

Find Inside

CORPORATE OVERVIEW

- 02 MD & CEO's Statement
- 04 Brewing Stronger at 25
- 07 Celebrating Empowerment
- 11 Celebrating Experience
- 15 Celebrating Expertise
- **19** Celebrating Community Well-Being
- 23 Celebrating a Sustainable Roadmap
- 26 About Tata Coffee
- 28 Diverse Offerings
- 32 Our Global Reach
- 34 Key Certifications
- 35 Awards and Achievements
- 36 Key Performance Indicators (KPIs)
- 38 Board of Directors
- 40 Corporate Information

STATUTORY REPORTS

- 41 Key Highlights
- 42 Notice
- 55 Directors' Report81 Report on Corporate
- Governance
- 97 Management Discussion & Analysis Report
- **102** Business Responsibility Report

FINANCIAL STATEMENTS

STANDALONE

- 117 Independent Auditors' Report
- 122 Balance Sheet
- **123** Statement of Profit and Loss
- 124 Statement of Changes in Equity
- 125 Cash Flow Statement
- 127 Notes on Accounts

CONSOLIDATED

- 161 Independent Auditors' Report
- 164 Balance Sheet
- 165 Statement of Profit and Loss
- 166 Statement of Changes in Equity
- 167 Cash Flow Statement
- 169 Notes on Accounts

2017-18 – Key Highlights







Disclaimer: In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

We make the world wake-up and smell the goodness of nature.

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We entice the taste buds of millions of patrons, transcending geographic borders and cultures.

We are Tata Coffee; and we aspire to turn every moment of solitude or bonding into memorable moments of delight.

CELEBRATING DIVERSITY

We have emerged as one of the world's largest integrated coffee companies and each one of our employees are our real ambassadors.

They drive our market prominence and align our offerings to changing consumer tastes and regional preferences. Across our plantations, factories and corporate office, we nurture a diverse talent pool in terms of age, gender, expertise and socio-economic backgrounds.

Our fraternity of estate managers, cuppers, garblers, new product development (NPD) experts, among others, contribute their talent and teamwork to strengthen our global reputation.

At Tata Coffee, we celebrate this diversity and are committed to a long-term vision of empowering and providing equal opportunities to our people. They in turn, go beyond their professional commitments by demonstrating a strong sense of ethics and belonging to the Company and the Tata ethos.

The expertise and experience of our people enable us to produce large quantities of estate specific, strain specific, specialty and premium coffee, while at the same time maintaining stringent quality consistency.

Our diverse talent pool brings their cultural perspectives, ideas, insights and commitments to help us create enduring value for our customers, shareholders, community and the world.

MD & CEO'S STATEMENT



Your (ompany is fortunate to have a great team and is delighted to celebrate the diversity of the team. They are the backbone of our operations and the key to our success.

Dear Shareholders,

The romance associated with a perfectly brewed cup of coffee is brought to life by the untiring efforts of several people behind the scenes. Your Company is fortunate to have a great team and is delighted to celebrate the diversity of the team. They are the backbone of our operations and the key to our success. Every single day, they work at producing delicious coffee that is loved and enjoyed worldwide. Their diversity of experience, expertise and outlook has enabled us to become one of the world's largest integrated coffee companies. I take this opportunity to salute them and thank them for all their contributions.

Indian coffee plantations are a people intensive business, demanding a breadth of expertise that takes years to perfect. Our Company's team members are skilled in every aspect of cultural operations from manuring the flowering plants to optimum levels, to picking the red ripe cherries at just the right time. Several of our workers are second and third generation employees for whom their estates are not just a workplace, but a long-time home. They demonstrate great personal commitment, and experience tremendous satisfaction, at the quality and quantity of our annual harvest of coffee.

