	682	4.97	11247	4966
2008/2009	1551	4225	5776	7606	1515	14.52	11195	5219
2009/2010	2171	7285	9456	7994	884	32.01	10427	2955

Note - The crop figures for the year 2005/06 and onwards include crop of Anamallai Group Estates which were acquired by the Company during the year 2005/06.

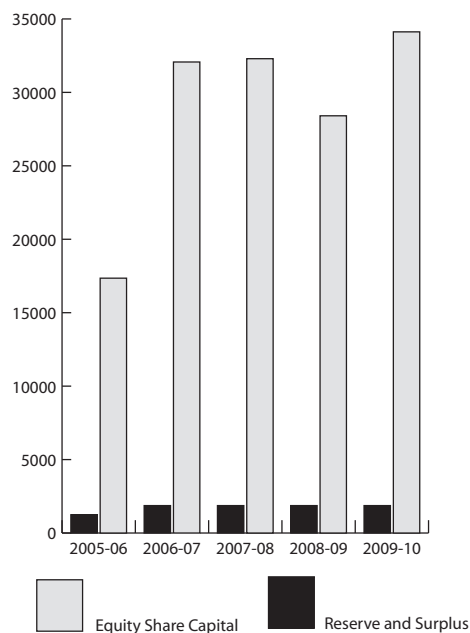
ACREAGE STATEMENT - 5 YEARS

	2005/06	2006/07	2007/08	2008/09	2009/10	
	Acres				Acres	Hectares
COFFEE *						
Arabica	7786	7786	7569	7563	7539	3052
Robusta	10582	10523	10700	10651	10675	4322
Mixed Coffee	86	86	86	86	86	35
	18454	18395	18355	18300	18300	7409
TEA	6089	6089	6089	6089	6089	2465
OTHER CROPS						
Cardamom	533	533	420	496	504	204
Paddy	123	123	104	37	39	16
Pure Pepper/Areca	294	351	496	472	464	188
TOTAL CULTIVATED AREA :	25493	25491	25464	25394	25396	10282

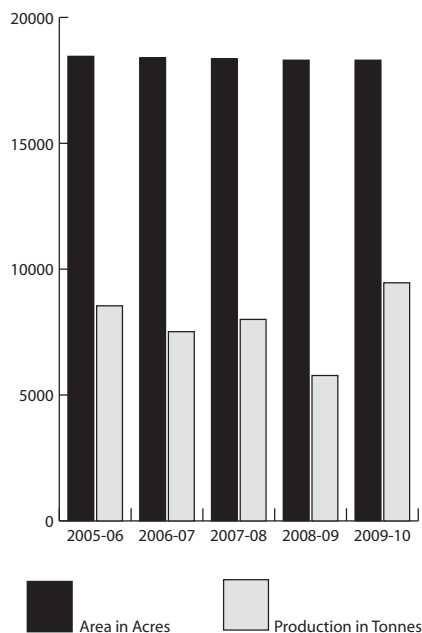
* Pepper interplanted in Coffee

Shareholder's Funds

(Rs. in Lakhs)

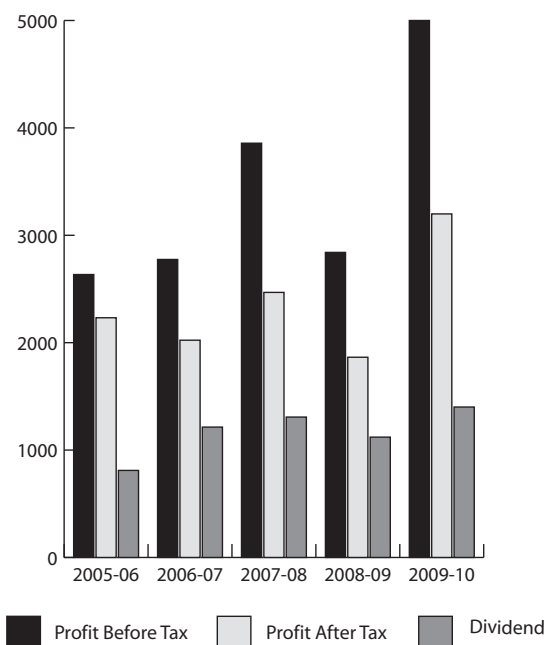


Coffee Area and Production



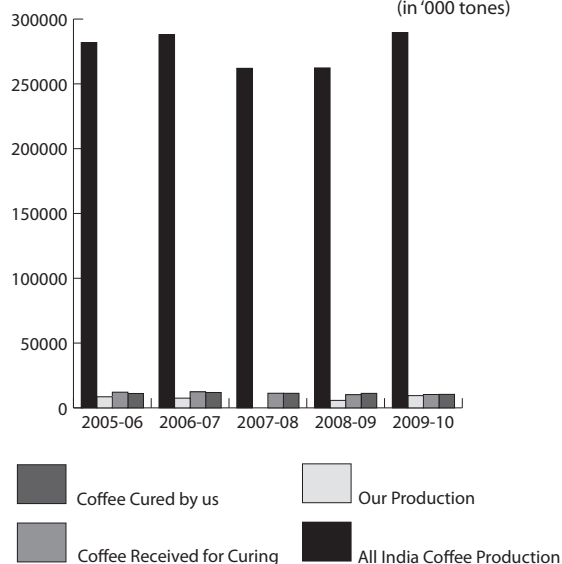
Profit Earned and Distributed

(Rs. in Lakhs)



Our Role in Coffee Production & Curing

(in '000 tonnes)



DIRECTORS' REPORT

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

	2009/10		2008/09
	Rs. in Lakhs		Rs. in Lakhs
Profit from Operations before Other Income & Interest	1963.11		2135.21
Add: Other Income	3791.79		1742.70
Operating profit before Interest	5754.90		3877.91
Less: Interest	754.98		1037.31
Profit Before Tax.....	4999.92		2840.60
Provision for Tax: Current Year	1292.71	814.00	
Deferred Tax	508.23	82.18	
FBT	-	80.00	
	1800.94		976.18
Profit After Tax.....	3198.98		1864.42
Add: Surplus b/f from PY	842.15		1330.88
Amount available for appropriation	4041.13		3195.30
General Reserve No. I	319.90	186.44	
General Reserve No. II	284.42	259.99	
Debenture Redemption Reserve A/c	383.29	595.65	1042.08
Dividend			
Final (Proposed).....	1400.78	1120.62	
Tax on Dividend	232.65	190.45	1311.07
Balance carried forward	1420.09		842.15

TURNOVER

Your Company's turnover during the year under review was Rs.373.42 Crores compared to Rs.336.79 Crores in the previous year, registering an increase of 10.88% over last year.

PROFITS

Profit from Operations before other income and interest for the year ended 31st March, 2010 stood at Rs. 19.63 Crores as against Rs. 21.35 Crores in the previous year, reflecting a drop of 8%. Other income includes dividends from subsidiaries of Rs. 37.27 Crores (previous year Rs. 15.12 Crores). Profit before tax at Rs.50.00 Crores vis-à-vis Rs 28.41 Crores in the previous year reflected an increase of 76%. Profit after tax in 2009-10 stood at Rs. 31.99 Crores as against Rs 18.64 Crores in the previous year.

DIVIDEND

Your Directors have recommended a dividend of Rs. 7.50 per share. This will absorb a sum of Rs.16.33 Crores including Rs. 2.33 Crores by way of dividend tax.

COFFEE SCENARIO:

The last year was a very important period for coffee. The global futures prices which reflects overall demand and supply situation was range bound between 110-145 c/lb for Arabica and \$1280 to \$1530 for Robusta as overall demand-supply was balanced. However, specific origins, Colombia in particular had a significant supply shortfall leading to physical prices shooting up dramatically.

The steep fall in the Colombian coffee output from a steady 12 mln bags p.a. to 8-9 mln bags last year impacted many roasters worldwide who had this origin in their blend, and specifically those who had single origin Colombian blends which meant that they were tied to this origin and could not use other origins as replacement. This led to roasters offering huge premiums to protect their Colombian supply as well as attempt replacement, wherever possible with the result that physical prices for

Arabicas from other origins shot up alongside. Indian Arabica prices were further boosted by a low crop last year which led to domestic prices outstripping international prices.

It was also an 'off' year for Brazil which harvested a crop of 42 mln bags which helped support the prices.

Robustas was not untouched by the Arabica situation. When Arabica prices scaled heights, roasters tried to replace Arabicas with cheaper Robustas which led to Robusta prices appreciating too but not to the same extent as Arabica as the roasters found that they had hit the limit where further use of Robustas would impact their blend. Indian Robusta output was down by 20% which impacted the Washed Robusta prices more than the Unwashed Robustas as Washed Robustas from India have very few competitors while Unwashed Robustas have close replacement origins in Uganda and Vietnam. Consequently, Washed Robusta prices appreciated significantly whereas the Unwashed Robusta prices showed only marginal appreciation as Vietnam with a crop of 16 mln bags added to a growing stockpile of Unwashed Robustas worldwide.

The pressure of the recession gradually eased as the year went by and green coffee went largely unscathed. Global consumption continued to maintain its growth path at 2-2.5% p.a. even as consumption shifted from out-of-home to in-home instead of consumers reducing consumption.

TEA SCENARIO

Black Tea production by major producing countries during January/December 2009 totalled approx 1772 m. kgs against 1824 m. kgs in 2008, showing a deficit of 52 m. kgs. The main contributors to this shortfall were Kenya, with 32 m. kgs and Sri Lanka with 29 m. kgs. Against this, Malawi was up by about 11 m. kgs. India was only marginally down, by 1.8 m. kgs. (totaling 979 m. kgs.).

Indian exports in 2009 are estimated at 191 m. kgs. against 203 m. kgs. the year before, down by almost 12 m. kgs. Consumption in India is reported to be rising by about 3 to 3.5% p.a., which amounts to approx. 25 to 28 m. kgs. in volume. In 2009, the carry forward stock from the previous year was very small or even in deficit, if earlier years' production/ exports/ consumption figures are considered. This year however, there is some carry over, due to high production during the last quarter of 2009.

The current year, unlike 2009, has started with a significant increase in South Indian production. During January/February, the estimate is 11 m. kgs. up. In the North, January/February has seen a deficit of 3 m. kgs., so that the all-India surplus stands at around 8 m. kgs. However, Assam has reportedly had good rains recently and the crop is likely to improve from the second half of April.

At a global level also, the supply situation has improved considerably, with Sri Lanka producing approximately 21 m. kgs. more during the first two months while Kenya has added 25 m. kgs. The increase in production so far is therefore already of the order of 54 m. kgs for the first two months of the year.

While the supply situation in India may be more comfortable than the previous year, this is likely to be absorbed by the domestic market where quality products are in great demand. As a result of this, good liquoring teas are still selling at last year's levels or higher, while medium/plain teas of both Orthodox and CTC varieties have seen lower prices.

OPERATIONS:

Plantations :

The Company achieved an all time record Robusta coffee production at 7285 Tonnes as against 4225 Tonnes harvested during previous year. The Arabica production was higher at 2171 Tonnes compared to 1551 Tonnes harvested during previous year. The overall Coffee Production for the Company was 9456 Tonnes during the year under review as compared to 5776 Tonnes during previous year.

The prospects for the coming season appear to be normal. Though there has been a delay in blossom showers, the Company has ensured extensive coverage of its Robusta area with blossom irrigation. Available water was used for Arabica irrigation as well.

On the Tea front too, the Company has achieved a record of 7.994 Million Kgs at Anamallais and in the two estates in Karnataka in the year 2009-10 as against 7.606 Million Kgs during previous year.

The Pepper crop stood at 884 Tonnes as against 1515 Tonnes harvested during previous year. The decline in crop was on account of biennial bearing, having harvested a record crop during 2008/09.

TATA COFFEE LIMITED**Curing Works :**

The Company's Curing Works at Kushalnagar cured a total of 10427 MT during the year as against 11195 MT in the previous year. In addition 331 MT of Monsooned coffee was processed as against 365 MT in the previous year. The quantity received for curing was lower, due to the all time low crop picked during the 2008/09 season.

The unit will be handling a higher crop in the next financial year in view of the increased volumes of the 2009/10 season's coffee received for curing. The unit registered an improved performance during the year due to the various cost reduction initiatives undertaken through continuous process improvement in the factory and better husk sale realization.

The grading and steaming operations of the Company's pepper produce, is also being handled at the Pepper Unit in Kushalnagar Works premises, which is certified for ISO 22000.

Timber Value Addition :

Strengthening our way forward in value addition, the Division added semi densified film face plywood, high quality Block Boards which can be used as doors. In our existing product range we have Marine, Commercial plywood, Block board, Fire Retardant composite panels and Sound absorbing panels. The market performance of our products continues to be satisfactory in spite of a slow down in the construction industry.

Exports :

During the year 2009/10, your Company exported 3633 mt of coffee as against 3316 mt in the previous year. As in earlier years, Italy continues to be the prime destination.

Your Company continued its drive towards differentiated sales and the total sales stood at 643 mt.

Quality Awards :

Your Company's efforts in promoting its coffee at the international levels, especially in the Specialty and Estate Specific coffee segment has been continuing. Winning a total of 16 awards at the International Cupping competition held at Atlanta during 2009 is a testimony of its success in this direction. This year a total of 10 samples have entered the final round of the international cupping competition which is scheduled to be held in Anaheim, California.

Instant Coffee Division :

During the year under review, the Division has made a steady progress in sales volume quarter on quarter overcoming the impact of economic recession. Though the total export volume (3536 MT) was more or less the same as in the previous year (3758 MT), the quarterly sales during the 3rd and 4th quarters were almost double the volumes recorded in the corresponding quarters of the previous year. The period also witnessed the highest sales of Agglomerated coffee and Freeze dried coffee which have higher margins compared to other product variant viz. spray dried coffee powder.

In its endeavour to develop Non-Russian market and to meet diversified customer groups/segments, the Company has undertaken several initiatives towards improving the quality of Freeze dried coffee and developing new products for specific markets. The thrust has also been on cost control through lean initiatives, improved productivity and restructuring of the purchasing process of green coffee and packing materials.

The Instant coffee unit at Theni received the "SA 8000" accreditation during the year from M/s. Bureau Veritas Certification for employee welfare and ensuring safe working atmosphere.

TRADING OPERATIONS**Coffee Value-Added Products**

Your Company is maintaining its current position in the Roast and Ground segment and post launching of Instant coffee in the Hot Tea Shop segment, is exploring opportunities for Instant Coffee in the Retail segment. Your Company is also supplying Instant coffee as a private label to a few retail chains. Your Company's Roast and Ground Plant has been rated as the best in the country and awarded the Gold medal at the recently concluded India International Coffee Festival 2009. It is also the only roastery in the country which processes 100% certified coffees in its operations. Better cost and price management has ensured improved performance this year. Your Company continues to be a leading player in the Vending business. The year has seen a very healthy improvement in sales and contribution over the previous year.

PLANTATION TRAILS

Your Company's Hospitality business has performed well and has exceeded its profitability budget. Overall customer satisfaction levels have seen an improvement by 30% over the previous year's scores. The main focus in the current year is to ensure that the Division offers the right product and service thereby enhancing customer experience.

GREEN TEA POLYPHENOL

Due to non-availability of statutory approvals from the local and District level authorities and having regard to Anamallais being declared as "Tiger Reserve" by the Government as a result of which getting permission for construction of a factory in the Anamallais area is unlikely, the proposal for setting up the Polyphenol project has been dropped.

CAPITAL EXPENDITURE

During 2009-10, Rs.849.10 Lakhs was incurred, primarily on account of welfare, modernisation, up-gradation and other programmes undertaken in the various units of the Company.

SUBSIDIARY COMPANIES

Eight O' Clock Coffee Company

Eight O' Clock Coffee Company (EOC) registered an excellent performance in the fiscal year ended 31st March, 2010. Sales and Turnover stood at 43.998 mm lbs and Rs.959.08 Crores respectively in the year under review as against 37.678 mm lbs and Rs.801.99 Crores for the fiscal year ended 31st March, 2009. The Profit before Tax at Rs.135.60 Crores (Rs.53.17 Crores in the previous year) and Profit after Tax at Rs.76.87 Crores (Rs.32.57 Crores in the previous year) registered an increase of 155% and 136% respectively over the previous year.

The improved performance was *inter-alia* achieved through higher sales, effective green coffee hedging strategy, implementation of right sizing plan and cost management initiatives. There was a marked improvement in EOC sales in all significant channels viz. grocery, mass and club. Aggressive position management on green coffee procurement resulted in considerable savings. Savings were also generated from direct purchase of Columbian bean and development of new blends.

During the year under review, EOC retired debt worth USD 15.21 mm and refinanced Senior debt which automatically improved flexibility in operations and also resulted in reduction in coupon rate. EOC paid out dividend amounting to USD 15.5 mm in the year 2009-10.

Alliance Coffee Limited

Gross earnings by way of commission income during the year under review was Rs 453.44 Lacs as against Rs. 491.95 Lacs during the previous year, representing a 7.83% decrease. Profit before depreciation and taxation during the year under review was Rs. 330.99 Lacs as against Rs. 383.06 Lacs during the previous year. After providing for depreciation and taxation, the Company's net profit for the year was placed at Rs 215.27 Lacs as against Rs. 247.77 Lacs in the previous year. The performance of the Company was affected in the first and second quarter on account of recessionary situation and global slowdown in the Russian, CIS and other markets; however the position improved in the second half of the year.

The Company has been granted exemption by the Ministry of Corporate Affairs, Government of India, from attaching with its Balance Sheet the copy of the Balance Sheet, Profit & Loss Account, Directors Report, Auditors Report of Alliance Coffee Limited, Eight O' Clock Coffee Company, USA and Consolidated Coffee Inc., USA and other documents required to be attached under Section 212 (1) of the Companies Act, 1956. As required under the Listing Agreement with the Stock Exchanges and in terms of the said communication of the Ministry of Corporate Affairs, consolidated financial statements of the Company together with its subsidiaries are attached. Any shareholder may ask for a copy or inspect at the registered office a copy of the Annual Accounts of Alliance Coffee Limited and the consolidated financial statements of Consolidated Coffee Inc., USA which includes the Eight O' Clock Coffee Company financials. The annual accounts of Consolidated Coffee Inc., USA (consolidated) and Alliance Coffee Limited would also be posted on the Company's website.

CORPORATE GOVERNANCE

The Company has been in compliance with all the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. The detailed Report on Corporate Governance in terms of Clause 49 of the Listing Agreement and a certificate of the Auditors thereon is attached to the Annual Report.

TATA COFFEE LIMITED**EMPLOYEES WELFARE**

Your Company's thrust towards ensuring its employees health and welfare has been continuing. Recognition and Rewards introduced by the Company at the Estate/Unit level has resulted in increased productivity and higher remuneration to the workers by way of incentives. The re-certification of SA-8000 standard by M/s. Det Norske Veritas stands as a testimony to the Company's commitment to comply with the international requirements which is beyond statutory norms, under Social Accountability. The Company has also been certified under Rainforest Alliance, reflecting commitment towards protecting the environment and the eco system, ultimately leading to a safe working place for the workers. The Company has also undertaken a study of the housing of its entire labour force and the facilities provided therein, together with a Human Development Index (HDI) study, so as to compare the living condition and education levels of our employees with world standard.

DIRECTORATE

Mr. Hameed Huq, on ceasing to be Executive Director (Plantations) was appointed as Additional Director by the Board with effect from 3rd January, 2010 and also elevated to the position of Managing Director of the Company from the said date for a period of 3 years. As Additional Director, Mr. Huq holds office up to the date of the ensuing Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and is eligible for re-appointment as Director not liable to retire by rotation under the Articles of Association. The Company has received notice from a Member under Section 257 of the Act signifying his intention to propose the appointment of Mr. Huq as Director at the forthcoming Annual General Meeting.

Mr. R.K. Krishna Kumar, Mr. P.T. Signaporia and Ms. Sangeeta Talwar retire by rotation and are eligible for re-appointment.

Ms. Barbara A. Roth resigned from the Board with effect from 8th October, 2009. Mr. M.H. Ashraff who served the Board as Managing Director for a period of 10 years and Mr. A. Sengupta, Executive Director (Instant Coffee Operations) who served the Company for over 10 years demitted their respective offices with effect from 3rd January, 2010. Your Directors wish to place on record their appreciation for the significant and valuable contribution made by Mr. Ashraff and Mr. Sengupta during their long association with the Company.

SERVICE TO THE COMMUNITY

The year 2009-2010 has been another eventful year for The Coorg Foundation, a Public Charitable Trust established by TATA Coffee which continues to promote welfare activities in the field of Healthcare, Education, Sports, Culture & Environment. The Foundation provided assistance to several individuals in need of critical medical care directly and also through other TATA Trusts. Donations were made to various medical institutions for conducting free eye camps and infrastructure development.

"SWASTHA", one of the major projects of the Foundation, meant for serving the differently abled children in centres at Suntikoppa & Pollibetta, continues to maintain high standards of service and progress in the right direction. Under the able guidance of highly motivated resource persons, the children, besides being taught basic self help skills and reading and writing, are provided with vocational trainings, viz. making of a variety of paper products, candles, greeting cards, tailoring, printing & mushroom cultivation. The children have also won several medals in various sporting events at the state and national level. SWASTHA was awarded "The Best Institution for Disabled" by the Government of Karnataka on World Disabled Day on 3rd December, 2009.

PARTICULARS OF EMPLOYEES

Information required under Section 217(2A) of the Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975 is given in the Annexure forming part of this Report. However, as per the provisions of Section 219(1)(b)(iv), the Report and Accounts are being sent to all Shareholders of the Company excluding the Statement of Particulars of Employees. Any Shareholder interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company for a copy.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Statement pursuant to Section 217(1)(e) of the Companies Act, 1956 read with The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is attached.

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representation received from the operating management confirm:

- (i) that in the preparation of the accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed and that there are no material departures;
- (ii) that they have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 profits of the Company for that period;
- (iii) that 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 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that they have prepared the accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.

AUDITORS

M/s. N.M. Rajji & Co., and M/s. SNB Associates, Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting. The Auditors have furnished the certificate under Section 224(1) of the Companies Act, 1956, of their eligibility for re-appointment.

On behalf of the Board

R.K. KRISHNA KUMAR
Chairman

Place : Mumbai

Dated : 13th May, 2010

Information in accordance with The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March, 2010

A. CONSERVATION OF ENERGY

1. Energy Conservation measures taken The Company's Instant Coffee Unit at Theni has successfully improved its Agglomeration capacity by 30% through a systematic process of debottlenecking of critical equipment.

Several energy and water conservation measures viz. obtaining continuous operation status from TNEB thereby avoiding peak hour restrictions, steam requirement optimization in FDC, recycling of water and use of alternate fuel for boilers etc. have been implemented in pursuit of the efforts to reduce cost of production.

The Division's Unit at Toopran has successfully developed a unique product mix that addresses specific requirements of customer groups. This breakthrough improvement will help the unit achieve higher capacity utilization.
2. Additional Investments and Nil
proposals, if any, being implemented
for reduction of consumption of
energy
3. Impact of the measures at (1) and Nil
(2) above for reduction of energy
consumption and consequent impact
on the cost per unit of production
4. Total energy consumption and energy consumption per unit of production :

TATA COFFEE LIMITED
FORM A: APPLICABLE TO TEA
A. POWER AND FUEL CONSUMPTION

	Current Year ended 31.03.2010	Previous Year ended 31.03.2009
1. ELECTRICITY (FOR MANUFACTURE)		
(a) Purchased		
Units	6532885.00	5782040.00
Total Amount (Rs. in Lakhs)	311.22	286.46
Rate/Unit (Rs.)	4.76	4.95
(b) Own Generation		
(i) Through Diesel Generator		
Units	642200.00	643489.00
Diesel Consumed – Ltrs.	211104	216657.00
Cost of Diesel (Rs. in Lakhs)	75.79	77.88
Unit/Ltr.	3.04	2.97
Cost/Unit (Rs.)	11.80	12.10
(ii) Through Steam Turbine/Generator	Nil	Nil
2. COAL: C GRADE USED IN DRIER	Not being used	Not being used
Quantity – Mts.		
Total Cost (Rs.in Lakhs)		
Average Cost/MT (Rs.)		
3. FURNACE OIL	Not being used	Not being used
4. OTHERS/INTERNAL GENERATION		
(a) Leco for Drier		
Quantity – Mts.	Not being used	Not being used
Total Cost (Rs. in Lakhs)		
Average Cost per MT (Rs.)		
(b) Firewood – used in Drier		
Quantity – Cu. Mtrs.	21790.91	21437.04
Quantity (Agri. Briquettes) – Mt.	3375.02	2566.39
Total Cost (Rs. in Lakhs) (Firewood)	265.88	245.69
Total Cost (Agri Briquettes)	135.40	91.19
Average Cost per Cu. Mtr. (Rs.) (Firewood)	1220.13	1146.09
Average Cost/MT	4011.73	3553.37

	Current Year ended 31.03.2010		Previous Year ended 31.03.2009	
B. CONSUMPTION PER UNIT PRODUCTION				
Standards				
Product :		Nil		Nil
BLACK TEA (Kgs.)		8099248		7604991
Unit		Kg.		Kg.
	Unit/Qty	Value/Unit	Unit/Qty	Value/Unit
Electricity	0.81	3.84	0.76	3.77
Diesel	0.08	0.94	0.03	1.02
Coal- C Grade	Nil	Nil	Nil	Nil
Furnace Oil	Nil	Nil	Nil	Nil
Leco	Nil	Nil	Nil	Nil
Firewood (Cu. Mtr.)	4.01	4.89	3.67	4.44
Agri Briquettes	1.17	4.69	1.24	4.39

FORM B :

1. Specific area

- a) Soil Nutrient Index.
- b) Varietal trial of Coffee, Pepper and Cardamom.
- c) Bio-Control Research.
- d) Pests and Disease Control Research.
- e) Coffee Effluent Pollution Control.
- f) Compost – Vermi-compost - Recycling of Agro waste.
- g) Quality Analysis of Coffee & Pepper.
- h) Surface water Analysis.
- i) Analysis of Agro-inputs for quality standards.
- j) Water management Research - Drip irrigation for coffee.
- k) Crop Diversification.

2. Benefits Derived

I. Crop Nutrition Research :

- a) Soil fertility status is monitored through soil and leaf analysis and the results are calibrated to formulate optimum fertilizer recommendation and soil amendment application.
- b) Our fertilizer program is rationalized based on soil nutrient status, which is optimum and adequate to enhance crop production and productivity.
- c) Monitoring the availability of micronutrients such as 'Zinc, Copper, Iron, Manganese' and secondary nutrients such as 'Sulphur, Calcium & Magnesium' to improve Coffee, Pepper & Cardamom productivity.

II. Coffee Varietal Trial Experiment :

Identified location specific high yielding and disease tolerant selection for planting in the Company's Estates.

III. Organic Manure :

- Large-scale manufacture of compost with improved technology to enhance the soil fertility status.
- Introduction of Trichoderma and Pleurotus - beneficial fungi and Effective Microorganism (EM) to hasten the process of composting and Trichoderma controls soil borne disease.
- Addition of coffee effluent to hasten the process of composting and to increase the nutritive value. It also reduces the volume of effluent for treatment.

IV. Bio- control Research :

- a) **Disease Control** – Pepper Wilt : R&D pioneered the large scale culturing of quality Trichoderma fungus for use in the biological control of Pepper Wilt and Root diseases of coffee.
- b) **Coffee Berry Borer Control** : Large-scale installation of Berry Borer traps with the use of organic solvents and Culturing of Entomopathogenic fungus Beauveria bassiana, as a part of Integrated Pest Management.
- c) **Coffee White Stem Borer Control** : Large-scale installation of Pheromone traps as a monitoring tool and also as a part of Integrated Pest Management in endemic area.

V. Organic farming system :

Coffee and Pepper cultivation is in compliance with Organic Farming Systems as per NPOP and NOP – US technical standards.

VI. Crop Diversification: Arecanut planted along the valleys and marginal areas have established and started giving economical yield.

VII. Training programs and advisory circulars to estates and to our customers on updated current/new trends in cultivation practices, pest and disease management and post harvest technology.

TATA COFFEE LIMITED**3. Plan of action in-house****I. Improved crop varieties :**

Field Assessment of high yielding and disease tolerant selection of Coffee, Pepper and Cardamom.

II. Crop Diversification :

To assess potential of very low yielding coffee areas and to identify other suitable commercial crops – cultivation of Oil Palm, Vanilla, Natural Dye plants – Indigo & Bixa Orellana [Annatto dye plant], Medicinal plants and edible bamboo.

III. Mono Cultivation of Organic Pepper : Intensive Pepper cultivation is in compliance with Organic Farming Systems as per NPOP – US technical standards.**IV. Coffee Effluent Treatment Research :**

Experiments are under way to determine economical pollution control of coffee effluents and assessment of Pollution load for effective recycling of treated water for irrigation.

V. Crop Nutrition Research :

Rationalization of Fertilizer application for the future.

VI. Drip Irrigation :

To develop an economically viable technique of irrigation for coffee and improve the efficiency of nutrient delivery through fertigation.

VII. Quality of Surface Water : To assess and confirm that our farm activities are not contaminating the receiving water bodies.**4. General****I. Collaboration with Research Institutes :**

- Central Coffee Research Institute, Balehonnur.
- Indian Institute of Spices Research, Calicut.

II. Obtained Utz Certificate for Coffee export to EU, USA and Japan, EU and NPOP Certificate for Organic produce, and ISO: 22000 Certification for R & G and Pepper Processing unit at KNW.**III.** Our R&D Laboratory is recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology.**5. Expenditure on R&D**

(a) Capital Expenditure	Rs. 2.44 Lakhs
(b) Recurring	Rs. 42.95 Lakhs
(c) Total Expenses	Rs. 45.39 Lakhs
(d) Total as a % of turnover	0.14 %

6. Technology Absorption:

(1) Efforts made	:	As in item (1) above
(2) Benefits	:	Difficult to quantify
(3) Technology imported	:	Nil

7. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange

(a) Used	:	Rs. 3689.16 Lakhs
(b) Earned	:	Rs. 18912.69 Lakhs

On behalf of the Board

R.K. KRISHNA KUMAR
Chairman

Place : Mumbai

Dated : 13th May, 2010

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance

The Corporate Governance philosophy of the Company is founded upon transparency, accountability, values and ethics and is an integral part of the management in its pursuit for excellence, growth and value creation. The Company is committed to adopt highest standards of corporate governance and disclosure practices to ensure that its affairs are managed in the interest of all stakeholders. The comprehensive written code of conduct called "Tata Code of Conduct" which has been adopted by the Tata group including the Company, serves as a guide on the standards of values, ethics and business principles to be followed by the Company in running its affairs. The Company has adopted the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices in pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations and the Whistle Blower Policy. The Company has also adopted the Tata Business Excellence Model, which stresses on excellence in whatever the Company does, while upholding high levels of values and business ethics. The Company is in total compliance with Clause 49 of the listing agreement with the stock exchanges.

2. Board of Directors

The Board of Directors comprises of the Managing Director and nine Non-Executive Directors. During 2009-10 the Board met five times on 15th May, 2009, 24th July, 2009, 22nd October, 2009, 18th December, 2009 and 25th January, 2010.

Details of attendance of Directors at the Board Meetings and at the last Annual General Meeting with particulars of their Directorship and Chairmanship/ Membership of Board/ Committees in other Companies are given in the following Table.

Name of Director Messrs.	Category	Attendance at		No. of other Directorships	Committee Positions		No. of Shares held
		Board Meeting	Last AGM		Member	Chairman	
R.K. Krishna Kumar	C (NED)	4	No	10	2	-	-
P.T. Siganporia	NED	2	No	1	-	-	50
Sangeeta Talwar	NED	4	No	1	-	-	-
R. Govindarajan	NED & IND	5	Yes	-	-	-	400
U. Mahesh Rao	NED & IND	5	Yes	2	4	-	-
A. Monappa	NED & IND	5	Yes	-	-	-	-
Venu Srinivasan	NED & IND	1	No	14	3	1	-
S. Santhanakrishnan	NED & IND	5	Yes	4	2	1	-
T.V. Alexander	NED & IND	4	Yes	-	-	-	36
Hameed Huq	MD	5	Yes	1	-	-	199
Barbara A. Roth	NED	-	No	-	-	-	-
D.M. Dasappa	NED & IND	1	-	-	-	-	21815
M.H. Ashraff	MD	4	Yes	-	-	-	-
A. Sengupta	ED	4	Yes	-	-	-	-

- Note : 1) Mr. D.M. Dasappa ceased to be Director w.e.f. 22.05.2009.
2) Ms. Barbara A. Roth ceased to be Director w.e.f. 08.10.2009.
3) Mr. M.H. Ashraff ceased to be Director and Managing Director w.e.f. 03.01.2010.
4) Mr. A. Sengupta ceased to be Director and Executive Director w.e.f. 03.01.2010.

C-Chairman; NED-Non-Executive Director; IND – Independent; MD-Managing Director; ED-Executive Director

Other directorships do not include alternate directorships, directorships of private limited companies and of companies incorporated outside India.

Chairmanship/Membership of Board Committees include membership of Audit and Shareholders/Investors' Grievance Committees only.

No Director is a member of more than 10 Committees or Chairman of more than 5 committees across all Companies in which he/she is a Director.

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

TATA COFFEE LIMITED**3. Audit Committee**

The Audit Committee of the Board comprises of Mr.S.Santhanakrishnan, Mr. R. Govindarajan and Mr. U. M.Rao. Mr. S. Santhanakrishnan, the Chairman of the Committee has expert knowledge of finance and accounting. All the members of the Audit Committee are independent Directors.

During 2009-2010, the Audit Committee met seven times on 14th May, 2009, 23rd July, 2009, 5th October, 2009, 20th October, 2009, 6th January, 2010, 23rd January, 2010 and 6th March, 2010. The Committee Meetings were attended by the Managing Director, Executive Director (Plantations), Executive Director (Instant Coffee Operations), Vice President (Finance), Sr. General Manager (Internal Audit), Sr. General Manager (Accounts) and the Company Secretary, who acts as the Secretary of the Audit Committee. The representatives of the Statutory Auditors also attend the Audit Committee Meetings.

The broad terms of reference of the Audit Committee include:

- (a) Review of the quarterly and half yearly financial statements with the management;
- (b) Review with the management and statutory auditors, the annual financial statements before submission to the Board;
- (c) Recommending the appointment and removal of statutory auditors, fixation of audit fee and payment for any other services rendered;
- (d) Review with the management, statutory auditors and the internal auditors, the adequacy of internal control systems
- (e) Reviewing the adequacy of the internal audit function.
- (f) Discuss with the Statutory Auditors before the audit commences, the nature and scope of audit as well as post audit discussions to ascertain areas of concern, if any.
- (g) Consideration of the reports of internal auditors and discussion about their findings with the management and suggesting corrective actions, wherever necessary.
- (h) Overview of the Company's financial reporting process and disclosure of financial information.
- (i) Look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any.
- (j) Reviewing the Company's financial and risk management policies.
- (k) Reviewing compliances as regards the Company's Whistle Blower Policy.

Details of Attendance of Directors at the Audit Committee Meetings during 2009-10 are given in the following table:

Director	No. of Meetings attended
Mr. S. Santhanakrishnan	7
Mr. R. Govindarajan	7
Mr. U. Mahesh Rao	6
Prof. Arun Monappa	1

4. Remuneration Committee

The Remuneration Committee comprises of Mr. U. Mahesh Rao as Chairman with Mr. R.K. Krishna Kumar, Mr. R. Govindarajan and Prof. A. Monappa as the other members. During 2009-10, the Remuneration Committee met three times on 15th May, 2009; 18th December, 2009 and 25th January, 2010.

The Remuneration Committee is responsible for reviewing the performance of the Managing Director and Executive Directors and recommending to the Board, their remuneration package including annual increment, incentive remuneration & commission and retirement benefits.

The Company pays Sitting Fee of Rs.20,000/- per meeting to the Non-Executive Directors for attending meetings of the Board, Audit Committee and Executive Committee and Rs.10,000/- for other Committees except for meetings of the Shareholders/Investors Grievance Committee for which no Sitting Fee is payable. Payment of commission to Non-Executive Directors has been approved by the Shareholders and by the Board. The Commission to the Non Executive Directors is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings. The Company also reimburses the out of pocket expenses incurred by the Directors for attending meetings.

Details of the remuneration paid to:

a) Non-Executive Directors in 2009-10

Name	Commission (Rs.) (Relating to 2008-09)	Sitting fee (Rs.)
Mr. R.K. Krishna Kumar	412000	140000
Ms. Barbara A. Roth	-	-
Mr. D.M. Dasappa	471000	20000
Mr. R. Govindarajan	442000	340000
Mr. U. Mahesh Rao	530000	300000
Prof. A. Monappa	295000	150000
Mr. Venu Srinivasan	-	20000
Mr. S. Santhanakrishnan	206000	280000
Mr. T.V. Alexander	-	80000
Mr. Y.H. Malegam	442000	-
Mr. P.P. Prabhu	147000	-

b) Managing Director and Executive Directors for the year 2009-10

(Rs. in Lakhs)

	Salary	Perquisites & Allowance	Contribution to Retiral funds	Commission
Mr. Hameed Huq *	31.47	26.80	8.49	30.00
Mr. M. H. Ashraff **	33.09	44.73	11.69	30.00
Mr. A. Sengupta ***	18.13	25.99	4.90	10.00

* Executive Director till 2nd January 2010 and Managing Director with effect from 3rd January, 2010.

** Ceased to be Managing Director with effect from 3rd January, 2010

*** Ceased to be Executive Director with effect from 3rd January, 2010

5. Shareholders Committee

The Board has constituted a Shareholders/Investors Grievance Committee, which comprises of Mr. R.K. Krishna Kumar, Chairman; Mr. R. Govindarajan and Mr. Hameed Huq. During the year 2009-10 the Committee met four times on 15th May, 2009, 24th July, 2009, 22nd October, 2009 and 25th January, 2010. The Committee oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor service. The Company Secretary is the Compliance Officer. Given below is the position of complaints received and attended to for the year 2009-10.

Requests/ Queries/ Complaints received	1580
Requests/ Queries/ Complaints attended	1562
Pending requests/ queries/ complaints as on 31.03.2010	18*

* These letters were received in the last week of March and have been replied to in April 2010.

TATA COFFEE LIMITED

The letters received through Statutory/Regulatory bodies are identified as complaints for reporting under Clause 41 of the Listing Agreement.

The Shares of the Company are traded in dematerialized form. During 2009-10, 216 requests for transfer and 362 requests for dematerialisation of Shares were received and processed. As on 31.03.2010, 1 share transfer case covering 199 shares and 13 requests for dematerialisation covering 913 shares were pending. These requests were attended to in April 2010.

6. Code of Conduct

The Company has adopted a Code of Conduct for its employees including the Managing/Executive Directors. In addition, a Code of Conduct for the company's Non-Executive Directors has also been adopted. Both these Codes have been posted on the Company's Website.

7. General Body Meetings

Date, time and location of the last three Annual General Meetings (AGMs).

Year	Date & Time of Meeting	Venue
2006-07	31st July, 2007 at 11.00 a.m.	Registered Office : Pollibetta – 571 215, Kodagu
2007-08	18th August, 2008 at 11.30 a.m.	-do-
2008-09	24th July, 2009 at 4.00 p.m.	-do-

No Special Resolution was recommended and no postal ballots were used/invited for voting at the aforesaid AGMs.

8. Disclosures

- (a) Disclosures of materially significant related party transactions i.e., transactions of the Company of material nature with its promoters, directors, management, subsidiary companies or relatives etc., that may have potential conflict with the interest of the Company at large:

In terms of Accounting Standard 18, details of transactions with related parties have been reported in the Notes on Accounts. There were no materially significant transactions that had conflict with the interest of the Company.

- (b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years:

There was no such instance of non-compliance in the last three years.

9. Means of Communication

Quarterly and Annual Financial Results are faxed/couriered to the Stock Exchanges and displayed on the EDIFAR in accordance with the Listing Agreement. Financial Results are also published in Newspapers viz., Indian Express / Economic Times – English and Kannada Prabha – Kannada and posted on the Company's website "www.tatacoffee.com". In terms of Clause 47(f) of the Listing Agreement, the Company has designated a separate e-mail ID for entertaining investor complaints viz., investors@tatacoffee.com

Management Discussion & Analysis Report forms part of the Annual Report.

10. General Shareholder information

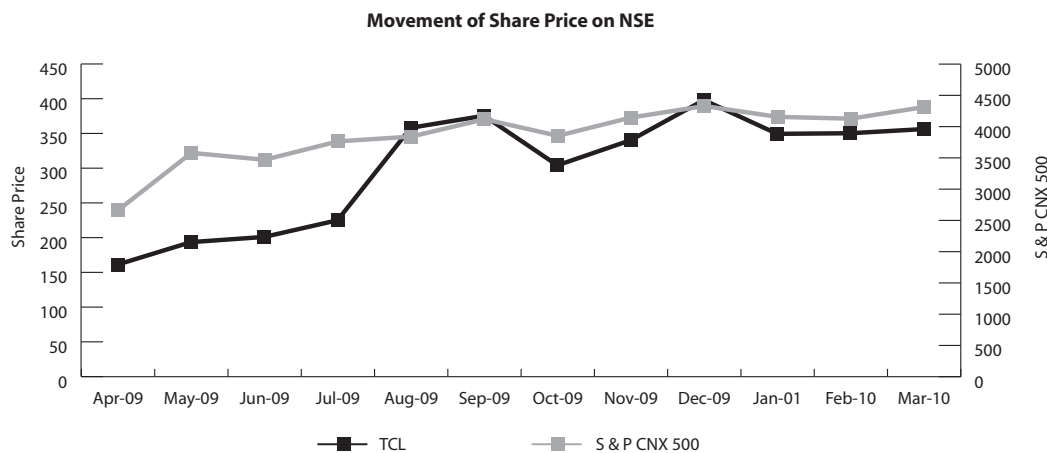
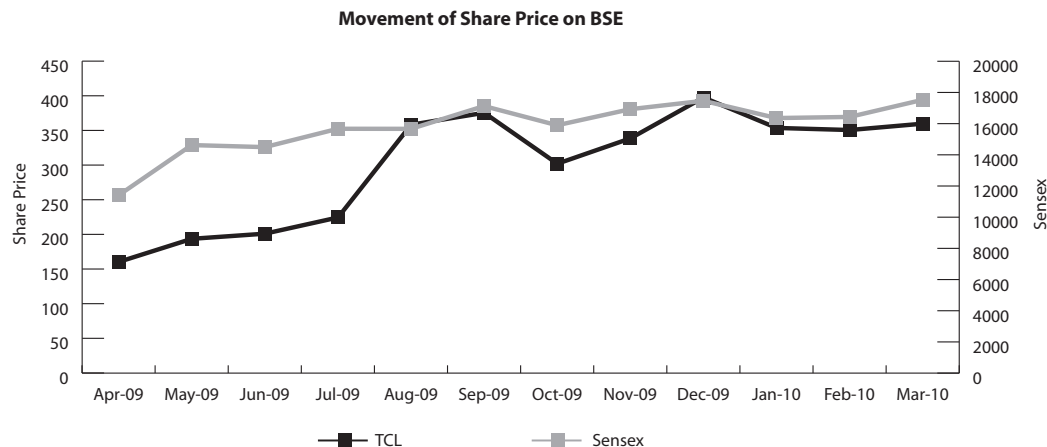
I.	AGM: Date, Time and Venue	23rd July, 2010 at 12 Noon at the Registered Office: Pollibetta - 571 215, Kodagu.	
II.	Financial Calendar (tentative)	Board Meeting for approval of: Audited Results for the first quarter ending June 30, 2010 Audited Results for the second quarter ending September 30, 2010 Audited Results for the third quarter ending December 31, 2010 Annual Accounts 2010-2011 Annual General Meeting for the year ended 31st March, 2011	In July/August 2010 In October/November 2010 In January/February 2011 In May/June 2011 In June/July 2011
III.	Dates of Book Closure	9th July, 2010 to 23rd July, 2010 (both days inclusive)	

IV.	Dividend Payment Date	The Dividend warrants will be mailed on or after 24th July, 2010.	
V.	Listing on Stock Exchanges	Bangalore Stock Exchange Ltd Stock Exchange Towers, No.51, 1st Cross, J.C. Road, Bengaluru - 560 027. Tel : 080-41575234/54 Fax: 080-22995242	
		Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Tel : 022-22721233/34 Fax: 022-22723121 Stock Code: 532301	
		National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No.C/1, G. Block Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051 Tel : 022-26598100-8114 Fax : 022-26598237/38 Stock Code: TATACOFFEE	
		The Company has paid Listing Fees for the financial year to each of the Stock Exchanges.	

VI. Market Price Data : High and Low during each month in the last financial year.

	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2009	180.00	147.00	181.95	146.00
May, 2009	213.90	161.00	214.10	161.00
June, 2009	221.00	192.00	225.00	190.20
July, 2009	234.00	182.00	235.00	181.15
August, 2009	390.90	224.50	391.00	216.10
September, 2009	386.80	291.25	403.65	340.00
October, 2009	386.80	291.25	386.90	290.25
November, 2009	363.95	286.00	364.00	290.00
December, 2009	422.70	333.10	422.40	333.00
January, 2010	443.00	326.50	440.00	340.50
February, 2010	387.00	332.00	386.70	335.10
March, 2010	374.00	341.50	374.00	348.15

VII. Share price performance compared with Broad based indices



VIII. Name of the Depository with whom the Company has entered into Agreement

National Securities Depository Ltd.
Central Depository Services (India) Ltd.