Leading our people on the ground are our Estate Managers and their support staff. These Managers are seasoned plantation experts and they also take great pride in

the unique time-honoured tradition of grooming their Assistants. Many of them are graduates in Agricultural Sciences, and their passion for coffee and nature is unrivalled. It is such passion and knowledge that brings forth from our plantations some of the finest Arabica and Robusta coffees which the world has seen. A good illustration of this is the Nullore estate microlot, which was the first ever Indian microlot to make it to the Starbucks Reserve collection, last year. This year, your Company was able to repeat this unique feat, with our Yemmigoondi estate microlot. Identifying and preparing new microlots of specialty coffee with unique taste profiles requires deep knowledge of soil conditions and microclimate. flora and fauna of the estates, the overall environment in which the coffee is grown, as well as close coordination between managers and their teams. Our managers and their staff bring to bear this combination of expertise and passion.

Our processing teams, at our Kushalnagar works, are equally adept at the very precise sorting and grading of coffee, which is required to bring you the perfect cup. The deftness of our garblers and the unique skill of our coffee tasters ensures a beautiful cup, in every case, with consistent taste profiles that have earned us the trust of marquee global roasters. Their efforts have enabled us to become the finest producer of specialty coffee in India – by venturing into single-estate, strain-specific coffees, as well as exotic blends of monsooned coffees. We have also now taken steps to become totally export ready for our significant crop of pepper that is intercropped with coffee in our triple certified estates. What is heartening is that the efforts of our teams have enabled us to unlock great value from our existing assets, thus benefiting all stakeholders.

The Instant Coffee Division has been a key growth driver for the business, thanks to our teams in Theni and Toopran, as well as the sales team that is in constant touch with our customers across continents. Our people have focused strongly on enhancing new product development capabilities through regular first-hand interactions of our blend formulation experts, with customers. This has resulted in higher blend approval rates, customer delight and new business acquisition for the long-term. We have already begun seeing the first results of this close collaboration with our customers - with new, innovative blends already making up nearly 15% of our total volume in the year that has ended.

The operations teams continue to focus on quality, while optimising resource usage, keeping costs in check and preserving the environment. Focus on sustainability is integral to all our teams and their concerted efforts have resulted in several breakthroughs, including renewable energy usage in our Theni factory going up to 81% this year. Our teams are proud

Statutory Reports

that we seek to produce the best coffee in the most sustainable and environment friendly manner. The contribution of our supply chain teams have also been critical to our success, since they manage key areas such as imports of beans and commodity terminal fluctuations.

The next big leap of growth for your Company will come from our new freezedried instant coffee plant in Vietnam – which is expected to go live by the end of the current year. The Vietnam plant marks our first production foray beyond India and more than 90% of the employees here will be local Vietnamese people, thereby adding to our multi-cultural employee base. We warmly welcome our Vietnamese team members to the Tata Coffee family.

What is also commendable is that 54% of our workforce is women, a unique source of strength for your Company. We celebrate such gender diversity, and I would like to specifically mention the wonderful role that our women colleagues play in the success of your Company. They bring in specialised skillsets and perspectives that adds great value to various aspects of our business.

Having such a diverse group of employees, across socio-economic and cultural backgrounds, also offers us a natural advantage in our ability to connect with the communities around us. Our focused community interventions - such as the water sustainability projects in Coorg and the women empowerment programmes - have been so successful because they were conceived and implemented by our people on the ground, who understand all the local needs and nuances. We continue to support the excellent work done by Swastha - a centre for academic and vocational training of specially enabled children in Coorg. I am delighted to share with you that, last year, two graduates from Swastha have begun working with Plantation Trails, our hospitality business arm. This is a small but wonderful start

in providing long-term livelihoods to our children from Swastha.

Our employees have also contributed with great enthusiasm and energy to volunteering efforts, focused on causes close to their heart. This has put us amongst the top performing Tata Group Companies in this regard.

Everything I have described above has of course been possible because of the very capable leadership team, whom I have the privilege of working with. The transformation of your Company into a multi-product, multi-geography, customer centric organisation is a result of their missionary zeal and strategic focus, supported by their respective teams.