ISIN Code

INE 493A01019
INE 493A01019

IX. Registrar and Transfer Agent

Share Transfers, Dividend payments and all other investor related activities are attended to and processed at the Registered office of our Registrars and Transfer Agent (R&T). For lodgement of transfer deeds and any other documents or for any grievances/complaints kindly contact any of the offices of TSR Darashaw Limited which are open from 10.00 a.m to 3.30 p.m between Monday to Friday (Except on bank holidays)

Regd. Office:

TSR Darashaw Ltd.
6-10, Haji Moosa Patrawala Ind. Estate,
20, Dr. E. Moses Road,
Mahalaxmi (Near Famous Studio)
Mumbai - 400 011
Tel : 022-66568484
Fax : 022-66568494
E-mail : csg-unit@tsrdarashaw.com
Web : www.tsrdarashaw.com

Branch Offices

(i) **Bangalore**

TSR Darashaw Ltd.
503, Barton Centre, 5th Floor,
84, Mahatma Gandhi Road,
Bangalore – 560 001.
Tel: 080-25320321
Fax: 080-25580019
E-mail: tsrdlbbang@tsrdarashaw.com

(ii) **New Delhi**

TSR Darashaw Ltd.
2/42 Sant Vihar Ansari Road, Daryaganj,
New Delhi – 110 002
Tel : 011-23271805
Fax : 011-23271802
E-mail : tsrdldel@tsrdarashaw.com

(iii) **Kolkata**

TSR Darashaw Ltd.
Tata Centre, 1st Floor, 43, J L Nehru Road
Kolkata – 700 071
Tel : 033-22883087
Fax : 033-22883062
E-mail: tsrdlcal@tsrdarashaw.com

(iv) **Jamshedpur**

TSR Darashaw Ltd.
Bungalow No.1 'E' Road,
Northern Town, Bistupur,
Jamshedpur – 831 001.
Tel : 0657-2426616
Fax : 0657-2426937
E-mail : tsrdljsr@tsrdarashaw.com

(v) **Ahmedabad (Agent)**

Shah Consultancy Services Limited
3, Sumathinath Complex,
Pritam Nagar, Akhada Road,
Ellis Bridge, Ahmedabad – 380 006
Shareholders may also contact/write to:
The Secretarial Department
Tata Coffee Ltd.
57, Railway Parallel Road, Kumara Park West,
Bengaluru - 560 020.
E-mail : investors@tatacoffee.com

TATA COFFEE LIMITED
X. Share Transfer System Physical:

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

Dematerialisation of Shares and liquidity

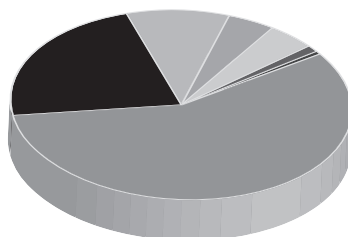
The process of conversion of shares from physical form to electronic form is known as dematerialisation. For dematerializing the shares, the Shareholder has to open a demat account with a Depository Participant (DP). The Shareholder is required to fill in a Demat Request Form and submit the same alongwith the Share Certificate(s) to the DP. The DP will allocate a demat request number and shall forward the request physically and electronically, through NSDL/CDSL to the R&T Agent. On receipt of the demat request, both physically and electronically and after verification, the Shares are dematerialised and an electronic credit of shares is given in the account of the Shareholder.

XI. Distribution of Shareholding as on 31st March, 2010

No. of Equity Shares held	No. of Shareholders	% to Shareholders	No. of Shares	% of Shareholdings
1 - 500	24870	95.11	1412240	7.56
501 - 1000	608	2.32	454791	2.43
1001 - 2000	360	1.38	505493	2.71
2001 - 3000	106	0.40	261173	1.40
3001 - 4000	55	0.21	195424	1.05
4001 - 5000	41	0.16	190305	1.02
5001 - 10000	57	0.22	375247	2.01
10001 & above	52	0.20	15282364	81.82
TOTAL	26149	100.00	18677037	100.00

XII. Categories of Shareholders as on 31st March, 2010

Sr. No.	Category of Shareholders	Total Holdings	Percentage
1.	FII/Foreign Companies	992567	5.31
2.	Non-Resident Individuals	84570	0.46
3.	Financial Institutions & Banks	1174069	6.29
4.	Mutual Funds	348144	1.86
5.	Tata Tea Limited	10735982	57.48
6.	Other Bodies Corporate	1291773	6.92
7.	Resident Individuals	4049932	21.68



- 1. FII/Foreign Companies
- 2. Non-Resident Individuals
- 3. Financial Institutions & Banks
- 4. Mutual Funds
- 5. Tata Tea Limited
- 6. Other Bodies Corporate
- 7. Resident Individuals

XIII. Shares in physical and demat form as on 31st March, 2010	No. of Shares	Percentage
In Physical Form	920953	4.93
In Dematerialised Form	17756084	95.07

No. of share holders whose shares as on 31st March, 2010 are in	No. of Shares	Percentage
XIV. physical and demat form.		
In Physical Form	10357	39.61
In Dematerialised Form	15792	60.39

XV. Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity. Nil

XVI. Plant Locations

17 Coffee Estates in Kodagu, Hassan and Chikmagalur District, Karnataka.	Kodagu, Chickmagalur and Hassan
1 Tea Estate in Hudikeri, Kodagu Dist. Karnataka and 1 Tea and Coffee (mixed) Estate in Basrikatte, Chikmagalur District.	Districts, Karnataka
5 Tea Estates in Tamil Nadu/Kerala viz., Malkiparai, Pachaimalai, Pannimade, Uralikal & Velonie and 1 Coffee Estate in Tamil Nadu viz., Valparai	Kerala Anamalais, Tamil Nadu
Curing Works, R & G factory and Pepper processing Unit	Kushalnagar, Kudige, Kodagu
3 Instant Coffee Plants	1) Toopran, Brahmanpally Village, Andhra Pradesh (1) 2) Theni in the State of Tamil Nadu (2)

XVII. Address for correspondence

As stated in 10 (IX) above

11. Particulars about new Directors proposed for appointment as well as the Directors who retire by rotation and are eligible for re-appointment indicating their shareholdings in the Company have been given in the Notice of the forthcoming Annual General Meeting.

12. Compliance of Clause 49 pertaining to mandatory requirements & Auditors Certificate on Corporate Governance

The Company has complied with all the mandatory requirements on Corporate Governance as specified in Clause 49 of the Listing Agreement with the Stock Exchanges. So far as Non-Mandatory requirements are concerned, the Company has constituted the Remuneration Committee of the Board of Directors and has adopted a Whistle Bowler Policy.

As required under Clause 49 of the Listing Agreement, the Auditor's Certificate on compliance of the Corporate Governance norms is attached.

DECLARATION OF MANAGING DIRECTOR ON THE COMPANY'S CODE OF CONDUCT

In terms of Clause 49 of the Listing Agreement, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Codes of Conduct, as applicable to them for the year ended 31st March, 2010.

Place : Bangalore
Date : 10th May, 2010

HAMEED HUQ
Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

A. Industry structure and developments

The overall global coffee supply was balanced with demand after accounting for stocks accumulated worldwide. However, supply shortfalls in Arabica in specific origins including India and Colombia led to prices soaring whereas Robusta prices were impacted only marginally in comparison. Global production was estimated at 123 mln bags. Global consumption grew at a healthy 2% inspite of recession and is estimated at 130 mln bags. The channel of consumption merely shifted from out of home to in home in many major markets.

India's domestic production for season 2009/10 has shown a significant improvement and is estimated at 4.82 mln bags by the Coffee Board of India.

Worldwide consciousness of good labour and environmental practices has been growing slowly but steadily and the company continued to show steady sales to this segment through its Utz and Rainforest Alliance certified coffees and organic certifications to a loyal customer base.

So far as Instant Coffee is concerned, there has been no major change in the general competitive landscape of the global coffee sector, as the strength of the major players and their positions in the core markets are well established and stable.

The global soluble coffee market is around 704 Million Kg and is forecasted to grow at a CAGR of 1.9% to a total of 757 Million Kg in year 2013. The soluble coffee segment is expected to account for 20% share out of the total coffee market in 2013. The growth continues to be in the Freeze dried coffee segment. Emerging products are in the area of decaffeinated and organic instant coffees. The usage of coffee in emerging markets is based on local tastes. Russia and CIS continue to be major markets though prices are lower.

Lack of carry forward stocks, a global shortfall in production as well as growing demand, led to 2009 witnessing a healthy and a much awaited recuperation for the Indian tea industry, which had struggled through a decade of poor prices. Tea prices which had lagged far behind the commodity & inflation index took on a semblance of respectability. Apart from climbing out of a decade's depression, the industry saw changes in the way this commodity was transacted. Electronic Auction was introduced at the behest of the Tea Board of India replacing the manual auctions that have been in existence traditionally. South India centers went 100% electronic during the course of the year. The year also saw the introduction of "cash and carry" settlement banking which helped in reducing considerably the risk of loss from default on payments.

Tea, by far continues to be the cheapest & the favorite beverage of mass consumers in India and this has ensured that the domestic demand is growing at a faster pace than supply. Production in South India suffered setbacks in the first quarter and by the end of April the production fell behind by 25million kg over 2008. However by the end of the year, this deficit was reduced to 2.8 million kg, on the back of record production in June, August & October. All India production of 979 million kg fell below the 2008 production by 1.8million kg., with the South Indian production finishing at 244.1 million kg compared to 246.9 million kg in 2008.

Domestic coffee consumption continues to increase led by growth in consumption of Instant Coffee. Your Company has cashed in on this and launched an Instant coffee brand in the Hot tea shop segment in Tamil Nadu. Modern trade, namely retail formats is expanding rapidly across the country. Vending segment is growing, riding the economic growth and increasing consumption out of home.

B. Opportunities and Threats & Risks

One of the foremost threats for a coffee producer is the Demand and Supply situation which has a direct bearing on realization. Supply is dependent on world coffee production and stocks held by producing and importing countries. According to the International Coffee Organization (ICO), the global coffee production during 2009/10 was below the previous year's level of 128 mln bags and was estimated at 123 mln bags due to lower crop in the top three growing countries viz., Brazil, Vietnam and Colombia, which led to appreciation in Arabica prices.

In India, as per the post monsoon forecast for 2009/10, the total production is placed at 2,89,600 MT (4.82 mln bags) which shows a reduction of 16,700 MT over the previous blossom estimate of 306,300 MT. The Arabica crop is estimated at 94,600 MT and Robusta at 195,000 MT.

Your Company has taken advantage of the growing demand in the emerging market for 'Socially responsible'/certified coffees by getting certified with internationally recognized certifications : Utz, SA 8000, Rainforest Alliance, ISO:9001 and Organic.

The second major threat for coffee Plantations is labour. The wage fixation and Government controls in this regard have a bearing on the final cost of production. Availability of skilled labour for coffee plantations has been a big threat, with the younger generation pursuing higher education or migrating to towns & cities seeking to live city-life. The proactive measures taken by your Company in mechanizing the harvesting and post harvesting operations and introduction of productivity based incentive system has had its benefits. Further, the Company has recently taken up a census of its entire labour housing and the facilities available therein, together with a Human Development Index (HDI) study to know the present living condition of labour and to bring it on par with world standard. The main purpose of these initiatives is to attract labour and minimize migration.

As regards Curing Works, the industry is facing stiff competition and the Curers are offering various incentives to attract the planters including offering to purchase coffee at the farm gate, providing free transportation etc. The Company's state-of-the-art Curing Unit at Kushalnagar is fully equipped to handle the curing/processing requirements of the Company and also outsiders, to cater to exports/direct sale to the ultimate user. The unit is certified under the most coveted ISO-9001 certification and the continued pooling of coffee by some of the large and small growers is a testimony to the trust and confidence reposed in the Company by the private planters.

The Company has its own well equipped R&D Department for carrying out various analytical exercises. The management of effluent at the Company's pulphouse continues to get utmost importance.

Another big threat for any plantation Company is the vagaries of nature and uncertainty of weather conditions during critical months. To mitigate this, your Company has developed extensive irrigation capabilities over the years.

Berry borer is another threat to Robusta coffee. The environmental friendly proactive measures taken by the Company has been a great success and has helped control the incidence. Similarly White Stem Borer is also a big threat to Arabica and the company has been able to successfully bring this under control.

The major threat faced by the soluble coffee division is increased cost of beans & consumables and emerging low cost producers. The Company is making efforts to mitigate these risks by consolidating in the Non-Russian markets through development of new products and channel partners.

To handle the price volatility of coffee beans, your Company has strengthened the coffee procurement process which is now routed through the Global Procurement Centre. The Center sources beans for Eight O' Clock Coffee as well as Tata Coffee and has in place a mechanism for trading in spot and future markets.

The single largest factor that would adversely impact the tea scenario is the over production in the major tea producing countries. Apart from this, the volatility of the South Indian Orthodox market & changing weather patterns would be other factors that could impact the industry. Tea plantations being a labour intensive industry, the interference by the State Government in an otherwise traditionally Bipartite settlement is likely to have an impact on the final cost of production. Availability of labour continues to be a major issue, with the younger generation migrating to towns & cities. In view of the decline in the availability of labour, the Company has re doubled its effort at exploring new forms of mechanization in the plantations, such as mechanical harvesters, high volume spraying machines etc. While Shot hole Borer has been a major setback to tea production, the Company undertakes control of the same as per guidelines issued by UPASI.

On the domestic front, as per the Coffee Board of India, consumption of coffee is increasing in India, particularly Instant coffee. The retail segment offers a big opportunity for instant coffee. Fresh brew vending is driving the vending growth. New formats such as cartridge and coffee rounds are being introduced in vending. Roast and ground coffee is losing ground. Cost of entry into retail formats is becoming more expensive due to high media and distribution costs.

Insofar as the plywood industry is concerned, availability of low priced imported plywoods and the unorganized small time players passing on poor quality plywood in the market are the main threats to this business. Your Company has however established its name in the market as a supplier of branded products. In addition, your Company is supplying packing boxes manufactured out of low end timber to Reserve Bank of India.

TATA COFFEE LIMITED**C. Segment-wise or Product-wise Performance****Product-wise Turnover**

Product/Services	2009/2010		2008/2009	
	Quantity (in Tonnes)	Value (Rs. in Lakhs)	Quantity (in Tonnes)	Value (Rs. in Lakhs)
Coffee: Cured	6743	7426.51	6272	7347.58
Instant	3503	11738.45	3742	12816.83
R&G	511	921.74	544	887.70
Tea	7975	6603.81	7543	5459.37
Pepper	1272	1849.64	740	1050.34
Estate Supplies	-	2017.72	-	1604.92

D. Outlook

Following some favourable showers in March and coverage of the Robusta areas with blossom irrigation, the crop prospects for 2010/11 appear to be normal. The heavy showers received during the last quarter of 2009 has acted as winter irrigation for the coffee bushes and helped in maintaining the plant health and crop prospects for the coming year. With continued thrust on labour welfare and other critical cultural operations, the Company is hopeful of turning out good results.

On the Tea front, the demand-supply equation is expected to be more balanced in 2010, based on early cropping patterns. Following much needed rainfall, indications are that North India as well Kenya & Sri Lanka are expected to exceed their 2009 production levels. While the supply situation is likely to be more comfortable than the previous season, this is expected to be absorbed by the expanding domestic market where quality produce will continue to be in great demand, which would be further assisted by minimal carry forward stocks. This would to a great extent act as a buffer against the uncertainties of the global markets, keeping price levels attractive, especially for the better teas.

So far as the Instant Coffee Division is concerned, quality up-gradation and focus on new product development will be the driving factor for sustenance and growth. With the initiatives undertaken at plant level in terms of up-gradation of machineries and streamlining processes, consistent product quality has been achieved. This will provide a platform for modernization of equipment, adopting best practices for improving quality and development of new products for catering to different segments. The future for 3 in 1 and other non-core categories of soluble coffee depends on new product launches and packaging. The Company is also making major strides in reducing carbon foot print, thus helping in reducing cost and ultimately improving profitability and long-term sustainability. Potential areas have been identified to maximize the throughput while at the same time minimize consumption of resources and reduce waste and emissions.

The packaged R&G segment is de-growing and Instant coffee consumption particularly of Freeze Dried Coffee is increasing by about 10% per annum. The out of home consumption of coffee continues to increase. Coffee vending is slowly shifting towards fresh bean coffee vending.

E. Internal Control Systems and their adequacy

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies including Tata Code of Conduct.

Internal Audit is conducted at regular intervals at all the locations covering the key areas of operations. It is an independent objective and assurance function responsible for evaluating and improving the effectiveness of risk management control and governance processes.

An Audit Committee consisting of three independent Directors is in place. Highlights of the Internal Audit reports are placed before the Audit Committee. The Audit Committee deliberates and advises the management on improvements/compliance.

F. Financial and Operational Performance

During the year 2009-10, while the prices of Arabica, Pepper and Tea continued to remain firm, there was a drop in Robusta prices to the extent of 15% on account of a glut in global supplies. Instant coffee operations continued to be affected by the global financial crisis, especially in the first half of the year but have shown signs of improvement in the latter part of the year.

G. Material Developments in Human Resources/Industrial Relations front and number of people employed

The manpower strength of the Company as on 31st March, 2010 was 6086 permanent employees including 137 Management Staff, positioned mainly in the plantations.

The Company recognizes the importance of human resource development and in this context programmes on training and development of the employees which continues to be an important focus area were undertaken. Besides external training programmes and participation in conferences, in-house training programs were held for the employees through experienced external faculty in order to bring about change and build employee soft skills in communication and team building for the junior & middle management. The Company has placed a lot of thrust on the aspect of leadership development through a customized outbound leadership program for the senior leaders. All these training and developmental programs are aligned to the business needs/demands of the organization.

Harmonious industrial relations prevailed at all the units of the Company during 2009-10 and there was no labour unrest reported from any of the units.

H. Cautionary Statement

Any statements made in this analysis relating to Company's objectives, expectations, estimates, projections, etc. may be considered as "forward looking statements" within the meaning of applicable securities, laws and regulations. Actual results may differ from such estimates, projections, etc. whether expressed or implied. Factors which could make a significant difference to the Company's operations include climatic conditions, market price in the domestic and overseas markets, changes in Government regulations and tax laws, economic conditions affecting demand/supply and other environmental factors over which the Company does not have any control.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Tata Coffee Limited

We have examined the compliance of conditions of Corporate Governance by Tata Coffee Limited (the Company) for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement (amended) of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the guidance note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to 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 statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

For SNB ASSOCIATES
Chartered Accountants

For N.M. RAIJI & CO.
Chartered Accountants

S. LAKSHMANAN
Partner
Membership No.: 20045
(Firm's Registration No.: 015682N))

J.M. GANDHI
Partner
Membership No.: 37924
(Firm's Registration No.: 108296W)

Place : Mumbai
Date : 13th May, 2010

AUDITORS' REPORT TO THE MEMBERS OF TATA COFFEE LIMITED

1. We have audited the attached Balance Sheet of Tata Coffee Limited (the Company) as at 31st March, 2010 and also the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (hereinafter referred to as 'the Order') as amended by the Companies (Auditors Report) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. 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;
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account 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 Companies Act, 1956;
 - v. On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes there on and attached thereto give the information required by the Companies Act, 1956, 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 31st March 2010;
 - b) in the case of Profit and Loss Account, of the Profit for the year ended on that date;
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date;

For SNB ASSOCIATES
Chartered Accountants

S. LAKSHMANAN
Partner
Membership No.: 20045
(Firm's Registration No.: 015682N)

Place : Mumbai
Date : 13th May, 2010

For N.M. RAIJI & CO.
Chartered Accountants

J.M. GANDHI
Partner
Membership No.: 37924
(Firm's Registration No.: 108296W)

ANNEXURE TO THE AUDITORS' REPORT OF TATA COFFEE LIMITED

[Referred to in paragraph 3 of the Auditor's report of even date to the Members of Tata Coffee Limited on the financial statements for the year ended 31st March, 2010]

- i. a) The Company is maintaining proper records showing full particulars, including quantitative details and the situation of its fixed assets;
- b) A major portion of fixed assets has been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed have been properly dealt with in the books of account;
- c) The assets disposed off during the year are not significant and therefore do not affect the going concern assumption.
- ii. a) The management has conducted physical verification of inventory at reasonable intervals. In our opinion and according to the information and explanations given to us, the procedure for 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;
- b) In our opinion, the Company has maintained proper records of inventory. The discrepancies between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account;
- iii. In our opinion and according to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured to/from the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations provided to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- v. In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements, the particulars of which need to be entered in to the register maintained under Section 301 of the Companies Act, 1956.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion, the Company has a system of internal audit, which is commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under Section 209(1) (d) of the Companies Act, 1956 for maintenance of Cost records in respect of Coffee and Coffee products 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) As per the records of the Company and information and explanations provided to us, the Company is generally regular in depositing with appropriate authorities undisputed amount of provident fund, investor education & protection fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise-duty, cess and other applicable statutory dues. No undisputed amount was outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (b) As at the Balance Sheet date, the following are the details of disputed Income-Tax, Excise Duty, Customs Duty, Service Tax, Sales-Tax and Cess that have not been deposited with the concerned authorities;

Nature of dues	Relevant Financial Year	Disputed amount (in Lakhs)	Forum Where dispute is pending
Central Income Tax	2000-01	13.82	Asst. Commissioner of Income Tax, Bangalore
	2003-04	8.34	Income Tax Appellate Tribunal, Bangalore
	2004-05	1.91	Income Tax Appellate Tribunal, Bangalore

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| <p>x. The Company has neither accumulated losses at the end of the financial year nor incurred cash losses during the year and in the immediately preceding financial year.</p> <p>xi. Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.</p> <p>xii. Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;</p> <p>xiii. The Company is not a chit/ nidhi/ mutual benefit fund/ society.</p> <p>xiv. The Company is not dealing or trading in shares, securities, debentures and other investments.</p> <p>xv. On the basis of the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions.</p> <p>xvi. During the year, the company has taken the term loans. 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.</p> <p>xvii. On the basis of our examination of the books of account and the information and explanation given to us, in our opinion, the funds raised by the Company on short-term basis have not been used for long-term investment.</p> | <p>xviii. During the year, 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.</p> <p>xix. To the best of our knowledge and belief and according to the information and explanations given to us, for the debentures outstanding necessary security has been created as per the terms of the issue.</p> <p>xx. The management has disclosed the end use of money raised through partly convertible debentures in the note No. B2 of Schedule 12 to the financial statements. The said details have been verified by us.</p> <p>xxi. To the best of our knowledge and according to the information and explanations given to us, having regard to the nature of the Company's business, no material fraud on or by the Company was noticed or reported during the year.</p> |
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- | | |
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| <p>For SNB ASSOCIATES
<i>Chartered Accountants</i></p>
<p>S. LAKSHMANAN
<i>Partner</i></p>
<p>Membership No.: 20045
(Firm's Registration No.: 015682N)</p>
<p>Place : Mumbai
Date : 13th May, 2010</p> | <p>For N.M. RAIJI & CO.
<i>Chartered Accountants</i></p>
<p>J.M. GANDHI
<i>Partner</i></p>
<p>Membership No.: 37924
(Firm's Registration No.: 108296W)</p> |
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TATA COFFEE LIMITED
BALANCE SHEET

	Schedule No.	As at 31st March, 2010 Rs. in Lakhs Rs. in Lakhs		As at 31st March, 2009 Rs. in Lakhs Rs. in Lakhs	
SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
(a) Share Capital	1	1,867.70		1,867.70	
(b) Reserves and Surplus.....	2	34,120.26		28,405.60	
			35,987.96		30,273.30
2. LOAN FUNDS	3				
(a) Secured Loans		9,864.22		14,666.51	
(b) Unsecured Loans		5,000.00		3,000.00	
			14,864.22		17,666.51
3. DEFERRED TAX LIABILITY (NET)			1,460.62		952.39
(Refer Note No. B 12 of Schedule 12)					
			52,312.80		48,892.20
APPLICATION OF FUNDS					
1. FIXED ASSETS	4				
Gross Block.....		32,815.71		32,570.61	
Less : Depreciation		10,267.12		9,306.99	
Net Block		22,548.59		23,263.62	
Add : Capital Work-in-progress		770.32		1,110.51	
			23,318.91		24,374.13
2. INVESTMENTS	5		14,677.62		14,677.62
3. CURRENT ASSETS, LOANS & ADVANCES	6				
(a) Inventories.....		11,674.88		12,545.97	
(b) Receivables		2,502.20		2,663.63	
(c) Cash and Bank Balances.....		2,024.21		945.82	
(d) Other Current Assets		125.06		91.87	
(e) Loans and Advances		6,980.24		7,030.80	
		23,306.59		23,278.09	
Less : CURRENT LIABILITIES AND PROVISIONS	7				
(a) Liabilities.....		6,577.94		11,535.60	
(b) Provisions		2,412.38		1,906.00	
		8,990.32		13,441.60	
Net Current Assets			14,316.27		9,836.49
4. Miscellaneous Expenditure to the extent not written off - Deferred Revenue Expenditure (Ref Note B 6 of Schedule 12)			-		3.96
TOTAL			52,312.80		48,892.20
Significant Accounting Policies / Notes on Accounts	12				

M.K.C. PAI
Company Secretary

S. SANTHANAKRISHNAN
Director

HAMEED HUQ
Managing Director

R.K. KRISHNA KUMAR
Chairman

Per our Report of even date

For SNB ASSOCIATES
Chartered Accountants

For N.M. RAIJI & CO.
Chartered Accountants

Place : Mumbai
Date : 13th May, 2010

S. LAKSHMANAN
Partner
Membership No.: 20045

J. M. GANDHI
Partner
Membership No.: 37924

PROFIT AND LOSS ACCOUNT

	Schedule No.	For the Year ended 31st March, 2010		For the Year ended 31st March, 2009	
		Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
INCOME					
Sales and Services	8	32,814.45		31,309.31	
Less: Excise Duty		66.28	32,748.17	88.11	31,221.20
Other Income	9		4,594.26		2,457.42
			37,342.43		33,678.62
EXPENSES	10	29,551.19		34,123.99	
Depreciation		1,138.72		1,222.29	
ACCRETION [-] / DECRETION TO STOCK	11	1,652.60		(4,508.26)	
			32,342.51		30,838.02
PROFIT BEFORE TAXATION			4,999.92		2,840.60
Provision for Taxation :					
For Current Tax		1,292.71		814.00	
For Deferred Tax		508.23		82.18	
For Fringe Benefit Tax		-		80.00	
			1,800.94		976.18
PROFIT AFTER TAXATION			3,198.98		1,864.42
Add : Surplus brought forward from previous year			842.15		1,330.88
AMOUNT AVAILABLE FOR APPROPRIATION			4,041.13		3,195.30
APPROPRIATIONS					
General Reserve No.1		319.90		186.44	
General Reserve No.2		284.42		259.99	
Debenture Redemption Reserve A/c		383.29		595.65	
			987.61		1,042.08
Dividends :					
Final (Proposed)		1,400.78		1,120.62	
Tax on Dividend		232.65		190.45	
			1,633.43		1,311.07
Surplus Carried to Balance Sheet			1,420.09		842.15
Significant Accounting Policies / Notes on Accounts	12				
EPS - Basic & Diluted (on Rs.10 per Share)			Rs. 17.13		Rs.9.98
(Refer Note B 15 of Schedule 12)					

M.K.C. PAI
Company Secretary

S. SANTHANAKRISHNAN
Director

HAMEED HUQ
Managing Director

R.K. KRISHNA KUMAR
Chairman

Per our Report of even date

For SNB ASSOCIATES
Chartered Accountants

For N.M. RAIJI & CO.
Chartered Accountants

S. LAKSHMANAN
Partner
Membership No.: 20045

J. M. GANDHI
Partner
Membership No.: 37924

Place : Mumbai
Date : 13th May, 2010

TATA COFFEE LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET
Schedule No. 1
SHARE CAPITAL
AUTHORISED

2,50,00,000 Equity Shares of Rs.10/- each

**As at
31st March, 2010
Rs. in Lakhs**
**As at
31st March, 2009
Rs. in Lakhs**
2,500.00

2,500.00

2,500.00
2,500.00
ISSUED, SUBSCRIBED AND PAID-UP

1,86,77,037 Equity Shares of Rs.10/- each, fully paid

(Previous year 1,86,77,037 Equity Shares)

1,867.70

1,867.70

1,867.70
1,867.70
Of the above
No. of shares
No. of shares

a) Shares held by the Holding Company, Tata Tea Ltd.

10,735,982

10,735,982

b) Shares allotted as fully paid-up :

(1) Pursuant to the Scheme of Amalgamation of erstwhile Asian Coffee Limited and Coffee Lands Limited with the Company without payment being received in cash.

29,61,747

29,61,747

(2) Pursuant to contracts without payments being received in cash.

4,13,312

4,13,312

(3) Pursuant to Scheme of Amalgamation of erstwhile SIFCO Ltd. with the Company without payments being received in cash.....

92,826

92,826

(4) By way of Bonus Shares through capitalisation of General Reserve and Share Premium.....

88,27,820

88,27,820

Schedule No.2
RESERVES AND SURPLUS

	As at 1st April, 2009 Rs. in Lakhs	Additions Rs. in Lakhs	Deductions Rs. in Lakhs	As at 31st March, 2010 Rs. in Lakhs
Capital Subsidy Reserve	30.10	—	—	30.10
Capital Redemption Reserve	10.41	—	—	10.41
Securities Premium Account	14,424.27	—	—	14,424.27
Amalgamation Reserve	832.53	—	—	832.53
Debenture Redemption Reserve	2,727.94	383.29	—	3,111.23
General Reserve Number I	9,412.73	319.90	—	9,732.63
General Reserve Number II	5,281.03	284.42	—	5,565.45
	32,719.01	987.61	—	33,706.62
Hedging Reserve Account (Ref. Note B1 of Sch. 12)	(5,155.56)	—	(4,149.11)	(1,006.45)
Sub-Total	27,563.45	987.61	(4,149.11)	32,700.17
Surplus per Profit and Loss Account	842.15	—	—	1,420.09
Total	28,405.60			34,120.26

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule No. 3

	As at 31st March, 2010 Rs. in Lakhs	As at 31st March, 2009 Rs. in Lakhs
A. SECURED LOANS		
- 4% Secured Redeemable Non-Convertible Debentures privately placed	-	2,550.00
- 7% Secured Redeemable Non-Convertible Debentures	9,312.50	9,312.50
- Working Capital / Cash Credit Facilities from Banks	551.72	2,804.01
	9,864.22	14,666.51
Notes:		
(1) The 4% Non-Convertible Debentures were redeemable at a premium in three instalments of 33%, 33% and 34% respectively at the end of 2nd, 3rd and 4th years from the date of allotment i.e. 25.11.2005. Accordingly all three installments have been redeemed. The Debentures were secured by charge on certain area of vacant land adjacent to the Company's Plant at Theni and also secured by deposit of title deeds of Three Coffee Estates of the Company.		
(2) The 7% Non-Convertible Debentures are redeemable at par in three equal instalments at the end of 4th, 5th & 6th years from the date of allotment i.e. 29.12.2006. The Debentures are secured by a charge on the Land (excluding the area referred to in para 1 above) and the Factory located at Theni.		
(3) Working Capital/Cash Credit facility is secured by hypothecation of Coffee Crop, inventories, finished/ semi-finished goods/ receivables of the Company. Part of the Cash Credit funding is also secured by deposit of title deeds of a Coffee Estate.		
B. UNSECURED LOANS		
Short Term Loan from Banks	5,000.00	3,000.00
	5,000.00	3,000.00

TATA COFFEE LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET
Schedule No. 4
FIXED ASSETS

	COST				DEPRECIATION				NET VALUE	
	As at 01.04.09 Rs. in Lakhs	Additions for the year Rs. in Lakhs	Deductions / Adjustments Rs. in Lakhs	As at 31.03.10 Rs. in Lakhs	Up to 01.04.09 Rs. in Lakhs	For the year Rs. in Lakhs	Deductions / Adjustments Rs. in Lakhs	Up to 31.03.10 Rs. in Lakhs	As at 31.03.10 Rs. in Lakhs	As at 31.03.2009 Rs. in Lakhs
Freehold Land and Development	7,593.83	-	-	7,593.83 (a)	-	-	-	-	7,593.83	7,593.83
Leasehold Land and Development	185.89	-	-	185.89	0.16	-	-	0.16	185.73	185.73
Leasehold Improvements	13.99	-	13.99	-	6.07	1.34	7.41	-	-	7.92
Buildings	5,515.33	85.42	8.12	5,592.63 (a)	1,576.86	149.80	6.22	1,720.44	3,872.19	3,938.47
Water and Sanitary Installations	814.17	18.49	28.09	804.57 (a)	379.37	27.60	23.90	383.07	421.50	434.80
Electrical Installations	988.34	77.43	5.37	1,060.40 (a)	417.54	50.85	4.97	463.42	596.98	570.80
Plant and Machinery (c)	15,719.77	486.49	392.41	15,813.85	5,919.32	779.13	54.78	6,643.67	9,170.18	9,800.45
Furniture/ Fixtures & Equipment	814.91	14.57	11.55	817.93	577.30	34.75	11.82	600.23	217.70	237.61
Vehicles	924.38	166.70	144.47	946.61	430.37	95.25	69.49	456.13	490.48	494.01
Total	32,570.61	849.10	604.00	32,815.71	9,306.99	1,138.72	178.59	10,267.12	22,548.59	23,263.62
Previous year	31,798.92	889.31	117.62	32,570.61	8,135.60	1,222.29	50.90	9,306.99	23,263.62	
Capital Work-in-Progress (b)									770.32	1,110.51
Total									23,318.91	24,374.13

- a) Includes the following assets jointly owned/held with the Holding Company :-
- Freehold Land Rs.103.78 Lakhs (Previous Year - Rs.103.78 Lakhs)
 - Buildings Rs. 56.78 Lakhs (Previous Year - Rs. 56.78 Lakhs)
 - Water and Sanitary Installations Rs.8.15 Lakhs (Previous Year - Rs.8.15 Lakhs)
 - Electrical installations Rs. 22.07 Lakhs (Previous Year - Rs.22.07 Lakhs)
- b) Capital work-in-progress includes Capital Advance Rs. 5.67 lakhs (Previous Year - NIL) and is net of impairment of Rs. 231.26 Lakhs (Previous Year - NIL)
- c) Deductions includes adjustment of retention money of Rs.335.42 lakhs (Previous Year - NIL)
- d) The depreciation for the following assets are worked on the basis of useful life mentioned below:
- Vending Machine - 7 Years
 - Spraying & Pruning Machineries in Tea Plantation - 5 Years

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule No. 5	Class	No.	Face Value of each Rs.	As at 31st March, 2010 Rs. in Lakhs	As at 31st March, 2009 Rs. in Lakhs
INVESTMENTS - AT COST					
Long-term investments (Fully paid)					
TRADE					
Quoted					
Tata Tea Limited	Equity Shares	1,98,250	10	113.76	113.76
Tata Chemicals Limited	Equity Shares	1,60,000	10	424.21	424.21
				537.97	537.97
Unquoted					
Chembra Peak Estates Limited	Equity Shares	3,481	10	0.41	0.41
Wartyhully Estates Limited	Equity Shares	24,748	10	0.93	0.93
Joonktolle Tea & Industries Limited.	Equity Shares	11,524	10	6.42	6.42
The Cochin Malabar Estates & Industries Limited	Equity Shares	2,156	10	0.20	0.20
				7.96	7.96
In Subsidiary Companies:					
Consolidated Coffee Inc.	Common stock	300	USD 0.01	14,065.36	14,065.36
Alliance Coffee Limited	Equity Shares	25500	10	2.55	2.55
				14,067.91	14,067.91
In Joint Venture					
Tata Coffee (Uganda) Limited	Equity Shares	50	USHS 50000	0.65	0.65
				0.65	0.65
OTHER THAN TRADE - Quoted					
IDBI	Equity Shares	16,160	10	13.13	13.13
Rural Electric Corporation	5.5% Capital Gain Bonds	500	10000	50.00	50.00
				63.13	63.13
OTHER THAN TRADE - Unquoted					
Ritspin Synthetics Ltd. (Net of Provision for Diminution Rs.10 Lakhs)	Equity Shares	1,00,000	10	-	-
Coorg Orange Growers Co-Operative Society Ltd. *	Equity Shares	4	100	-	-
Tata Coffee Co-operative Stores Limited *	Equity Shares	20	5	-	-
Coorg Cardamom Co-operative Marketing Society Limited *	Equity Shares	1	100	-	-
				-	-
Carried Forward				14,677.62	14,677.62
* Represent Amount less than Rs.1,000					

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule No. 5 (Contd.)

		As at 31st March, 2010	As at 31st March, 2009
		Rs. in Lakhs	Rs. in Lakhs
Brought forward		<u>14,677.62</u>	<u>14,677.62</u>
	TOTAL	<u>14,677.62</u>	<u>14677.62</u>
Cost of Investments			
Quoted			
Long Term.....		601.10	601.10
Current		-	-
Unquoted			
Long Term.....		14,076.52	14,076.52
Current		-	-
	TOTAL	<u>14,677.62</u>	<u>14,677.62</u>
Market Value of Quoted Investments		2,533.60	1,444.39
Current Investments bought and sold during the year		No. of Units	No. of units
UTI Liquid Cash Plan Institutional Daily Income Option		-	50,947
TATADynamic Bond Fund		-	9,735,866
ICICI Prudential FMP Series 44		-	10,000,000

Schedule No. 6

	As at 31st March, 2010		As at 31st March, 2009
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
CURRENT ASSETS, LOANS AND ADVANCES			
(a) INVENTORIES :			
Stores & Spares	934.56		730.28
Raw materials	<u>2,121.57</u>		<u>1,544.34</u>
		3,056.13	2,274.62
Stock-in-trade :			
Finished/Trading Goods.....	8,544.14		10,261.19
Work-in-progress/Crop-in-progress	<u>74.61</u>		<u>10.16</u>
		<u>8,618.75</u>	<u>10,271.35</u>
		11,674.88	12,545.97
Carried Forward		<u>11,674.88</u>	<u>12,545.97</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule No. 6 (Contd.)	As at 31st March, 2010			As at 31st March, 2009		
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Brought Forward			11,674.88			12,545.97
(b) RECEIVABLES :						
Sundry Debtors :						
Unsecured						
Debts outstanding for a period exceeding six months						
- Considered Good	96.24			98.48		
- Considered Doubtful	271.07			263.59		
	367.31			362.07		
Less: Provision for Doubtful Debts	271.07			263.59		
	96.24			98.48		
Other Debts considered good:						
- Secured	1,484.91			1,560.22		
- Others	921.05			1,004.93		
		2,502.20			2,663.63	
			2,502.20			2,663.63
(c) CASH & BANK BALANCES :						
Cash, cheques in hand & stamp balances		70.13			19.69	
Bank balances :						
With Scheduled Banks :						
On Current Accounts.....	741.43			820.61		
In Deposit Accounts.....	1,117.13			17.21		
In Dividend and Debenture Interest Accounts	95.51			88.30		
	1,954.07			926.12		
With Kodagu District Co-op. Central Bank Limited (Non-scheduled Bank)						
On Current Account	0.01			0.01		
(Maximum balance outstanding at any time during the year on current..... Account Rs.0.01 Lakhs)		1,954.08			926.13	
			2,024.21			945.82
d) OTHER CURRENT ASSETS :						
Interest accrued on Investments/ Loans/Deposits.....			125.06			91.87
Carried Forward			16,326.35			16,247.29

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE No. 6 (Contd.)

	As at 31st March, 2010			As at 31st March, 2009		
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Brought Forward			16,326.35			16,247.29
e) LOANS & ADVANCES :						
(Unsecured - Considered good unless Otherwise stated)						
Advances recoverable in cash or in kind or for value to be received :						
Considered Good	784.85			1,501.53		
Considered Doubtful	97.99			99.03		
	882.84			1,600.56		
Less : Provision for Doubtful Advances	97.99			99.03		
		784.85			1,501.53	
Deposits with Companies						
Considered Good	3,400.00			3,400.00		
Considered Doubtful	38.00			38.00		
	3,438.00			3,438.00		
Less : Provision for Doubtful Deposits	38.00			38.00		
		3,400.00			3,400.00	
MAT Credit Entitlement		466.85			271.46	
Balances with Excise Authorities, Port Trust etc.		264.71			277.23	
Loan to The Coorg Foundation – a Public Charitable Trust		120.00			120.00	
Balance in Escrow		58.61			55.68	
Other Deposits						
Considered Good	1,885.22			1,404.90		
Considered Doubtful	3.84			3.84		
	1,889.06			1,408.74		
Less: Provision made	3.84			3.84		
		1,885.22			1,404.90	
		6,980.24			7,030.80	
		6,980.24			7,030.80	
TOTAL			23,306.59			23,278.09

Notes :

- Loans and Advances include :
 - Due by an Officer **0.03** 0.05
 - Maximum amount due at any time during the year **0.05** 0.07
- Due by Directors
 - Maximum amount due at any time during the year **0.01** 0.15
- Other deposits include Rs. 1624.14 lakhs (Previous year Rs.1101.14 lakhs) deposited with NABARD in Coffee/Tea Deposit account under Section 33 AB of the Income-tax Act 1961.

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2010		As at 31st March, 2009	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Schedule No. 7				
CURRENT LIABILITIES & PROVISIONS				
CURRENT LIABILITIES :				
Sundry Creditors				
- Due to Micro, Small & Medium Enterprises	36.61		7.75	
- Others.....	1,387.78		1,357.55	
(Includes amount due to Holding Company Rs. 87.59 Lakhs Previous year Rs. 13.59 Lakhs)				
(Includes amount due to Subsidiary Company Rs. 104.54 Lakhs. Previous year Rs. 81.92 Lakhs)				
Other Liabilities	4,756.74		9,793.07	
Interest accrued but not due	179.30		201.58	
Due to Directors.....	122.00		87.35	
Liability towards investors Education and Protection Fund Under Section 205C of the Companies Act, 1956#				
- Unpaid Dividend and Debenture Interest.....	95.51		88.30	
		6,577.94		11,535.60
PROVISIONS :				
Provision for taxation.....	4,185.06		3,515.75	
Less : Payments in advance	3,406.11		2,920.82	
		778.95		594.93
Dividend				
- Proposed Final	1,400.78		1,120.62	
- Tax on Final Dividend.....	232.65		190.45	
		1,633.43		1,311.07
		2,412.38		1,906.00
		8,990.32		13,441.60

#The figures does not include any amount due and outstanding, to be credited to Investor Education and Protection Fund. During the year, Rs 5.95 Lakhs has been transferred to the fund (Previous year Rs. 8.10 Lakhs)

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	For the Year ended 31st March, 2010		For the Year ended 31st March, 2009	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Schedule No. 8				
INCOME				
SALES & SERVICES				
Coffee :				
Green Bean		7,426.50		7,347.58
Instant.....		11,559.41		12,816.83
R & G		921.74		887.70
Tea*		6,603.87		5,459.37
Pepper		1,849.64		1,050.34
Cardamom & Minor produce		284.79		87.13
Pre-Mix		846.23		150.29
Timber	181.36		139.98	
Less : Extraction Expenses.....	41.11		9.04	
		140.25		130.94
Veneer/Plywood		725.04		813.58
Trading Sales.....		2,122.65		2,232.73
(Refer Note No. B 10 of Schedule 12)				
Coffee Curing		187.05		218.49
Room and Food revenue - Hospitality Division.....		147.28		114.33
		32,814.45		31,309.31

* Tea includes subsidy towards orthodox production from Tea Board of Rs. 31.29 Lakhs (Previous year Rs. 26.43 Lakhs).