Rev. Desmond Tutu famously said – "Isn't it amazing that we are all made in God's image, and yet there is so much diversity amongst his people?" These words ring true for our people at Tata Coffee as well. We are proud to belong to the Tata Group, which is an incredibly diverse Group in itself. Therefore, even as we celebrate this year 150 years of the founding of the Tata Group and 25 years of Tata Coffee, I am delighted to dedicate this annual report to 'Celebrating Diversity' of the people at your Company.



TATA COFFEE LIMITED



TATA COFFEE: BREWING STRONGER AT 25

1990-1991

M/S. TATA TEA LIMITED, IN A TREND-SETTING AND TRANSPARENT OPEN OFFER TO THE RESIDENT SHAREHOLDERS, ACQUIRED A CONTROLLING INTEREST IN CONSOLIDATED COFFEE LIMITED (CCL)

Brewing stronger at 25

We are celebrating 25 years of our journey. It is an emotional trip down memory lane, that inspires us to dedicate our best and make every moment special for our patrons.



1999 CCL BECAME THE SINGLE LARGEST COFFEE PLANTATION COMPANY IN ASIA WITH ITS ESTATES LOCATED IN KODAGU, HASSAN AND CHIKMAGALUR DISTRICTS OF KARNATAKA

IN SEPTEMBER, M/S. ASIAN COFFEE LTD., M/S. VEERARAJENDRA ESTATES LTD., AND M/S. CHARAGNI LTD., MERGED WITH CCL AND BECAME THE SINGLE LARGEST INTEGRATED PLANTATION COMPANY IN THE WORLD

2000

Corporate Overview

Statutory Reports

Financial Statements

2005

ACQUISITION OF THE THENI INSTANT COFFEE UNIT LOCATED IN TAMIL NADU FROM M/S. HIGH HILL COFFEE COMPANY WAS SUCCESSFULLY DONE



2006

LAUNCHED

TATA COFFEE GRAND WAS

TATA COFFEE, ALONG WITH TATA GLOBAL BEVERAGES, ACQUIRED THE EIGHT O' CLOCK COFFEE COMPANY IN MONTVALE, UNITED STATES

WRAND

COFFE

2017 STARTED THE CONSTRUCTION OF STATE-OF-THE-ART 5,000 MTPA FREEZE-DRIED COFFEE PLANT IN VIETNAM



2016 NULLORE ESTATE MICROLOT BECOMES THE FIRST INDIAN MICROLOT TO BE CURATED BY STARBUCKS RESERVE, SEATTLE



CELEBRATING EMPOWERMENT Our culture nurtures equality of opportunity



CELEBRATING EMPOWERMENT

The philosophy of equality is deeply embedded in our corporate credo. We provide equality of opportunity to all our people, without any prejudice. Women comprise a large section of our workforce and our HR policies are especially focused on encouraging them to elevate their skill curve consistently; and at the same time, help them align their career aspirations with organisational priorities.

Women play critical roles in every aspect of the business. As pickers, cultivators and garblers in the plantations, they ensure consistent quality of beans for our global roasters. Women workers in Instant Coffee Division (ICD) factories are involved in blend development, SKU packaging and quality control efforts. In corporate office, we have women colleagues in sales and marketing efforts, human resources (HR), finance, supply-chain and procurement roles.

As a Company that believes in promoting gender-diversity, we provide a bouquet of women-friendly policies to ensure a stable work-life balance. Some of the initiatives include maternity benefits, safe travel policy, flexible timing options, among others, which greatly support working/or single mothers. Our mentoring programme for women leaders, Reach Out provides training and guidance to bolster their motivation and confidence.



I have been working with TCL for the past 22 years as a garbler in Kushalnagar Works. I am grateful to the Company for providing me housing facility, continuous employment and education assistance to my children. In fact, while I suffered an ailment, the Company provided me financial support and guidance for treatment at a specialty hospital.