Schedule No. 9				
OTHER INCOME				
Operational				
Rent	57.41		37.84	
Sale of scrap/waste	62.12		55.32	
Provision no longer required	183.48		110.56	
Export Incentives.....	320.33		422.92	
Profit on Sale of Fixed Assets (Net)	13.68		-	
Others	165.45		88.08	
		802.47		714.72
Income from Long Term Investments: -				
Dividend :				
- Trade \$, **	3,776.48		1,596.43	
- Others	-		129.29	
		3776.48		1725.72
Interest - on long-term investment	2.75		7.10	
[Inclusive of Tax deducted at Source NIL (Previous year - NIL)]				
Interest - Others	12.56	15.31	9.88	16.98
		3,791.79		1,742.70
		4,594.26		2,457.42

\$ includes dividend from subsidiaries Rs.3,726.82 Lakhs
(Previous year : Rs.1,512.16 Lakhs) ** Tax Deducted Source
Rs. 543.72 Lakhs (Previous year: Rs. 216.88 Lakhs)

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	For the Year ended 31st March, 2010		For the Year ended 31st March, 2009	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Schedule No. 10				
PRODUCTION, TRADING, SELLING AND				
ADMINISTRATION EXPENSES				
Salaries, Wages and Bonus		7,164.94		6,348.45
Contribution to Provident & Other Funds.....		851.56		1,018.90
Workmen & Staff Welfare Expenses.....		449.35		588.21
Consumption of Raw Materials		5,154.74		10,206.78
Contract/Processing Charges		1,086.79		905.94
Purchase of Trading Goods		2,088.64		1,883.38
Consumption of Packing Material.....		1,906.56		1,764.26
Consumption of Stores & Spare Parts		1,437.00		1,395.81
Power & Fuel		2,331.91		2,550.39
Rent		69.94		63.11
Repairs to Buildings.....		385.99		240.65
Repairs to Machinery		257.21		250.52
Repairs to Machinery - others.....		98.75		106.37
Insurance		94.93		104.91
Rates & Taxes		207.35		143.92
Sales Promotion, Advertisements & Publicity		150.59		181.52
Selling Expenses		1,017.59		1,008.65
Excise Duty and Cess.....		24.42		22.88
Freight		840.44		792.14
Directors' Sitting Fees		13.30		8.90
Directors' Commission		52.00		29.45
Auditors Remuneration.....		49.49		43.15
(Refer Note No.B 13 of Schedule 12)				
Interest and Finance Charges :				
- Fixed Loans/ Debentures/ Working capital/ Others (net of Interest income/Interest capitalised).....		691.33		908.55
(Refer Note No.B 7 of Schedule 12)				
- Finance Charges.....		63.65		128.76
		754.98		1,037.31
Impairment of Assets		231.26		-
Loss on Sale/Discard of Fixed Assets (net)		-		35.38
Exchange Fluctuation Loss (Net)		1,718.08		2,312.18
Provision for bad & doubtful debts & advances.....		16.96		31.92
Donations.....		138.87		58.78
Research & Development Expenses		42.95		36.15
Miscellaneous expenses		914.60		953.98
		29,551.19		34,123.99

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	For the Year ended 31st March, 2010		For the Year ended 31st March, 2009	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Schedule No.11				
ACCRETION [-] / DECRETION TO STOCK/ WORK-IN-PROGRESS				
Stock as at 1st April, 2009				
Green Bean	3,697.58		3,177.84	
Instant Coffee	5,178.78		1,503.70	
R&G Coffee	65.35		52.30	
Work-in-Progress	10.16		40.56	
Tea	429.14		380.21	
Pepper	573.30		202.60	
Cardamom & Minor Produce	24.97		27.91	
Pre-Mix	24.83		13.59	
Veneer/Plywood	37.86		39.14	
Trading Stock	229.38		230.22	
Crop-in-Progress - Pepper	—		95.02	
		10,271.35		5,763.09
Stock as on 31st March, 2010				
Green Bean	3,947.15		3,697.58	
Instant Coffee	3,289.69		5,178.78	
R&G Coffee	56.06		65.35	
Work-in-Progress	40.35		10.16	
Tea	502.30		429.14	
Pepper	466.92		573.30	
Cardamom & Minor Produce	1.98		24.97	
Pre-Mix	9.13		24.83	
Veneer/Plywood	16.95		37.86	
Trading Stock	253.96		229.38	
Crop-in-Progress - Pepper	34.26		—	
		8,618.75		10,271.35
Accretion (-)/ Decretion to stock/ work-in progress		1,652.60		(4,508.26)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

Schedule No.12

A. SIGNIFICANT ACCOUNTING POLICIES

I. Profit and Loss Account

- a) All income and expenses are accounted on accrual basis.
- b) Sales are recognized on passing of property in goods i.e. delivery as per terms of sale or on completion of auction in case of auction sale. In the case of Rosewood sale, income is recognized on completion of auction sale and confirmation of receipt of money by the auctioneer. Export incentives are estimated & accrued on completion of export sales
- c) The sale value of own timber and value added timber products are credited to revenue. Capital profits on such sale, including capital profit on value added timber products determined at estimated market value of actual timber input, are transferred to General Reserve No.II through Appropriation account.
- d) Depreciation on Fixed Assets is provided at the rates stated in Schedule XIV of the Companies Act, 1956, on written down value method except that Fixed Assets at Instant Coffee Division, Anamallais, Corporate Office and certain Fixed Assets at the Curing Works under the straight-line method. Leasehold improvements are being depreciated over the lease period. In respect of certain assets, depreciation has been provided at the rates arrived at based on its estimated useful life or as per the Rates prescribed in Schedule XIV whichever is higher. (Refer Schedule 4) Increase in value of Fixed Assets upto 31.03.2007 due to Foreign exchange fluctuations is depreciated over the balance residual life of the Asset.
- e) The Employee benefits are provided in accordance with the revised AS 15 and are dealt with in the following manner.
 - Contribution to Provident Fund and Defined Contribution Superannuation Funds are accounted on accrual basis.
 - Gratuity, Leave encashment and post retirement health scheme liabilities are determined by actuarial valuation done at the end of the year and the current year charge is debited to the Profit and Loss Account.
- f) Transactions in foreign currency are recorded using the spot rate at the beginning of each fortnight and exchange differences resulting from settled transactions are taken in the Profit and Loss account. Current Assets and Liabilities covered by Forward Cover are stated at Forward Cover rates, while those not covered by Forward Cover are restated at the rates prevailing at the year-end. The resulting Exchange differences are dealt with, in the Profit & Loss Account. Premium or discount on forward contracts is amortized over the life of the contract. Gain or loss on hedging instruments in respect of effective portion of cash flow hedges of highly probable transactions are recognized in the hedging reserve account. The portion of the gain or loss on the hedging instruments if determined to be an ineffective cash flow hedge is recognized in the profit and loss account.
- g) Provision for deferred taxation is made using the applicable rate of taxation, for all timing differences between Book Profit and Taxable Profit. As at the balance sheet date, deferred tax assets pertaining to business loss are only recognized to the extent of Management's expectation of future profits for set off.

II. Balance Sheet

- a) Assets and Liabilities are recorded at cost to the Company.
- b) Fixed Assets are stated at cost less depreciation. Interest on qualifying assets (i.e. Assets that take substantial time to be ready for intended use) is capitalized at the applicable borrowing cost on the funds used for acquiring such assets. Roll over charges, and exchange differences, relating to foreign currency borrowings attributable to Fixed Assets are capitalized upto 31.03.2007 and charged to P&L Account afterwards. The Fixed assets are tested for impairment and wherever required, provision is made.
- c) Investments of long-term nature are stated at cost. A provision for diminution in value is made to recognize a decline, other than temporary. Current investments are stated at lower of cost and market value.
- d) Valuation of Stock is dealt as under: -

- Raw Materials and Stores & Spares	At weighted average cost
- Coffee, Instant Coffee, Tea, Pepper, Plywood and Trading Stock	At lower of cost and net realizable value.
- Work-in-Progress	At lower of cost and net realizable value.
- Cardamom and Other Produces	At since realized/estimated realizable value.

TATA COFFEE LIMITED**SIGNIFICANT ACCOUNTING POLICIES****Schedule No. 12 (Contd.)****B. NOTES ON ACCOUNTS****1. Disclosure regarding Derivative instruments :**

- (i) The Company uses foreign currency hedges to manage its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecasted transactions. The Company does not use derivative instruments for speculative purposes.
- (ii) The following are outstanding Currency Option contracts, which have been designated as Cash flow Hedges, as on:

Foreign Currency	31st March, 2010			31st March, 2009		
	No. of Contracts	Notional amount of Forward contracts (\$ mn)	Fair Value (Rs. in Lakhs)	No. of Contracts	Notional amount of Forward contracts (\$ mn)	Fair Value (Rs. in Lakhs)
			Gain/(loss)			Gain/(loss)
U.S. Dollar	18	23.25	(1232.55)	18	51.84	(5883.45)

Against the Mark to Market loss of Rs. 1232.55 (Previous Year 5883.45 lakhs) a sum of Rs. 226.08 lakhs (Previous year 727.89 lakhs) has been recognized in the Profit & Loss account and Rs. 1006.45 lakhs (Previous year 5155.56 lakhs) has been debited to the Hedging Reserve account as per the provisions of Hedge Accounting of Accounting Standard – 30.

The Foreign Currency exposures that are not hedged by a derivatives instrument or otherwise, aggregates to USD 0.050 million (Previous year Euro 0.506 million) payable as at the Balance Sheet date.

2. Rights issue of Partly Convertible Debentures

The Company had raised Rs.24,833.32 lakhs by way of Rights issue of Partly Convertible Debentures in 2006-07. Against this, the Company had utilized Rs.23,587.98 lakhs as per the Objects of the Issue. The balance amount of Rs.1,245.34 lakhs meant for projects have been used for reducing the Company's working capital borrowings and will made be available when needed for the projects.

3. Disclosure as per AS 15 - Retirement Benefits :**Post Retirement Employee Benefits :****a) Description of Plan****i) Gratuity**

The Company has covered its gratuity liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by LIC of India. Under the plan the eligible employees are entitled to Gratuity under a defined benefit plan.

ii) Post Retirement Medical Benefit:

The Company's retired staff/sub-staff, Junior Officers and Management staffs are covered by a medical insurance policy. The Medical Insurance scheme is a defined benefit plan and is non-funded. Hence, there are no plan assets attributable to the obligation.

iii) Pension:

The Company's retired Management Staff's pension, except periodical increases, are met through annuity issued by LIC of India. The pension increase component which has become applicable from the current year onwards, is a non-funded scheme and hence there are no plan assets attributable to the obligation.

NOTES ON ACCOUNTS
Schedule No. 12 (Contd.)

b) Principal actuarial assumptions :

Particulars	Gratuity		Pension	Medical	
	2010	2009	2010	2010	2009
Discount Rate	8.00%	8.00%	8.00%	8.00%	7.30%
Rate of Return on Plan Assets	9.40%	9.40%	–	–	–
Salary Escalation	5.00%	5.00%	5.00%	–	–
Annual increase in Healthcare Costs	–	–	–	8.00%	8.00%

c) Amounts recognized in the Balance Sheet are as follows :

Rs. in Lakhs

Particulars	Gratuity		Pension	Medical	
	2010	2009	2010	2010	2009
Present value of funded obligation	2,279.78	2,242.32	–	–	–
Fair Value of Plan Assets	2,176.42	1,808.12	–	–	–
Difference	103.36	434.20	–	–	–
Present value of Unfunded obligation	–	–	93.90	676.90	681.00
Net Liability	103.36	434.20	93.90	676.90	681.00

d) Amounts recognized in the Profit and Loss Account are as follows :

Rs. in Lakhs

Particulars	Gratuity		Pension	Medical	
	2010	2009	2010	2010	2009
Current service Cost	125.80	118.05	110.01	24.03	23.45
Interest Cost	179.39	148.64	–	50.52	42.45
Expected return on Plan assets	(186.19)	(163.67)	–	–	–
Net actuarial loss/(gain) recognized during the year	(13.05)	328.56	–	(60.29)	130.53
Total included in employee Benefit	105.95	431.58	110.01	14.26	196.43
Sensitivity					
Effect of 1% decrease	–	–	–	(62.84)	(37.68)
Effect of 1% increase	–	–	–	68.28	8.92

e) Reconciliation of opening and closing balances of the present value of the obligations :

Rs. in Lakhs

Particulars	Gratuity		Pension	Medical	
	2010	2009	2010	2010	2009
Opening defined benefit obligation	2,242.32	1,858.00	–	681.00	503.91
Current service Cost	125.80	118.05	110.01	24.03	23.45
Interest Cost	179.39	148.64	–	50.52	42.45
Net actuarial loss/(gain) recognized during the year	(3.53)	329.23	–	(60.29)	130.53
Benefit Paid	(264.20)	(211.60)	(16.11)	(18.36)	(19.34)
Closing Defined Benefit Obligation	2,279.78	2,242.32	93.90	676.90	681.00

TATA COFFEE LIMITED
NOTES ON ACCOUNTS
Schedule No. 12 (Contd.)
f) Reconciliation of opening and closing balances of the fair value of plan assets :

		Rs. in Lakhs	
Particulars		Gratuity	
		2010	2009
Opening fair value of Plan Assets		1808.12	1750.48
Expected Return on plan assets		186.19	163.67
Actuarial gain/(loss)		9.52	0.67
Contribution by employer		436.79	104.90
Benefits Paid		(264.20)	(211.60)
Closing Fair value of Plan Assets		2176.42	1808.12
Actual return on Plan Assets		195.71	164.35

		As at 31st March, 2010 Rs. in Lakhs	As at 31st March, 2009 Rs. in Lakhs
4.	Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	124.83	209.34
5.	a) Claims against the Company not acknowledged as debts		
	i) Demands Raised by Income Tax, Excise & Sales tax authorities	678.10	740.82
	ii) Labour Disputes	283.59	241.25
	iii) Claims by Customers / Suppliers.....	390.86	252.63
		1,352.55	1,234.70
	b) Contingent Liabilities :		
	i) Bank Guarantees	897.95	530.33
	ii) Bills discounted.....	-	62.02
6.	Deferred revenue expenditure brought forward from previous year (VRS)	3.96	23.63
	Add : Deferred revenue expenditure incurred on Voluntary Retirement Scheme	-	-
		3.96	23.63
	Less : Written off during the year, Voluntary Retirement Scheme charged off	3.96	19.67
	Closing balance of Deferred Revenue Expenditure	-	3.96
7.	Interest (Net)		
	Interest on		
	- Debentures	718.38	818.20
	- Fixed Loans	196.32	15.84
	- Working Capital	62.01	304.30
	- Others	51.35	49.49
		1,028.06	1,187.83
	Less : Interest Capitalised	-	16.61
		1,028.06	1,171.22
	Less : Interest earned on		
	- Inter Corporate Deposits #	258.70	204.00
	- Deposits with Banks (including Deposit with NABARD)	78.03	58.12
	- Others	-	0.55
	# (Inclusive of Tax deducted at source Rs. 34.96 Lakhs) [Previous year Rs. 59.86 Lakhs]		
		691.33	908.55

NOTES ON ACCOUNTS
Schedule No. 12 (Contd.)

	As at 31st March, 2010	As at 31st March, 2009
8. A) Repairs to Buildings Include		
Wages	59.14	43.50
B) Repairs to Machinery Include		
Wages	17.42	16.18
C) Repairs to Machinery - Others Include		
Wages	0.17	0.13
9. Selling expenses include		
a) Commission to Sales agents	607.47	570.24
b) Brokerage and Discount on sale	26.47	76.56
c) Tata Brand Equity	75.19	73.45
10. Trading Sales Include		
a) Sale of Coffee Bean	68.49	-
b) Sale of Timber/Plywood	36.58	6.97
c) Sale of Pre-mix, Instant Tea and Chicory	45.50	620.85
11. Following Provisions have been made against the liabilities of contingent nature viz. claims from customers		
Opening Balance as on 1st April, 2009	25.15	25.15
Amount Utilized	-	-
Closing balance as on 31st March, 2010	25.15	25.15
12. Classification of Deferred Tax :		
Deferred Tax Liability/Asset (Under Central Income Tax)		
a) Difference in depreciation between books and tax	1,564.95	1,502.27
b) Other Timing Differences (Net)	(116.83)	(182.48)
c) AS 15 (Revised) - Employee Benefits	(61.83)	(59.66)
d) Premium on Redemption of 4% NCD's	-	(14.85)
e) Central Income tax loss	-	(311.95)
Total :	1,386.29	933.33
Deferred Tax Liability/Asset (Under Agriculture Income Tax)		
a) Difference in depreciation between books and tax	95.81	90.48
b) Other Timing Differences (Net)	(21.48)	(71.42)
Total	74.33	19.06
Deferred Tax Liability (Net)	1,460.62	952.39

TATA COFFEE LIMITED
NOTES ON ACCOUNTS
Schedule No. 12 (Contd.)

	As at 31st March, 2010 Rs. in Lakhs	As at 31st March, 2009 Rs. in Lakhs
13. The Auditors Remuneration includes the following :-		
Audit Fee	25.00	20.00
Tax Audit/Taxation Matters	5.00	4.00
Other Services	16.34	13.35
Expenses	3.15	5.80
Total	49.49	43.15
14. Disclosure in respect of Operating leases		
Total minimum Lease payments	-	7.36
- Within One year	-	3.16
- Later than one year and not later than five years;	-	4.20
- Later than five years;	-	-
- Lease payments recognised in Profit & Loss	2.97	3.08
15. Basic & Diluted Earnings Per Share		
Earnings Per Share has been computed as under:		
a) Profit After taxation	3,198.98	1,864.42
b) Number of shares	18,677,037	18,677,037
c) Basic & Diluted Earnings Per Share (Rs.) (a)/(b)	17.13	9.98
d) Nominal value of share (Rs.)	10.00	10.00
16. 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. Interest Accrued but not paid as at 31 March 2010 is Rs 0.07 Lakhs (Previous Year Nil).		

	As at 31st March, 2010 Rs. in Lakhs	As at 31st March, 2009 Rs. in Lakhs	As at 31st March, 2009 Rs. in Lakhs
17. Computation of Directors' Commission			
Net profit before taxes	4999.92		2840.60
Add:			
Remuneration to Managing Director and Whole-time Directors	275.28	294.46	
Other Directors' commission	52.00	29.45	
Directors' sitting fees	13.30	8.90	
Provision for Bad & Doubtful debts (Net) and Impairment of Assets	248.22	31.92	
	588.80		364.73
	5,588.72		3,205.33
Less: Capital profit on sale of Timber	284.42		259.99
Profit for purpose of calculation of commission	5,304.30		2,945.34
Commission to Non-whole time Directors at 1% restricted to	52.00		29.45
18. Remuneration to Managing Director and Whole-Time Directors \$			
Salary	160.86		181.93
Contribution to Provident & Superannuation Funds	25.08		29.57
Commission	70.00		57.90
Value of other benefits	19.34		25.06
	275.28		294.46

\$ The appointment and the payment of remuneration to Mr. Hameed Huq amounting to Rs. 28.01 Lakhs, as Managing Director, is subject to the approval of the shareholders.

NOTES ON ACCOUNTS
Schedule No. 12 (Contd.)

				As at 31st March, 2010	As at 31st March, 2009
19. Quantitative and Other Particulars					
a)	Licenced Capacity				
	Instant Coffee	(Tonnes)		7600	7600
	Others	No Licence is required for other items manufactured by the Company			
b)	Installed Capacity (as certified by Management)				
	Instant Coffee	(Tonnes)		5000	5000
	Coffee cured (Own/Outsiders)	(Tonnes)		20000	20000
	Coffee (Roasted and Ground)	(Tonnes)		1500	1500
	Made Tea	(Tonnes)		11900	11900
c)	Actual Production				
	Instant Coffee	(Tonnes)		2954	5219
	Coffee cured (Own/Outsiders)	(Tonnes)		10427	11195
	Coffee (Roasted and Ground)	(Tonnes)		443	556
	Made Tea	(Tonnes)		8104	7605
d)	Coffee & other crops				
		Opening Stock	Production	Sales/ Adjustments	Closing Stock
Green Bean	(Tonnes)	5,188	9,459	7,204	7,443
Includes - Transfer of Coffee for manufacture in R & G/ICD		(6,334)	(5,776)	(6,922)	(5,188)
Pepper	(Tonnes)	1,237	884	1,272	849
		(462)	(1,515)	(740)	(1,237)
e)	Manufactured / other items :				
a)	Instant Coffee	(Tonnes)	2,066	2,954	3,565
			(635)	(5,219)	(3,788)
b)	R & G Coffee	(Tonnes)	48	443	450
			(46)	(556)	(554)
c)	Made Tea*	(Tonnes)	784	8,104	7,974
			(722)	(7,605)	(7,543)
d)	Pre-Mix	(Tonnes)	48	620	637
			(19)	(286)	(257)
e)	Veneers/Plywood	(C.M.T.)	148	1,545	1,680
	(Processed at leased Units)		(227)	(1,927)	(2,006)
f)	Timber - Rose wood from own estates	(C.M.T.)	40	457	212
			(223)	(6)	(189)

(Figures in brackets relate to Previous Year)

* Production includes 116 Tonnes (Previous year Nil) from manufacture of bought leaf.

TATA COFFEE LIMITED
NOTES ON ACCOUNTS
Schedule No. 12 (Contd.)

f) Trading Items

	Opening Stock Rs. in Lakhs	Purchases Rs. in Lakhs	Sales/ Adjustments Rs. in Lakhs	Closing Stock Rs. in Lakhs
Estate Supplies	137.00 (158.04)	1,900.22 (1512.21)	1,972.08 (1604.92)	147.22 (137.00)
Others *	92.38 (72.19)	188.42 (371.17)	150.57 (627.81)	106.74 (92.38)
* Quantitative particulars not furnished as items are numerous	229.38 (230.22)	2,088.64 (1,883.38)	2,122.65 (2,232.73)	253.96 (229.38)

(Figures in brackets relate to Previous year)

g) Details of Raw Materials Consumed

		As at 31st March, 2010	As at 31st March, 2009
Coffee *	(Tonnes)	6,995	12,421
	(Rs. in Lakhs)	4,526.26	9,917.54
Others	(Rs. in Lakhs)	628.48	289.24
		5,154.74	10,206.78

* Excludes 8 MT of own production (Previous year 212MT)

h) Value of Raw Materials Consumed

	Raw Materials	
	Value Rs. in lakhs	% of total Consumption
Imported	3,332.54 (6,751.77)	64.65 (66.15)
Indigenous	1,822.20 (3,455.01)	35.35 (33.85)
	5,154.74 (10,206.78)	100.00% (100%)

(Figures in brackets relate to Previous year)

i) Value of Packing Materials, Stores and Spare Parts consumed

	Packing Materials		Stores & Spares	
	Value Rs. in Lakhs	% of Total Consumption	Value Rs. in Lakhs	% of Total Consumption
Imported	63.48 -	3.33 -	29.05 (77.80)	2.02 (5.57)
Indigenous	1,843.08 (1,764.26)	96.67 100.00	1,407.95 (1,318.00)	97.98 94.43
	1,906.56 (1,764.26)	100% (100%)	1,437.00 (1,395.80)	100% (100%)

(Figures in brackets relate to Previous year)

NOTES ON ACCOUNTS
Schedule No. 12 (Contd.)

	As at 31st March, 2010 Rs. in Lakhs	As at 31st March, 2009 Rs. in Lakhs
j) Amount remitted in Foreign Currencies on account of Dividends		
No. of Shareholders	1	1
No. of Shares held in lakhs	7.58	7.58
Net Divident remitted	45.52	53.10
Year	2008/09	2007/08
k) Expenditure incurred in respect of Company's Research & Development Department :		
Capital Expenditure	2.44	1.18
Revenue Expenditure	42.95	36.15
Total :	45.39	37.33
l) C.I.F. Value of Imports:		
Raw materials	3,458.49	6,642.04
Spare Parts & Components	90.11	50.02
Capital goods	27.50	58.79
m) Earnings in Foreign Currency		
a) FOB Value of Exports	15,287.87	16,519.02
(Includes Exports through third parties and Export Houses in case of 100% EOU)		
b) Dividend received in foreign currency	3,624.82	1,445.86
(Tax deducted Rs. 543.72 Lakhs (Rs. 216.88 Lakhs)		
n) Expenditure in Foreign Currency :		
a) Travelling expenses	25.63	13.42
b) Professional Charges	50.98	15.11
c) Others	36.45	48.99

TATA COFFEE LIMITED
NOTES ON ACCOUNTS
Schedule No. 12 (Contd.)
20. Segmental Reporting :

The Company's operations predominantly relate to Coffee & Other Produce comprising of growing of Coffee, Pepper, Tea and other plantation crops and conversion of Coffee into Value added products such as Roast and Ground Coffee and Instant Coffee. The Company is also in the business of Curing operations of Coffee and trading of items required for Coffee plantations. Accordingly, the revenue from Coffee & Other produce, Trading and curing (others) comprise the primary basis of segmental information set out in these financial statements. Secondary segmental reporting is performed on the basis of geographical locations of the customers. The accounting principles consistently used for the preparation of Financial statements are also consistently applied to record Income and Expenditure in individual segments. These are set out on the note as significant accounting policies. Fixed assets used in Company's business and liabilities contracted have been identified to the reportable segments. Inter unit transfers have been made at market prices and has been consistently followed.

1. PRIMARY SEGMENT

Rs. in Lakhs

	COFFEE AND OTHER PRODUCE		TEA		ESTATE SUPPLIES DIVISION		OTHERS		TOTAL	
	Current year	Previous year	Current year	Previous year	Current year	Previous Year	Current year	Previous year	Current year	Previous year
SEGMENT REVENUES										
EXTERNAL SALES	24,588.51	24,511.37	6,603.87	5,459.37	2,985.67	2,491.49	415.47	394.93	34,593.52	32,857.16
LESS: INTER-SEGMENT SALES					967.95	843.15	221.92	173.31	1,189.87	1,016.46
UN-ALLOCATED INCOME									146.99	95.22
TOTAL REVENUE	24,588.51	24,511.37	6,603.87	5,459.37	2,017.72	1,648.34	193.55	221.62	33,550.64	31,935.92
SEGMENT RESULTS	499.37	2,001.30	1,485.97	786.08	37.29	32.58	138.02	93.47	2,160.65	2,913.43
UNALLOCATED CORPORATE INCOME										
NET OF EXPENSES									3,594.25	964.48
OPERATING PROFITS									5,754.90	3,877.91
INTEREST EXPENSE									(754.98)	(1,037.31)
EXTRAORDINARY ITEM									-	-
PROFIT BEFORE TAX									4,999.92	2,840.60
INCOME TAXES										
CURRENT TAX									(1,292.71)	(814.00)
DEFERRED TAX									(508.23)	(82.18)
FRINGE BENEFIT TAX									-	(80.00)
PROFIT AFTER TAXATION									3,198.98	1,864.42
OTHER INFORMATION										
SEGMENT ASSETS	33,467.35	35,007.41	6,046.21	5,986.48	244.54	215.35	339.42	344.34	40,097.52	41,553.58
UNALLOCATED COMMON ASSETS-\$									21,205.56	20,780.22
TOTAL ASSETS									61,303.08	62,333.80
SEGMENT LIABILITIES	(3,072.95)	(3,368.37)	(786.79)	(631.40)	(103.92)	(24.47)	(116.01)	(108.60)	(4,079.67)	(4,132.84)
UNALLOCATED LIABILITIES									(21,235.46)	(27,927.66)
TOTAL LIABILITIES									(25,315.13)	(32,060.50)
CAPITAL EMPLOYED	30,394.40	31,639.04	5,259.42	5,355.08	140.62	190.88	223.41	235.74	35,987.95	30,273.30
CAPITAL EXPENDITURE	575.75	752.54	139.74	149.32	0.05	-	100.73	108.20	816.27	1,010.06
DEPRECIATION	879.98	921.27	184.46	231.67	0.25	0.23	74.03	69.12	1,138.72	1,222.29
NON-CASH EXPENSES	248.22	16.22	-	1.08	-	-	76.11	14.63	324.33	31.93
OTHER THAN DEPRECIATION										

\$ Excludes net deferred tax liability and deferred revenue expenditure.

The Previous Year figures are regrouped wherever necessary.

NOTES ON ACCOUNTS

Schedule No. 12 (Contd.)

Geographical revenues are segregated based on the locations of the customers who are invoiced or in relation to which the revenues is otherwise recognised. The Company's exports are made to two major geographical areas in the world. In India its home country the Company sells Coffee, Pepper, Tea, Roast, Ground Coffee and Instant Coffee. The Plantation and Manufacturing facilities of the Company are located in India. The Trading and Curing (others) are carried out exclusively in India.

The following table shows the distribution of the company's sales by geographical locations:

Secondary (Geographical) Segments	Rs. in Lakhs	Rs. in Lakhs
	Current Year	Previous year
CIS Countries *	9,351.40	8,230.08
Rest of the World *	6,318.48	8,683.66
India	17,880.76	15,022.18
Total	33,550.64	31,935.92

* includes Direct Exports and exports through third parties and through export houses.

21. Related Party Transactions :

In accordance with Accounting Standard 18, the disclosures required are given below :

Sl. No.	Nature of transaction	Subsidiaries		Holding Company		Relatives of key Management Personnel		Fellow Subsidiaries		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1.	Sale of Goods	-	-	326.71	130.74	-	-	2075.89	-	2402.60	130.74
2.	Rendering of Services - Alliance Coffee Ltd	53.65	48.69	-	-	-	-	-	-	53.65	48.69
3.	Purchase of Goods - Eight O Clock Coffee Company	42.40	-	-	-	-	-	-	-	42.40	-
4.	Purchase of Goods TTL	-	-	63.18	20.31	-	-	-	-	63.18	20.31
5.	Remuneration	-	-	-	-	5.04	10.11	-	-	5.04	10.11
6.	Receiving of Services	453.45	491.15	13.46	14.56	-	-	-	-	466.91	505.71
7.	Interest Payment	-	-	463.90	463.90	-	-	-	-	463.90	463.90
8.	Dividend Received	-	-	34.69	69.39	-	-	-	-	34.69	69.39
9.	Dividend Received - Consolidated Coffee Inc.	3,624.82	1445.86	-	-	-	-	-	-	3,624.82	1,445.86
10.	Dividend Received - Alliance Coffee Ltd.	102.00	66.30	-	-	-	-	-	-	102.00	66.30
11.	Outstanding at the year end										
	Credit	104.54	81.92	87.59	13.59	-	-	-	-	192.13	95.51
	Debit	-	-	-	-	-	-	254.11	-	254.11	-

TATA COFFEE LIMITED**NOTES ON ACCOUNTS****Schedule No. 12 (Contd.)**

Names of related parties and description of relationship

- | | |
|---|---|
| 1. Holding Company | Tata Tea Limited |
| 2. Subsidiaries/ JV's | Consolidated Coffee Inc.,
Eight O' Clock Coffee Company
Alliance Coffee Limited
Tata Coffee (Uganda) Ltd. |
| 3. Key Management Personnel | Mr. Hameed Huq, Managing Director. (w.e.f. 03.01.2010)
Mr. M. H. Ashraff - Managing Director (Upto 02.01.2010)
Mr. A. Sengupta - Executive Director (Upto 02.01.2010) |
| 4. Relative of Key Management Personnel | Ms. Farah Ashraff - Daughter of Mr. M.H. Ashraff
(Salary paid as an employee) |

The remuneration and commission to key management personnel is disclosed in Note No. B17 and B18 of Schedule No. 12

22. Comparative figures relating to the previous year have been reclassified wherever necessary to conform to the classification adopted this year.

Signature to Schedules 1 to 12

M.K.C. PAI
Company Secretary

S. SANTHANAKRISHNAN
Director

HAMEED HUQ
Managing Director

R.K. KRISHNA KUMAR
Chairman

Per our Report of even date

For SNB ASSOCIATES
Chartered Accountants

For N.M. RAIJI & CO.
Chartered Accountants

Place : Mumbai
Date : 13th May, 2010

S. LAKSHMANAN
Partner
Membership No.: 20045

J. M. GANDHI
Partner
Membership No.: 37924

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

L	8	5	1	1	0	K	A	1	9	4	3	P	L	C	0	0	0	8	3	3
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

 State Code

0	8
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	1	0
---	---	---	---

Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

					N	I	L
--	--	--	--	--	---	---	---

Bonus Shares

					N	I	L
--	--	--	--	--	---	---	---

Rights Issue

					N	I	L
--	--	--	--	--	---	---	---

Private Placement

					N	I	L
--	--	--	--	--	---	---	---

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

		6	1	3	0	3	1	2
--	--	---	---	---	---	---	---	---

Total Assets

				6	1	3	0	3	1	2
--	--	--	--	---	---	---	---	---	---	---

Source of Funds :

Paid-up Capital

			1	8	6	7	7	0
--	--	--	---	---	---	---	---	---

Secured Loans

			9	8	6	4	2	2
--	--	--	---	---	---	---	---	---

Deferred Tax Liability

			1	4	6	0	6	2
--	--	--	---	---	---	---	---	---

Reserves & Surplus

				3	4	1	2	0	2	6
--	--	--	--	---	---	---	---	---	---	---

Unsecured Loans

					5	0	0	0	0	0
--	--	--	--	--	---	---	---	---	---	---

Application of Funds :

Net Fixed Assets

			2	3	3	1	8	9	1
--	--	--	---	---	---	---	---	---	---

Net Current Assets

			1	4	3	1	6	2	7
--	--	--	---	---	---	---	---	---	---

Accumulated Losses

						N	I	L
--	--	--	--	--	--	---	---	---

Investments

				1	4	6	7	7	6	2
--	--	--	--	---	---	---	---	---	---	---

Deferred Revenue Expenditure/
Miscellaneous Expenditure

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Deferred Tax Asset

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

TATA COFFEE LIMITED
IV. Performance of the Company (Amount in Rs. Thousands)

Turnover

		3	7	3	4	2	4	3
--	--	---	---	---	---	---	---	---

+ -

+	
---	--

(+ for Profit, - for Loss)

Profit/Loss Before Tax

			4	9	9	9	9	2
--	--	--	---	---	---	---	---	---

+ -

+	
---	--

Total Expenditure

		3	2	3	4	2	5	1
--	--	---	---	---	---	---	---	---

Profit/(Loss) After Tax

			3	1	9	8	9	8
--	--	--	---	---	---	---	---	---

Earning per Share in (Rs.)

				1	7	.	1	3
--	--	--	--	---	---	---	---	---

Dividend

7	5	%
---	---	---

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

0	9	.	0	1	.	0	0	0	0
---	---	---	---	---	---	---	---	---	---

Product Description

C	O	F	F	E	E				
---	---	---	---	---	---	--	--	--	--

Item Code No. (ITC Code)

2	1	.	0	1	.	0	0	0	0
---	---	---	---	---	---	---	---	---	---

Product Description

I	N	S	T	A	N	T		C	O	F	F	E	E
---	---	---	---	---	---	---	--	---	---	---	---	---	---

Item Code No. (ITC Code)

0	9	.	0	2	.	0	0	0	0
---	---	---	---	---	---	---	---	---	---

Product Description

T	E	A							
---	---	---	--	--	--	--	--	--	--

 M.K.C. PAI
Company Secretary

 S. SANTHANAKRISHNAN
Director

 HAMEED HUQ
Managing Director

 R.K. KRISHNA KUMAR
Chairman

Per our Report of even date

 For SNB ASSOCIATES
Chartered Accountants

 For N.M. RAIJI & CO.
Chartered Accountants

 Place : Mumbai
 Date : 13th May, 2010

 S. LAKSHMANAN
Partner
 Membership No.: 20045

 J. M. GANDHI
Partner
 Membership No.: 37924

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year ended 31st March, 2010		Year ended 31st March, 2009	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
A. Cash Flow from Operating Activities :				
Net Profit before Tax and Exceptional Income.....		4,999.92		2,840.60
Adjustments For:				
Depreciation	1,138.72		1,222.29	
Provision for Doubtful Debts/ Advances/ Impairment	324.34		31.92	
Amortisation of Voluntary Retirement Compensation	3.96		19.67	
Investments and Interest Income	(4,128.52)		(2,005.36)	
Interest/Finance Charges	1,091.71		1,299.97	
Unrealised Foreign Exchange Gain/Loss	226.08		726.68	
Profit/Loss on Sale of Fixed Assets	(13.68)		35.38	
Excess Provision written back	(183.48)	(1,540.87)	(110.56)	1,219.99
Operating Profit Before Working Capital Changes:		3,459.05		4,060.59
Working Capital Changes				
Decrease/(Increase) in Trade and Other Receivables	873.72		2,019.67	
Decrease/(Increase) in Inventories	871.09		(4,216.39)	
Increase in Trade Payables	(503.64)	1,241.17	288.96	(1,907.76)
Cash Generated from Operations :		4,700.22		2,152.83
Direct Taxes Paid		(1,304.08)		(1,120.20)
Cash Flow, Before Extraordinary Income		3,396.14		1,032.63
Payments towards VRS		-		-
Net Cash From Operating Activities		3,396.14		1,032.63
B. Cash Flow From Investing Activities :				
Purchase of Fixed Assets	(816.29)		(993.45)	
Sale of Fixed Assets.....	103.67		31.34	
Sale of Investment	-		3,705.30	
Other Deposits	(480.24)		(374.53)	
Investments and Interest Income	4,095.33		1,995.62	
Net Cash used in Investing Activities		2,902.47		4,364.28
Carried forward		6,298.61		5,396.91

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year ended 31st March, 2010		Year ended 31st March, 2009	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Brought forward		6,298.61		5,396.91
C. Cash Flow From Financing Activities:				
NCDs Issued/(repaid) during the period	(2,550.00)		(2,475.00)	
Repayment of Long Term Borrowings	(252.29)		-	
Proceeds from Short Term Borrowings	-		206.73	
Dividend & Dividend Tax Paid	(1,311.07)		(1,529.58)	
Interest and Finance Charges Paid	(1,113.99)		(1,351.00)	
Net Cash Used In Financing Activities:		(5,227.35)		(5,148.85)
Net Increase / Decrease in Cash and Cash Equivalents (A+B+C)		1,071.26		248.06
D. Cash and Cash Equivalents				
Opening Balance		840.31		592.25
Closing Balance		1,911.57		840.31

Notes to the cash flow statement for the year ended 31st March, 2010

- Cash and cash equivalents excludes balance in Dividend/Debt Interest Accounts Rs.95.51 Lakhs (Previous year Rs.88.30 Lakhs) & Deposits given on lien of Rs. 17.13 Lakhs (Previous year Rs 17.21 Lakhs).
- Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

M.K.C. PAI
Company Secretary

S. SANTHANAKRISHNAN
Director

HAMEED HUQ
Managing Director

R.K. KRISHNA KUMAR
Chairman

Per our Report of even date

For SNB ASSOCIATES
Chartered Accountants

For N.M. RAIJI & CO.
Chartered Accountants

Place : Mumbai
Date : 13th May, 2010

S. LAKSHMANAN
Partner
Membership No.: 20045

J. M. GANDHI
Partner
Membership No.: 37924

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

1. We have examined the attached Consolidated Balance Sheet of Tata Coffee Limited (the parent), its subsidiaries and Joint Venture (together 'the group') as at March 31, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date.
2. These financial statements are the responsibility of the management of Tata Coffee Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of one of the subsidiaries and Joint Venture whose financial statements reflect total assets of Rs 101,893.67 Lakhs as at March 31, 2010, total revenues of Rs. 96,119.04 Lakhs and total net cash flows of Rs. 460 Lakhs for the year ended on that date and whose financial statements reflect the Group's share of profit of Rs 11,524.24 Lakhs for the year ended on that date as considered in the consolidated financial statements.

These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary and Joint Venture is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial statements and AS 27, Financial reporting of Interest in Joint Ventures issued under Companies (Accounting Standards) Rules, 2005.
5. On the basis of the information and explanation given to us and on consideration of the separate audit reports on individual audited financial statements and where available consolidated financial statements of Tata Coffee Limited, its aforesaid subsidiary and Joint Venture, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010;
 - b) In the case of the consolidated Profit and Loss Account, of the consolidated results of the operations of the Group for the Year ended on that date; and
 - c) In the case of consolidated Cash Flow Statement, of the consolidated Cash Flows of the Group for the Year ended on that date;

For SNB ASSOCIATES
Chartered Accountants

S. LAKSHMANAN
Partner
Membership No.: 20045
(Firm's Registration No.: 015682N)

Place : Mumbai
Date : 13th May, 2010

For N.M. RAJI & CO.
Chartered Accountants

J.M. GANDHI
Partner
Membership No.: 37924
(Firm's Registration No.: 108296W)

CONSOLIDATED BALANCE SHEET

	Schedule No.	As at 31st March, 2010 Rs. in Lakhs Rs. in Lakhs		As at 31st March, 2009 Rs. in Lakhs Rs. in Lakhs	
SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
(a) Share Capital	1	1,867.70		1,867.70	
(b) Reserves and Surplus	2	35,294.69		31,590.25	
			37,162.39		33,457.95
2. Minority Interest (CCI)					
		15,050.80		17,044.65	
Minority Interest (ACL)					
		135.36	15,186.16	144.98	17,189.63
3. LOAN FUNDS					
(a) Secured Loans	3	67,157.64		87,458.18	
(b) Unsecured Loans		11,138.97		9,584.38	
			78,296.61		97,042.56
4. DEFERRED TAX LIABILITY					
(Refer Note No. B 10 of Schedule 13).....			9,769.66		8,263.28
			140,414.82		155,953.42
APPLICATION OF FUNDS					
1. FIXED ASSETS					
Gross Block	4	143,555.96		156,621.56	
Less: Depreciation		19,142.30		16,462.03	
Net Block		124,413.66		140,159.53	
Add: Capital Work-in-progress.....		847.26		1,544.10	
			125,260.92		141,703.63
2. INVESTMENTS					
	5		807.25		2,018.30
3. DEFERRED TAX ASSET					
(Refer Note No. B 10 of Schedule 13)			1,521.89		2,468.30
4. CURRENT ASSETS, LOANS & ADVANCES					
(a) Inventories.....	6	17,698.55		17,353.77	
(b) Receivables.....		7,256.11		9,751.64	
(c) Cash and Bank Balances		6,398.36		4,855.82	
(d) Other Current Assets.....		660.03		1,009.96	
(e) Loans and Advances		7,920.69		8,331.42	
		39,933.74		41,302.61	
Less : CURRENT LIABILITIES AND PROVISIONS					
(a) Liabilities	7	24,409.18		28,922.82	
(b) Provisions		2,701.20		2,621.28	
		27,110.38		31,544.10	
Net Current Assets					
5. Miscellaneous Expenditure to the extent not written off - Deferred Revenue Expenditure (Refer Note No. B4 of Schedule 13)					
			1.40		4.68
			140,414.82		155,953.42
Significant Accounting Policies / Notes on Accounts	13				

M.K.C. PAI
Company Secretary

S. SANTHANAKRISHNAN
Director

HAMEED HUQ
Managing Director

R.K. KRISHNA KUMAR
Chairman

Per our Report of even date

For SNB ASSOCIATES
Chartered Accountants

For N.M. RAIJI & CO.
Chartered Accountants

S. LAKSHMANAN
Partner
Membership No.: 20045

J. M. GANDHI
Partner
Membership No.: 37924

Place : Mumbai
Date : 13th May, 2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Schedule No.	As at 31st March, 2010 Rs. in Lakhs Rs. in Lakhs		As at 31st March, 2009 Rs. in Lakhs Rs. in Lakhs	
INCOME					
Sales and Services	8	128,680.12		111,508.26	
Less : Excise Duty		66.28		88.11	
Net Sales			128,613.84		111,420.15
Other Income	9		1,083.80		955.17
			129,697.64		112,375.32
EXPENSES	10	109,389.63		106,323.11	
Depreciation & Amortization of Intangibles.....		3,383.72		3,295.42	
Less : Amount Drawn from Revaluation reserve (Ref Note No B13 of Schedule 13).....		(275.60)		(285.04)	
Impairment of Goodwill (Ref Note No. B1a of Sch 13)		544.07		520.40	
Accretion [-] / Decretion to Stock.....	11	877.77		(5,812.97)	
			113,919.59		104,040.92
			15,778.05		8,334.40
Restructuring Cost of Foreign Operations	12		(616.98)		(1,307.50)
PROFIT BEFORE TAXATION			15,161.07		7,026.90
Provision for Taxation:					
For Current Tax		6,876.15		2,652.97	
For Fringe Benefit Tax		-		81.90	
For Deferred Tax.....		910.38		434.56	
			7,786.53		3,169.43
PROFIT AFTER TAXATION			7,374.54		3,857.47
Less: Minority Interest in CCI @ 49.92%			(3,837.14)		(1,626.00)
Minority Interest in ACL @ 49.00%.....			(105.48)		(121.41)
NET PROFIT			3,431.92		2,110.06
Add : Surplus brought forward from previous year			1,588.93		1,860.67
AMOUNT AVAILABLE FOR APPROPRIATION			5,020.85		3,970.73
APPROPRIATIONS					
General Reserve No. 1		319.90		186.44	
General Reserve No. 2		284.42		259.99	
Debenture Redemption Reserve A/c.....		383.29		595.65	
			987.61		1,042.08
Dividends:					
Final (Proposed)		1,400.78		1,120.62	
Tax on Dividend		250.33		219.10	
			1,651.11		1,339.72
Surplus Carried to Balance Sheet			2,382.13		1,588.93
Significant Accounting Policies/Notes on Accounts	13				
EPS - Basic & Diluted (on Rs.10 per Share) (Refer Note B 14 of Schedule 13)			Rs. 18.38		Rs. 11.30

M.K.C. PAI
Company Secretary

S. SANTHANAKRISHNAN
Director

HAMEED HUQ
Managing Director

R.K. KRISHNA KUMAR
Chairman

Per our Report of even date

For SNB ASSOCIATES
Chartered Accountants

For N.M. RAIJI & CO.
Chartered Accountants

S. LAKSHMANAN
Partner
Membership No.: 20045

J. M. GANDHI
Partner
Membership No.: 37924

Place : Mumbai
Date : 13th May, 2010

TATA COFFEE LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET
Schedule No. 1
SHARE CAPITAL
AUTHORISED

2,50,00,000 Equity Shares of Rs.10/- each

**As at
31st March, 2010
Rs. in Lakhs**
**As at
31st March, 2009
Rs. in Lakhs**
2,500.00

2,500.00

2,500.00
2,500.00
ISSUED, SUBSCRIBED AND PAID-UP

1,86,77,037 Equity Shares of Rs.10/- each, fully paid

1,867.70

1,867.70

1,867.70
1,867.70
Of the above
No. of shares
No. of shares

a) Shares held by the Holding Company, Tata Tea Ltd.....