I have always felt secured and appreciate the strong culture of gender equality in my Company. We can freely discuss our concerns with the workers union, who escalate our grievances to the management for time-bound resolution. I feel immensely proud to be a part of the team and look forward to a long and rewarding journey at Tata Coffee.

Mrs. Bhagya Palakshmurthy GARBLER KUSHALNAGAR WORKS, KARNATAKA

Corporate Overview

Statutory Reports

Financial Statements

I joined the Company after completing my MBA from Cauvery College, Gonikoppal, Karnataka. I began my journey at Tata Coffee's Cottabetta Estate as ASO; and gradually rose to the rank of Section Officer (SO) in the same estate.

Thanks to the Company's initiative of empowering local talent with employment opportunities, I have the advantage of working close to my home town and being associated with such an esteemed organisation.

The Company celebrates diversity in letter and spirit; and has given me adequate opportunities to grow professionally and personally. Today, I am a silver grade achiever in Tata Business Excellence Model (TBEM).

Being associated with Tata Coffee, I have also had a unique exposure to various global certifications which the Company has and a first-hand view of the sustainability efforts.



Mrs M. K. Peepthi SECTION OFFICER CANNONCADOO ESTATE, KARNATAKA



I joined Tata Coffee as a trainee in Marketing & Sales in 2004. Over the eventful journey of the preceding 13 years, my experience has taken me through all levels of the value chain. From handling the green coffee crop book for the Company to sampling to commercial negotiations and international customer relations, I now lead the green bean coffee sales; and have also started handling the procurement of coffee for trading (our bought coffee initiative) and the monsooned variant. Additionally, my involvement in the SAP core team helped me appreciate the enterprise resource planning (ERP) angle of the business.

I am proud to be working with the Company where everyone is respected; and is given equal opportunities to excel. As the Chairperson of the POSH Committee, I have been actively involved in mitigating gender bias issues to create a conducive environment for all. My professional journey has been a testimony to the Company's fairness and transparency in employee engagement and recognition for the talent, irrespective of gender.



CELEBRATING EXPERIENCE Rich spectrum of experiences reinforces our brand promise

CELEBRATING EXPERIENCE

The ideas and insights of our people are the result of their diverse experiences; and the variety serves as a framework for our growth strategies. We leverage the blend of young and experienced talent to respond to opportunities with agility and strengthen a sustainable business.

At Tata Coffee, we enrich our product spectrum through the experience, expertise and youthful energy of our people. A cross-pollination of ideas and initiatives creates an empowered talent pool.

A large proportion of employees have dedicated their careers to Tata Coffee and strengthened our inclusive culture. The wealth of their knowledge, has passed on to the second and third generation workers; and young graduates have built a significant impact on the work environment.



-47%



STAFF WITH OVER 10 YEARS OF ENRICHING EXPERIENCE



Mr. V. R. Subramanian FINANCE & ACCOUNTS CORPORATE OFFICE BENGALURU, KARNATAKA In my 22 years of association with Tata Coffee Limited, I was fortunate enough to be closely involved in its exciting journey of evolution. I have witnessed key business developments like expansion of coffee and tea plantations, entry into instant coffee, that is a key business driver today and the acquisition of Eight O'Clock Coffee, US. In terms of my functional duties, I am responsible for financial consolidation of standalone and group accounts, strategy updates and the Company's budget.

As a key finance resource of the Tata Group, demonstrating integrity, having an eye for details and ensuring corporate governance of the highest order are indispensable values. TCL's vision to grow exponentially from a single-product business to a multi-product business, inspires me to actively engage myself in the growth initiatives.

Most of these initiatives have significantly contributed to the long-term sustainability of the organisation, in alignment to its strategic objectives. I am proud to be a part of this exciting journey. **Corporate Overview**

Statutory Reports

Financial Statements

It has been an eventful and rewarding journey, being a part of Tata Coffee for the last 24 years. I had ample opportunities to work to the best of my abilities in delivering high-quality coffee and tea to our consumers. I cherish the moment when I received an appreciation letter from Mr. R. Krishna Kumar, the then Chairman of the Company for securing the 'Best Robusta in the world' and 'Best Arabica Coffee' in 2005 at events held in Paris and Seattle.