10,735,982

10,735,982

b) Shares allotted as fully paid-up :

(1) Pursuant to the Scheme of Amalgamation of erstwhile Asian Coffee Limited and Coffee Lands Limited with the Company without payment being received in cash.

29,61,747

29,61,747

(2) Pursuant to contracts without payments being received in cash.

4,13,312

4,13,312

(3) Pursuant to Scheme of Amalgamation of erstwhile SIFCO Ltd. with the Company without payments being received in cash.....

92,826

92,826

(4) By way of Bonus Shares through capitalisation of General Reserves and Share Premium

88,27,820

88,27,820

Schedule No. 2
RESERVES & SURPLUS

Capital Subsidy Reserve

30.10

—

—

30.10

Capital Redemption Reserve.....

10.41

—

—

10.41

Share Premium Account.....

14,424.27

—

—

14,424.27

Amalgamation Reserve.....

832.53

—

—

832.53

Debenture Redemption Reserve.....

2,727.94

383.29

—

3,111.23

Revaluation reserve

1,556.09

—

275.60

1,280.49

General Reserve Number I

9,412.73

319.90

—

9,732.63

General Reserve Number II

5,281.03

284.42

—

5,565.45

Hedging Reserve Account

(Ref. Note No. B 1b of Schedule 13)

(6,197.80)

—

(4,267.37)

(1,930.43)

Exchange Fluctuation Reserve

1,924.02

—

2,068.14

(144.12)

TOTAL

30,001.32

987.61

(1923.63)

32,912.56

Surplus Per Profit and Loss Account

1,588.93

—

—

2,382.13

TOTAL - Reserves and Surplus.....

31,590.25

987.61

(1923.63)

35,294.69

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Schedule No. 3

	As at 31st March, 2010 Rs. in Lakhs	As at 31st March, 2009 Rs. in Lakhs
A. SECURED LOANS		
- 4% Secured Redeemable Non-Convertible Debentures privately placed	–	2,550.00
- 7% Secured Redeemable Partly-Convertible Debentures	9,312.50	9,312.50
- Senior Debt (*) - Rabo Bank.....	33,504.77	45,915.37
- Senior Debt (*) - Tata Tea (GB) Investments Limited.....	23,788.65	26,876.30
- Working Capital/Cash Credit Facilities from Banks.....	551.72	2,804.01
	67,157.64	87,458.18

Notes :

- (1) The 4% Non-Convertible Debentures were redeemable at a premium in three instalments of 33%, 33% and 34% respectively at the end of 2nd, 3rd and 4th years from the date of allotment i.e. 25.11.2005. Accordingly, all three instalments have been redeemed. The Debentures were secured by charge on certain area of vacant land adjacent to the Company's Plant at Theni and also secured by deposit of title deeds of Three Coffee Estates of the Company.
 - (2) The 7% Non-Convertible Debentures are redeemable at par in three equal instalments at the end of 4th, 5th & 6th years from the date of allotment i.e. 29.12.2006. The Debentures are secured by a charge on the Land (excluding the area referred to in para 1 above) and the Factory located at Theni.
 - (3) Working Capital/Cash Credit facility is secured by hypothecation of Coffee Crop, inventories, finished/semi-finished goods/ receivables of the Company. Part of the Cash Credit funding is also secured by deposit of title deeds of a Coffee Estate.
- (*) Senior Debts are secured by specific security over the Assets of overseas Subsidiary.

B. UNSECURED LOANS

Short term loan from Banks	5,000.00	3,000.00
Tata Tea (GB) Investments Limited	6,138.97	6,584.38
	11,138.97	9,584.38

Schedule No. 4: FIXED ASSETS

	COST			DEPRECIATION				NET VALUE		
	As at 01.04.2009 Rs. in Lakhs	Additions Rs. in Lakhs	Deductions/ Adjustments * Rs. in Lakhs	As at 31.03.2010 Rs. in Lakhs	Up to 01.04.2009 Rs. in Lakhs	For the year \$ \$ Rs. in Lakhs	Deductions/ Adjustments Rs. in Lakhs	Up to 31.03.2010 Rs. in Lakhs	As at 31.03.2010 Rs. in Lakhs	As at 31.03.2008 Rs. in Lakhs
Goodwill	92,804.78	-	10,661.77	82,143.01	1,541.58	544.07	209.50	1,876.15	80,266.86	91,263.20
Intangibles	20,284.00	-	2,330.30	17,953.70	2,163.63	763.61	294.03	2,633.21	15,320.49	18,120.37
Freehold Land and Development	7,593.83	-	-	7,593.83 (a)	-	-	-	-	7,593.83	7,593.83
Leasehold Land and Development	185.89	-	-	185.89	0.16	-	-	0.16	185.73	185.73
Leasehold Improvement	13.99	-	13.99	-	6.07	1.34	7.41	-	-	7.92
Buildings	6,964.88	166.15	176.54	6,954.49 (a)	1,862.28	250.06	45.03	2,067.31	4,887.18	5,102.60
Water and Sanitary Installations	814.17	18.49	28.09	804.57 (a)	379.37	27.60	23.90	383.07	421.50	434.80
Electrical Installations	988.34	77.43	5.37	1,060.40 (a)	417.54	50.85	4.97	463.42	596.98	570.80
Plant and Machinery (c)	24,472.75	626.05	1,400.28	23,698.52	8,661.76	1,910.27	520.44	10,051.59	13,646.93	15,810.99
Furniture/Fixtures & Equipment	1,561.77	757.55	117.16	2,202.16	997.41	281.91	72.75	1,206.57	995.59	564.36
Vehicles	937.16	166.70	144.47	959.39	432.23	98.08	69.49	460.82	498.57	504.93
Total	156,621.56	1,812.37	14,877.97	143,555.96	16,462.03	3,927.79	1,247.52	19,142.30	124,413.66	140,159.53
Previous Year	128,852.88	2,187.97	(25,580.71)	156,621.56	11,592.67	3,815.82	(1,053.54)	16,462.03	140,159.53	
Capital Work-in-Progress (b)									847.26	1,544.10
Total									125,260.92	141,703.63

* Adjustments represents the increase/decrease in value consequent to exchange fluctuation.

\$ \$ includes impairment of Goodwill

a) Includes the following assets jointly owned/held with the Holding Company :-

Freehold Land	Rs.103.78 Lakhs (Previous year - Rs.103.78 Lakhs)
Buildings	Rs. 56.78 Lakhs (Previous year - Rs. 56.78 Lakhs)
Water and Sanitary Installations	Rs. 8.15 Lakhs (Previous year - Rs. 8.15 Lakhs)
Electrical Installations	Rs. 22.07 Lakhs (Previous year - Rs. 22.07 Lakhs)

b) Capital work-in-progress includes Capital Advance Rs. 5.67 Lakhs (Previous year - NIL) and is net of impairment of Rs. 231.26 Lakhs (Previous year - NIL)

c) Deductions includes adjustments of retention money of Rs. 335.42 Lakhs (Previous year - NIL)

d) The depreciation for the following assets are worked on the basis of useful life mentioned below:

Vending Machine - 7 Years
Spraying & Pruning Machineries in Tea Plantation - 5 Years

TATA COFFEE LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Schedule No. 5	Class	No.	Face Value of each Rs.	As at 31st March, 2010 Rs. in Lakhs	As at 31st March, 2009 Rs. in Lakhs
INVESTMENTS - AT COST					
Long term investments (Fully paid)					
TRADE					
Quoted					
Tata Tea Limited	Equity Shares	1,98,250	10	113.76	113.76
Tata Chemicals Limited.....	Equity Shares	1,60,000	10	424.21	424.21
				537.97	537.97
Unquoted					
Chembra Peak Estates Limited	Equity Shares	3,481	10	0.41	0.41
Wartyhully Estates Limited	Equity Shares	24,748	10	0.93	0.93
Joonktolle Tea & Industries Limited	Equity Shares	11,524	10	6.42	6.42
The Cochin Malabar Estates & Industries Limited	Equity Shares	2,156	10	0.20	0.20
				7.96	7.96
OTHER THAN TRADE - Quoted					
IDBI	Equity Shares	16,160	10	13.13	13.13
Rural Electric Corporation	5.5% Cap Gain Bonds	500	10000	50.00	50.00
Columbia Treasury Reserve Money Market Fund	Units	2778060	USD 1	–	1,174.34
(Redeemed during the year)				63.13	1,237.47
OTHER THAN TRADE - Unquoted					
Ritspin Synthetics Ltd. (Net of Provision for Diminution Rs.10 Lakhs)	Equity Shares	1,00,000	10	–	–
Coorg Orange Growers Co-operative Society Ltd.*	Equity Shares	4	100	–	–
Tata Coffee Co-operative Stores Limited *	Equity Shares	20	5	–	–
Coorg Cardamom Co-operative Marketing Society Limited *	Equity Shares	1	100	–	–
Current investments - Mutual Funds					
Unquoted					
				198.19	234.90
TOTAL				807.25	2,018.30
Cost of Investments					
Quoted					
Long Term.....				601.10	601.10
Current.....				–	1,174.34
Unquoted					
Long Term.....				7.96	7.96
Current.....				198.19	234.90
TOTAL				807.25	2,018.30
Market Value of Quoted Investments				2,731.78	2,853.63

* Represents Amount less than Rs. 1,000

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Schedule No. 6

CURRENT ASSETS, LOANS AND ADVANCES

(a) INVENTORIES :

	As at 31st March, 2010 Rs. in Lakhs	As at 31st March, 2009 Rs. In Lakhs
Stores & Spares	1,445.61	1,422.25
Raw materials	<u>3,881.50</u>	<u>2,682.31</u>
	5,327.11	4,104.56
Stock-in-trade :		
Finished/Trading Goods.....	12,296.83	13,239.05
Work-in-progress/Crop-in-progress	<u>74.61</u>	<u>10.16</u>
	12,371.44	13,249.21
	17,698.55	17,353.77

(b) RECEIVABLES :

Sundry Debtors:		
Unsecured		
Debts outstanding for a period exceeding six months		
- Considered Good.....	96.24	98.48
- Considered Doubtful.....	<u>271.07</u>	<u>263.59</u>
	367.31	362.07
Less : Provision for Doubtful Debts	<u>271.07</u>	<u>263.59</u>
	96.24	98.48
Other Debts considered good:		
- Secured	1,484.91	1,560.22
- Others (Considered Good)	5,674.96	8,092.94
- Others (Considered Doubtful)	<u>93.13</u>	<u>67.61</u>
	5,768.09	8,160.55
Less: Provision for Doubtful Debts	<u>93.13</u>	<u>67.61</u>
	5,674.96	8,092.94
Sub total	7,256.11	9,751.64

(c) CASH & BANK BALANCES :

Cash, cheques in hand & stamp balances	70.59	20.31
Bank balances:		
With Scheduled Banks :		
On Current Accounts	5,115.12	4,729.42
In Deposit Accounts	1,117.13	17.21
In Dividend and Debenture Interest Account	<u>95.51</u>	<u>88.30</u>
	6,327.76	4,834.93
With Non-Scheduled Banks :		
On Current Account	0.01	0.01
Others	—	—
	0.01	0.01
Cash & Bank balance in Joint Ventures (Refer Note No.A(I) (c) of Schedule No.13)	—	0.57
	6,398.36	4,855.82

(d) OTHER CURRENT ASSETS :

Interest accrued on Investments/Loans/Deposits/Def Fin Cost & Share of Joint Venture	660.03	1,009.96
Carried Over..	<u>32,013.05</u>	<u>32,971.19</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Schedule No. 6 (Contd.)	As at 31st March, 2010 Rs. in Lakhs	As at 31st March, 2009 Rs. in Lakhs
Brought Forward...	32,013.05	32,971.19
e) LOANS & ADVANCES :		
(Unsecured-Considered good unless Otherwise stated)		
Advances recoverable in cash or in kind or for value to be received :		
Considered Good.....	1,398.94	2,708.51
Considered Doubtful.....	97.99	99.03
	<u>1,496.93</u>	<u>2,807.54</u>
Less : Provision for Doubtful Advances	97.99	99.03
	<u>1,398.94</u>	<u>2,708.51</u>
Deposits with Companies		
Considered Good	3,400.00	3,400.00
Considered Doubtful	38.00	38.00
	<u>3,438.00</u>	<u>3,438.00</u>
Less : Provision for Doubtful Deposits	38.00	38.00
	<u>3,400.00</u>	<u>3,400.00</u>
MAT Credit Entitlement.....	466.85	271.46
Balances with Excise Authorities, Port Trust etc.	264.71	277.23
Loan to The Coorg Foundation - a Public Charitable Trust	120.00	120.00
Balance in Escrow	58.61	55.68
Other Deposits		
Considered Good.....	2,211.58	1,498.54
Considered Doubtful.....	3.84	3.84
	<u>2,215.42</u>	<u>1,502.38</u>
Less : Provision made	3.84	3.84
	<u>2,211.58</u>	<u>1,498.54</u>
Sub-total	7,920.69	8,331.42
TOTAL	39,933.74	41,302.61

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31st March, 2010 Rs. in Lakhs	As at 31st March, 2009 Rs. in Lakhs
Schedule No. 7		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES :		
Sundry Creditors		
- Due to Micro, Small & Medium Enterprises.....	36.61	7.75
- Others.....	5,744.54	4,993.47
(Includes amount due to Holding Company Rs. 87.59 Lakhs. Previous year Rs. 13.59 Lakhs)		
Other Liabilities	18,230.86	23,527.40
Interest accrued but not due	179.30	218.19
Due to Directors.....	122.00	87.35
Liability towards investors Education and Protection Fund Under Section 205C of the Companies Act, 1956		
- Unpaid Dividend and Debenture Interest	95.51	88.30
	24,408.82	28,922.46
Other liability in Joint Ventures (Refer Note No. A(I) (c) of Schedule No. 13)	0.36	0.36
	0.36	0.36
	24,409.18	28,922.82
PROVISIONS :		
Provision for taxation.....	4,962.86	4,511.57
Less: Payments in advance	3,929.79	3,235.35
	1,033.07	1,276.22
Dividend		
- Proposed Final	1,400.78	1,120.62
- Tax on Final Dividend	267.35	224.44
	1,668.13	1,345.06
	2,701.20	2,621.28
	27,110.38	31,544.10

TATA COFFEE LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
Schedule No. 8
INCOME
NET SALES & SERVICES

Coffee :

	For the year end 31st March, 2010 Rs. in Lakhs	For the year ended 31st March, 2009 Rs. in Lakhs
Green Bean.....	7,426.50	7,347.58
Instant	11,559.41	12,816.83
R & G	96,787.41	81,086.65
Tea*	6,603.87	5,459.37
Pepper	1,849.64	1,050.34
Cardamom & Minor produce	284.79	87.13
Pre-Mix	846.23	150.29
Timber	181.36	139.98
Less : Extraction Expenses	41.11	9.04
	140.25	130.94
Veneer/Plywood	725.04	813.58
Trading Sales (Ref Note B 8 of Schedule 13)	2,122.65	2,232.73
Coffee Curing	187.05	218.49
Room and Food revenue - Hospitality Division.....	147.28	114.33
	<u>128,680.12</u>	<u>111,508.26</u>

* Tea includes subsidy towards orthodox production from Tea Board of Rs. 31.29 Lakhs (Previous year Rs. 26.43 Lakhs).

Schedule No. 9
OTHER INCOME
Operational

Rent	57.41	37.84
Sale of scrap/waste	62.12	55.32
Provision no longer required	245.27	110.56
Export Incentive.....	320.33	422.92
Profit on Sale of Fixed Assets (Net)	13.68	–
Others	314.64	90.04
	1,013.45	716.68

Income from Long Term Investments:

Dividend :

Trade *	49.66	84.27
Others	5.38	137.24
	55.04	221.51
Interest - On Long Term Investment	2.75	7.10
Interest - Others	12.56	9.88
	15.31	16.98
	70.35	238.49
	<u>1,083.80</u>	<u>955.17</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

Schedule No. 10

PRODUCTION, TRADING, SELLING AND ADMINISTRATION EXPENSES

	For the year end 31st March, 2010 Rs. in Lakhs	For the year ended 31st March, 2009 Rs. in Lakhs
Salaries, Wages and Bonus	12,952.79	12,932.07
Contribution to Provident & Other Funds.....	2,017.85	1,903.93
Workmen & Staff Welfare Expenses.....	601.10	658.49
Consumption of Raw Materials	39,043.81	38,397.70
Curing/Processing Charges	1,086.79	905.94
Purchase of Trading Goods	2,088.64	1,883.38
Consumption of Packing Material.....	6,503.85	5,624.96
Consumption of Stores & Spare Parts	1,437.00	1,395.81
Power & Fuel	3,030.21	3,152.81
Rent	854.79	655.28
Repairs to Buildings.....	491.32	385.00
Repairs to Machinery	490.43	409.89
Repairs to Machinery - others	350.14	308.68
Insurance.....	850.13	487.94
Rates & Taxes	275.19	202.72
Sales Promotion, Advertisements & Publicity	2,658.32	3,875.60
Selling Expenses	20,410.34	17,757.34
Excise Duty and Cess.....	24.42	22.88
Freight	2,878.91	2,588.20
Directors' Sitting Fees.....	13.30	8.90
Directors' Commission	52.00	29.45
Auditors Remuneration.....	267.49	208.06
(Refer Note No. B11 of Schedule No. 13)		
Interest and Finance Charges:		
- Fixed Loans/Debentures/ Working capital/ Others (net of Interest income/ Interest capitalised).....	5,609.13	6,311.42
(Refer Note No. B5 of Schedule 13)		
- Finance Charges.....	386.71	389.26
Impairment of Assets	231.26	—
Dimunation in value of Investments	—	333.54
Loss on Sale/Discard of Fixed Assets (net)	33.81	137.08
Exchange Fluctuation Loss (Net)	1,718.08	2,312.18
Provision for bad & doubtful debts & advances.....	65.78	30.14
Donations.....	138.87	58.78
Research & Development Expenses	42.95	36.15
Miscellaneous expenses	2,784.22	2,919.53
	109,389.63	106,323.11

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
Schedule No.11
**ACCRETION [-] / DECRETION TO STOCK/
WORK-IN-PROGRESS**

Stock as at 1st April, 2009

	For the year ended 31st March, 2010 Rs. in Lakhs	For the year ended 31st March, 2009 Rs. in Lakhs
Coffee	3,697.58	3,177.84
Instant Coffee	5,178.78	1,503.70
R & G Coffee.....	3,043.21	1,725.45
Work-in-Progress.....	10.16	40.56
Tea	429.14	380.21
Pepper	573.30	202.60
Cardamom & Minor produce	24.97	27.91
Pre-Mix	24.83	13.59
Veneer/Plywood.....	37.86	39.14
Trading Stock.....	229.38	230.22
Crop-in-Progress - Pepper.....	—	95.02
	13,249.21	7,436.24

Stock as on 31st March, 2010

Coffee	3,947.15	3,697.58
Instant Coffee	3,289.69	5,178.78
R&G Coffee.....	3,808.75	3,043.21
Work-in-Progress.....	40.35	10.16
Tea	502.30	429.14
Pepper	466.92	573.30
Cardamom & Minor produce	1.98	24.97
Pre-Mix	9.13	24.83
Veneer/Plywood.....	16.95	37.86
Trading Stock.....	253.96	229.38
Crop-in-Progress - Pepper.....	34.26	—
	12,371.44	13,249.21
ACCRETION [-] / DECRETION TO STOCK/ WORK-IN-PROGRESS	877.77	(5,812.97)

Schedule No. 12
RESTRUCTURING COST OF FOREIGN OPERATIONS

- USA restructuring cost.....	616.98	1,307.50
	616.98	1,307.50
	(616.98)	(1,307.50)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

Schedule No.13

A. NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Basis of Consolidation

a) Basis of Preparation

The Consolidated financial statements are prepared in accordance with Accounting Standard 21 on Consolidated Financial Statement and AS 27 on Financial Reporting of Interest in Joint Venture issued by the Company (Accounting Standards) Rules, 2006

- i) The financial statements of the Holding Company and all subsidiaries are prepared according to uniform accounting policies, in accordance with generally accepted accounting policies in India.
- ii) 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 unrealized profits or losses thereon have been fully eliminated.
- iii) Company's interest in the Joint Ventures is accounted for using proportionate consolidation.
- iv) The financial statements of the subsidiaries and Joint ventures used in consolidation are drawn up to the same reporting date as that of the Holding Company.
- v) The excess value of the consideration given over the net value of the identifiable assets acquired in the subsidiary companies is recognized as "Goodwill" under fixed assets and is not being amortized. Certain intangibles assets, which are appearing in the Subsidiary books, as at the date of acquisition, are included in Goodwill, as the same do not qualify as Intangibles under AS-26 issued by the Institute of Chartered Accountants of India. Subsequent to the acquisition, the subsidiary has revalued these assets and this revaluation has been ignored for the purpose of consolidation. To the extent the subsidiary has provided depreciation on the original cost of these assets (Net of revaluation), an equivalent amount has been considered as Impairment of Goodwill.

b) Subsidiaries included in Consolidation

Name of the Enterprise	Country of Incorporation	Nature of Business	Shareholding/Controlling Interest
Alliance Coffee Limited	India	Marketing Instant Coffee Powder	51%
Consolidated Coffee Inc.	USA	Investment	50.08%
Eight 'O' Clock Coffee Company	USA	Roasted Coffee Beans and R & G powder	50.08%

c) Joint Ventures included in Consolidation

Name of the Enterprise	Country of Incorporation	Nature of Business	Shareholding/Controlling Interest
Tata Coffee (Uganda) Limited	Uganda	Manufacture of Instant Coffee Powder	50%

II. SIGNIFICANT ACCOUNTING POLICIES

i) Profit and Loss Account

- a) All income and expenses are accounted on accrual basis.

TATA COFFEE LIMITED**CONSOLIDATED NOTES ON ACCOUNTS****Schedule No.13 (Contd.)**

- b) Sales are recognized on passing of property in goods i.e. delivery as per terms of sale or on completion of auction in case of auction sale. In the case of Rosewood sale, income is recognized on completion of auction sale and confirmation of receipt of money by the auctioneer. Export incentives are estimated & accrued on completion of export sales. In the case of a subsidiary, sales are recognized when risk of loss and title have transferred to the customer, which is typically upon receipt of the product by the customer. Provisions for sales returns and other allowances are recorded based on the past experience.
- c) The sale value of own timber and value added timber products are credited to revenue. Capital profits on such sale, including capital profit on value added timber products determined at estimated market value of actual timber input, are transferred to General Reserve No.II through Appropriation account.
- d) Depreciation on Fixed Assets is provided at the rates stated in Schedule XIV of the Companies Act, 1956, on written down value method, except that Fixed Assets at Instant Coffee Division, Anamallais, Corporate Office and certain Fixed Assets at the Curing Works under the straight-line method. Leasehold improvements are being depreciated over the lease period. In respect of certain assets, accelerated depreciation has been provided considering its estimated useful life or as per the rates prescribed in Schedule XIV whichever is higher.

Depreciation in respect of assets held by the foreign subsidiary is provided over the useful life of the asset.

- e) The Employee benefits are provided in accordance with the revised AS 15 and are dealt with in the following manner.
- Contribution to Provident Fund and Defined Contribution Superannuation Funds are accounted on accrual basis.
 - Gratuity Leave encashment and post retirement health scheme liabilities are determined by actuarial valuation done at the end of the year and the current year charge is debited to the Profit and Loss Account.
- f) Transactions in foreign currency are recorded using the spot rate at the beginning of each fortnight and exchange differences resulting from settled transactions are taken in the Profit and Loss account. Current Assets and Liabilities covered by Forward Cover are stated at Forward Cover rates, while those not covered by Forward Cover are restated at the rates prevailing at the year-end. The resulting Exchange differences are dealt with, in the Profit and Loss Account. Premium or discount on forward contracts is amortized over the life of the contract.
- Gain or loss on hedging instruments in respect of effective portion of cash flow hedges are recognized in the hedging reserve account. The portion of the gain or loss on the hedging instruments if determined to be an ineffective cash flow hedge is recognized in the profit and loss account.
- The income and expenditure of overseas subsidiaries are translated at the average month-end exchange rates. Year-end balances of all assets and liabilities are translated at the year-end exchange rates. Exchange differences arising on re-translation at year-end exchange rates, of the net investment in foreign undertakings, are taken to reserves.
- g) Provision for deferred taxation is made using the applicable rate of taxation, for all timing differences between Book Profit and Taxable Profit. As at the balance sheet date, deferred tax assets pertaining to business loss are only recognized to the extent of Management's expectation of future profits for set off.
- h) The costs incurred for obtaining financing are deferred and amortized using the effective interest method over the life of the related financing agreements and charged to interest expenses.

CONSOLIDATED NOTES ON ACCOUNTS
Schedule No.13 (Contd.)

ii) Balance Sheet

- a) Assets and Liabilities are recorded at cost to the Company.
- b) Fixed Assets are carried at cost of acquisition less depreciation. Impairment loss, if any, ascertained as per the Accounting Standard – 28 (Impairment of Assets) of the institute of Chartered Accountants of India is recognized. Cost of acquisition includes borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets. Roll over charges, and exchange differences, relating to foreign currency borrowings attributable to Fixed Assets are also capitalized upto 31.03.2007 and charged to P&L Account afterwards.
- c) Investments of long-term nature are stated at cost. A provision for diminution in value is made to recognize a decline, other than temporary. Current investments are stated at lower of cost and market value.
- d) Valuation of Stock is dealt as under: -

- Raw Materials and Stores & Spares	At weighted average cost and in one subsidiary on FIFO basis.
-Coffee, Instant Coffee, Tea, Pepper, Plywood and Trading Stock.	At lower of cost and net realizable value.
Work-in-Progress	At lower of cost and net realizable value.
- Cardamom and Other Produces	At since realized/estimated realizable value.

B. CONSOLIDATED NOTES ON ACCOUNTS

1. a. Reference to para I a (v) of the Basis of Consolidation an amount of Rs. 544.07 lakhs has been considered as impairment of Goodwill during the year (Previous year : Rs.520.40 lakhs).
- b. The Group has entered into forward contracts for hedging highly probable future cash flows. The Mark to Market loss of Rs.1,930.43 lakhs (Previous year : Rs 6,197.80 lakhs) on such contracts as at Balance Sheet date is debited to the Hedge Reserve account as per the provisions of Hedge Accounting of Accounting Standard - 30.

	As at 31st March, 2010 Rs. in Lakhs	As at 31st March, 2009 Rs. in Lakhs
2. A. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	146.22	225.85
3. a) Claims against the Company not acknowledged as debts		
i) Demands Raised by Income Tax, Excise & Sales tax authorities	678.10	740.82
ii) Labour Disputes	283.59	241.25
iii) Claims by Customers/Suppliers	420.10	252.63
	1,381.79	1,234.70
b) Contingent Liabilities:		
i) Bank Guarantees	897.95	530.33
ii) Bills discounted	-	62.02
4. Deferred revenue expenditure brought forward from previous year	4.66	23.99
Add : Deferred revenue expenditure incurred on Voluntary Retirement Scheme	0.01	0.39
	4.67	24.38

TATA COFFEE LIMITED**CONSOLIDATED NOTES ON ACCOUNTS****Schedule No.13 (Contd.)**

	As at 31st March, 2010 Rs. in Lakhs	As at 31st March, 2009 Rs. in Lakhs
Less: Written off during the year, Voluntary Retirement Scheme charged off	3.27	19.70
Unrealized Foreign Exchange Gain / (Loss)		
Closing balance of Deferred Revenue Expenditure	1.40	4.68
5 Interest (Net)		
Interest on		
- Debentures	718.38	818.20
- Fixed Loans	5,119.56	5,500.95
- Working Capital	62.01	320.14
- Others	51.35	49.49
	5,951.30	6,688.78
Less : Interest Capitalised	-	16.62
	5,951.30	6,672.16
Less : Interest earned on		
- Inter Corporate Deposits #	258.70	204.00
- Deposits with Banks (including Deposit with NABARD)	83.47	156.20
- Others	-	0.54
# (Inclusive of Tax deducted at source Rs.34.96 Lakhs) [Previous Year Rs. 59.86 Lakhs]		
	5,609.13	6,311.42
6. A) Repairs to Buildings Include Wages	59.14	43.50
B) Repairs to Machinery Include Wages	17.42	16.18
C) Repairs to Machinery – Others Include Wages	0.17	0.13
7. Selling expenses include		
a) Commission to Sales agents	607.47	570.24
b) Brokerage and Discount on sale	26.47	76.56
c) Tata Brand Equity	208.12	181.41
8. Trading Sales Include		
a) Sale of Coffee Bean	68.49	-
b) Sale of Timber/Plywood	36.58	6.97
c) Sale of Pre-mix, Instant Tea and Chicory	45.50	620.85

CONSOLIDATED NOTES ON ACCOUNTS
Schedule No.13 (Contd.)

	As at 31st March, 2010 Rs. In Lakhs	As at 31st March, 2009 Rs. In Lakhs
9. Following Provisions have been made against the liabilities of contingent nature (included under the head 'Current Liability' of Schedule 7)		
Opening Balance as on 1st April, 2009	1,619.72	751.00
Add Provisions made during the period	6,131.69	4648.18
Amount Utilized	(6,056.36)	(3779.84)
Closing balance as on 31st March, 2010	1,695.06	1619.72
10. Classification of Deferred Tax :		
a) Difference in depreciation between books and tax	(2,961.47)	(2798.58)
b) Other Timing Differences (Net)	2,472.43	2866.17
c) AS 15 (Revised) - Employee Benefits	61.83	59.66
d) Premium on Redemption of 4% NCD's	-	14.85
e) Carry forward loss	-	311.95
f) Intangible assets	(14,636.44)	(6616.39)
g) Others	6,815.88	367.37
Total :	(8,247.77)	(5794.97)
Represented by :		
Deferred Tax Liability	(9,769.66)	(8263.27)
Deferred Tax Asset	1,521.89	2468.30
Net:	(8,247.77)	(5794.97)
11. The Auditors Remuneration includes the following :		
Audit Fee	212.44	161.78
Tax Audit/Taxation Matters	35.56	27.13
Other Services	16.34	13.35
Expenses	3.15	5.80
Total	267.49	208.06
12. Disclosure in respect of Operating leases		
Total minimum Lease payments	-	7.36
- Within One year	-	3.16
- Later than one year and not later than five years	-	4.20
- Later than five years	-	-
- Lease payments recognised in Profit and Loss	2.97	3.08
13. Movement of Revaluation Reserve		
Revaluation Reserve Drawn during the year	275.60	285.04
14. Earnings Per Share has been computed as under:		
a) Profit After taxation after Minority Interest	3,431.92	2,110.06
b) Number of shares	18677037	18677037
c) Basic & Diluted Earnings Per Share (Rs.) (a)/(b)	18.38	11.30
d) Nominal value of share	10.00	10.00

TATA COFFEE LIMITED
CONSOLIDATED NOTES ON ACCOUNTS
Schedule No.13 (Contd.)
15. Segmental Reporting:

The Enterprise's operations predominantly relate to Coffee and Other Produce comprising of growing of Coffee, Pepper, Tea and other plantation crops and conversion of Coffee into Value added products such as Roast and Ground Coffee and Instant Coffee. The Enterprises is also in the business of Curing operations of Coffee and trading of items required for Coffee plantations. Accordingly, the revenue from Coffee and Other produce, Trading and curing (others) comprise the primary basis of segmental information set out in these financial statements. Secondary segmental reporting is performed on the basis of geographical locations of the customers. The accounting principles consistently used for the preparation of Financial statements are also consistently applied to record Income and Expenditure in individual segments. These are set out on the note as significant accounting policies. Fixed assets used in Enterprises's business and liabilities contracted have been identified to the reportable segments. Inter unit transfers have been made at market prices and has been consistently followed.

PRIMARY SEGMENT									Rs. in Lakhs	
	COFFEE AND OTHER PRODUCE		TEA		ESTATE SUPPLIES DIVISION		OTHERS		TOTAL	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current Year	Previous year	Current Year	Previous year
SEGMENT REVENUES										
EXTERNAL SALES	120,665.15	104,712.28	6,603.87	5,459.37	2,985.67	2,491.49	415.47	394.93	130,670.16	113,058.07
LESS : INTER-SEGMENT SALES					967.95	843.15	221.92	173.31	1,189.87	1,016.46
UN-ALLOCATED INCOME									147.00	95.22
TOTAL REVENUE	120,665.15	104,712.28	6,603.87	5,459.37	2,017.72	1,648.34	193.55	221.62	129,627.29	112,136.83
SEGMENT RESULTS	19,628.19	13,363.16	1,485.97	786.08	37.29	32.58	138.02	93.47	21,289.47	14,275.29
UNALLOCATED CORPORATE INCOME										
NET OF EXPENSES									(132.56)	(547.71)
OPERATING PROFITS									21,156.91	13,727.58
INTEREST EXPENSE									(5,995.84)	(6,700.68)
EXTRAORDINARY ITEM										-
PROFIT BEFORE TAX									15,161.07	7,026.90
INCOME TAXES										
CURRENT TAX									(6,876.15)	(2,652.97)
DEFERRED TAX									(910.38)	(434.56)
FRINGE BENEFIT TAX									-	(81.90)
NET PROFIT									7,374.54	3,857.47
OTHER INFORMATION										
SEGMENT ASSETS	152,346.75	171,852.35	6,046.21	5,986.48	244.54	215.35	339.42	344.34	158,976.92	178,398.52
UNALLOCATED COMMON ASSETS-\$									7,026.35	6,630.70
TOTAL ASSETS									166,003.27	185,029.22
SEGMENT LIABILITIES	(91,523.95)	(105,967.11)	(786.79)	(631.40)	(103.92)	(24.47)	(116.01)	(108.60)	(92,530.67)	(106,731.58)
UNALLOCATED LIABILITIES									(21,124.06)	(27,650.06)
TOTAL LIABILITIES									(113,654.73)	(134,381.64)
CAPITAL EMPLOYED	60,822.80	65,885.24	5,259.42	5,355.08	140.62	190.88	223.41	235.74	52,348.54	50,647.58
CAPITAL EXPENDITURE	1,182.36	872.27	139.74	149.32	0.05	-	100.73	108.20	1,422.88	1,129.79
DEPRECIATION	3,124.98	2,994.40	184.46	231.67	0.25	0.23	74.03	69.12	3,383.72	3,295.42
NON-CASH EXPENSES	297.04	14.49	-	1.08	-	-	76.11	14.63	373.15	30.20
OTHER THAN DEPRECIATION										

CONSOLIDATED NOTES ON ACCOUNTS

Schedule No.13 (Contd.)

Geographical revenues are segregated based on the locations of the customers who are invoiced or in relation to which the revenues is otherwise recognised.

The following table shows the distribution of the Group's sales by geographical locations:

	Rs. in Lakhs	Rs. in Lakhs
Secondary (Geographical) Segments	Current Year	Previous Year
CIS Countries *	9,351.40	8,230.08
Rest of the World *	6,318.48	8,683.66
USA	95,908.06	80,198.95
India	18,049.35	15,024.14
TOTAL	129,627.29	112,136.83

* includes Direct Exports and exports through third parties and through export houses.

16. Related Party Transactions:

In accordance with Accounting Standard 18, the disclosures required are given below:

Sl. No.	Nature of transaction	Holding Company		Relatives of Key Management personnel		Fellow Subsidiaries		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1.	Sale of Goods	326.71	130.74	-	-	2,075.89	-	24,02.60	130.74
2.	Purchase of Goods	63.18	20.31	-	-	-	-	63.18	20.31
3.	Receiving of Services	13.46	14.56	5.04	10.11	-	-	18.50	24.67
4.	Interest Payment to TTGB	1627.73	2,199.74	-	-	-	-	16,27.73	21,99.74
5.	Interest Payment to TTL	463.90	463.90	-	-	-	-	463.90	463.90
6.	Loan from TATA Tea GB	29,927.62	33,460.68	-	-	-	-	29,927.62	33,460.68
7.	Outstanding as on 31st March, 2010								
	Credit	87.59	13.59	-	-	-	-	87.59	13.59
	Debit	-	-	-	-	254.11	-	254.11	-

Names of related parties and description of relationship.

- Holding Company: Tata Tea Limited
- Key Management Personnel:
 - Mr. M. H. Ashraff: Managing Director (Upto 02.01.2010)
 - Mr. A. Sengupta: Executive Director (Upto 02.01.2010)
- Relative of Key Management Personnel: Ms. Farah Ashraff - Daughter of Mr. M. H. Ashraff (Salary paid as an employee)
- Transactions with fellow Subsidiary: Tata Russia (Grand JV)

The remuneration and commission to key management personnel is disclosed in Note No. B17 and B18 of Schedule No. 12 of separate financial statements of Tata Coffee Limited.

Signature to Schedules 1 to 13

M.K.C. PAI
Company Secretary

S. SANTHANAKRISHNAN
Director

HAMEED HUQ
Managing Director

R.K. KRISHNA KUMAR
Chairman

Per our Report of even date

For SNB ASSOCIATES
Chartered Accountants

For N.M. RAIJI & CO.
Chartered Accountants

S. LAKSHMANAN
Partner
Membership No.: 20045

J. M. GANDHI
Partner
Membership No.: 37924

Place : Mumbai
Date : 13th May, 2010

TATA COFFEE LIMITED
GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 20010

	Year ended 31st March, 2010		Year ended 31st March, 2009	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
A. Cash Flow from Operating Activities:				
Net Profit before Tax and Exceptional Income		15,161.07		7,026.90
Adjustments For :				
Depreciation	3,383.72		3,295.42	
Amount drawn from Revaluation Reserve	(275.60)		(285.04)	
Impairment of Goodwill	544.07		520.40	
Provision for Doubtful Debts/Advances/ Impairment	373.15		30.13	
Preliminary Expenses written off	0.05		0.05	
Amortisation of Voluntary Retirement Compensation	3.96		19.67	
Investments and Interest Income	(412.87)		(501.15)	
Interest / Finance Charges	6,338.36		7,296.88	
Unrealised Foreign Exchange Gain/Loss	226.08		726.68	
Profit/Loss on Sale of Fixed Assets	20.13		137.08	
Excess Provision written back	(245.47)	9,955.58	(110.56)	11,129.56
Operating Profit Before Working Capital Changes :		25,116.65		18,156.46
Working Capital Changes				
Decrease/ (Increase) In Trade and Other Receivables	3,746.86		(1,926.16)	
Decrease/ (Increase) In Inventories	(344.78)		(5,658.32)	
Increase In Trade Payables	254.96	3,657.04	5,010.41	(2,574.07)
Cash Generated from Operations:		28,773.69		15,582.39
Direct Taxes Paid		(7,310.39)		(1,972.61)
Cash Flow, Before Extraordinary Income		21,463.30		13,609.78
Payments towards VRS		—		—
Net Cash From Operating Activities		21,463.30		13,609.78
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(1,538.10)		(1,991.06)	
Sale of Fixed Assets	100.66		44.25	
Sale/ (Purchase) of Investment	—		2,517.60	
Sale of Investment	1,211.06		3,705.30	
Other Deposits	(712.98)		(632.55)	
Interest & Investment Income received	763.74		491.41	
Net Cash used in Investing Activities		(175.62)		4,134.95
C. Cash Flow from Financing Activities :				
NCDs Issued/(repaid) during the period	(2,550.00)		(2,475.00)	
Repayment of Long Term Borrowings	(252.29)		—	
Proceeds from Short Term Borrowings, etc. (Net of Exchange fluctuation)	(5,445.60)		(2,972.50)	
Dividends	(5,126.56)		(3,173.72)	
Interest and Finance Charges Paid	(6,377.25)		(7,047.21)	
Net Cash Used In Financing Activities :		(19,751.70)		(15,668.43)
Net Increase / Decrease In Cash and Cash Equivalents		1,535.98		2,076.30
(A+B+C)				
D. Cash and Cash Equivalents				
Opening Balance		4,749.74		2,673.44
Closing Balance		6,285.72		4,749.74

Notes to the cash flow statement for the year ended 31st March, 2010

- Cash and cash equivalents excludes balance in dividend accounts Rs.95.51 Lakhs (Previous year Rs.88.30 Lakhs) & Deposits given on lien of Rs. 17.13 Lakhs (Previous year Rs 17.21 Lakhs) .
- Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

M.K.C. PAI
Company Secretary

S. SANTHANAKRISHNAN
Director

HAMEED HUQ
Managing Director

R.K. KRISHNA KUMAR
Chairman

Per our Report of even date

For SNB ASSOCIATES
Chartered Accountants

For N.M. RAIJI & COMPANY
Chartered Accountants

Place: Mumbai
Date: 13th May, 2010

S. LAKSHMANAN
Partner
Membership No. 20045

J.M. GANDHI
Partner
Membership No. 37924

Subsidiary Companies Financial Highlights – 2009-10

Rs. in Lakhs

	Consolidated Coffee Inc.*	Alliance Coffee Ltd.
1. Capital	26885.66	5.00
2. Reserves	3266.27	62.56
3. Total Assets	120069.49	331.80
4. Total Liabilities	120069.49	331.80
5. Turnover	96119.04	458.83
6. Profit before Taxation	13560.21	327.75
7. Provision for Taxation	5873.11	112.49
8. Profit After Taxation	7687.10	215.27
9. Proposed Dividend	–	208.90
10. Investment	–	198.18
Reporting Currency	US Dollars	Indian Rupees
Exchange Rate Used for Conversion :		
- Average Yearly Rates for Profit and Loss Items	48.27	
- Year end rates for Balance Sheet Items	44.88	

* Comprises of Consolidated figures of Consolidated Coffee Inc., and its wholly-owned Subsidiary Eight O'clock Coffee Company, USA, based on Accounts drawn up under Indian GAAP.

Statement of Crop particulars of Coffee (Arabica and Robusta Estates) & Tea

Name of the Estate	ARABICA			ROBUSTA			TEA		
	Bearing area in Hectares	Crop M.T.	YPH in Kilos	Bearing area in Hectares	Crop M.T.	YPH in Kilos	Bearing area in Hectares	Crop M.T.	YPH in Kilos
COFFEE									
KARNATAKA									
Anandapur	15.00	14	933	357.70	769	2150			
Balmany	4.10	3	732	219.60	377	1717			
Cannoncadoo	105.95	119	1123	198.55	350	1763			
Cottabetta	2.80	3	1071	440.65	720	1634			
Coovercolly	260.40	207	795	218.30	342	1567			
Jumboor	370.15	248	670	–	–	–			
Margolly	192.10	221	1150	285.10	593	2080			
Nulllore	394.00	294	746	80.30	129	1606			
Pollibetta	1.50	2	1333	328.00	723	2204			
Sunticoppa	235.40	172	731	–	–	–			
Woshully	3.25	5	1538	522.75	946	1810			
Yemmigoondi	53.30	50	938	518.90	986	1900			
COORG	1637.95	1338	817	3169.85	5935	1872			
Gubgul	3.60	4	1111	125.95	186	1477			
Goorghully	190.17	145	762	225.05	285	1266			
Karadibetta	122.40	63	515	257.30	322	1251			
Merthikhan	90.05	31	344	27.95	22	787			
Mylemoney	342.10	359	1049	89.60	78	871			
Ubban	212.40	134	631	196.40	264	1344			
HASSAN	960.72	736	766	922.25	1157	1255			
	2598.67	2074	798	4092.10	7092	1733			
TAMIL NADU									
Valparai	300.66	99	328	229.57	194	843			
TEA									
KARNATAKA									
Merthikhan							117.85	299	2537
Glenlorna							244.92	916	3736
TAMIL NADU									
Pachamalai							301.07	1258	4179
Pannimade							431.03	1087	2521
Uralikal							429.65	1302	3031
Velonie							410.89	1311	3191
KERALA									
Malakiparai							529.76	1815	3425
GRAND TOTAL	2899.33	2173	749	4321.67	7286	1686	2465.17	7988	3240



PROXY

No. of Shares held :

Regd. Folio No. :
(If Not Dematerialised)

DP ID No. :
(If Dematerialised)

Client ID No. :
(If Dematerialised)

I/We..... of
..... being a Member/Members of
Tata Coffee Limited, hereby appoint.....
..... of
..... or failing him/her
..... of
..... or failing him/her
..... of
..... as my/our Proxy to vote
for me/us and on my/our behalf at the 67th Annual General Meeting of the Company to be held on Friday, the 23rd July,
2010 at the Registered Office and at any adjournment thereof.

Sign this day of 2010.

Please affix
Revenue
Stamp

Note: An Instrument appointing a Proxy shall be deposited at the Registered Office of the Company not less than Forty
eight hours before the time for holding the meeting.

TATA COFFEE LIMITED

Registered Office : Pollibetta 571 215, Kodagu, Karnataka

ATTENDANCE SLIP-CUM-ENTRY PASS

(PLEASE FILL IN THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL)

Name and address of the Shareholder :
.....
.....

No. of Shares held :

Regd. Folio No. :
(If Not Dematerialised)

DP ID No. :
(If Dematerialised)

Client ID No. :
(If Dematerialised)

I hereby record my presence at the 67th Annual General Meeting of the Company held on Friday, the 23rd July, 2010 at
12 Noon at the Registered Office of the Company at Pollibetta – 571 215, Kodagu, Karnataka.

* Strike out whichever is not applicable.