Having joined the organisation at a young age, I have been able to imbibe the ethical values of the Tata Group and incorporate those in my daily life. I constantly endeavour to inspire my team by being truthful and honest in my work.

I am driven each day to motivate the people around me. Attention to minute details in the estates and not being complacent help me contribute to the success of the unit in particular; and the organisation in general.



Mr. Harmandeep Singh Bhandal (Harman) PEPPER & SPECIALTY COFFEE SALES BENGALURU, KARNATAKA



Mr. Nachappa B.M. estate manager mylemoney estate, karnataka

I joined Tata Coffee in 2015 through the Tata Group's leadership programme TAS and since then the organisation's culture and the leadership's efforts have helped me develop a mature perspective on business and personal goals.

At Tata Coffee, I have had the privilege of working as the Executive Assistant to the Managing Director & CEO; and being involved in the Specialty Coffees trade under the Sales & Marketing leadership. My mentoring at the MD's office helped me appreciate the human side of business.

The organisation has given me the opportunity to work on wide-ranging business transformation exercises, which defined the Company's future growth strategies. Over the years, I have been exposed to a range of functions, such as corporate strategy, commodity derivatives, corporate communication and project management. I have also represented Tata Coffee at World of Coffee events globally and was one of the youngest managers nominated for Tata Learning Mission programme in Singapore.

The learnings from my journey at Tata Coffee has helped me significantly in looking at a situation from the point of view of other stakeholders, driving customer centricity and business excellence.



CELEBRATING EXPERTISE Multi-layered expertise helps unlock value

TATA COFFEE LIMITED

CELEBRATING EXPERTISE

We push the innovation cart as fast as possible and address the changing preferences of our consumers. We invest in sharpening the operational and behavioural skills of our people through need-based and structured training modules to remain ahead of the curve. We develop expertise by working closely with global leaders in the world of coffee; be it by direct collaborations with customers or participation in global conferences and exhibitions.

The diversity of expertise helps us add value in every aspect of the business. In the last two years, the microlots from the Nullore and Yemmigoondi estates have made their way to the Starbucks Reserve – the only Indian coffees to have achieved that distinction. This is the outcome of our expertise in precise cultivation practices and innovative processing-techniques.

From the meticulous preparation of the cherished monsooned coffees on the Mangalore coast, to the co-creation of the finest instant coffee blends – our understanding of green beans and taste profiles add unique value to the customer.

Our expertise in maintaining end-to-end traceability enables us to produce some of the finest quality of Indian pepper. Our awardwinning hospitality experience for visitors of coffee estates is also a testimony of the expertise of our people.

From Q-graders to agricultural experts to supply chain specialists, the ability to make a difference across the value chain through diversity of expertise helps us to strengthen stakeholder value.

1 2

Yemmiqoondi

ESTATES FROM WHICH MICROLOTS HAVE MADE IT TO STARBUCKS RESERVE

Nullor

~50% OF OUR MANAGEMENT STAFF ARE POSTGRADUATES IN THEIR AREA OF EXPERTISE

~15% of them specialise in agri-sciences

A decade of experience at Tata Coffee has helped me gain many learnings and insightful experiences. From profiling of product samples, focusing on quality management system (QMS), food safety and certifications, to getting exposure in tasting, helped me extend sustainable business support to the organisation. With the support of inspiring mentors at TCL, I have gained a holistic understanding of the B2B business model for instant coffee.

I often travel around the world interacting with customers, cuppers and coffee experts. This helps us co-create new blends for specific customers and geographies that serve as a sustainable differentiator. Mr. Ganga Prasad M. QUALITY ASSURANCE & NPD (INSTANT COFFEE DIVISION) TOOPRAN, TELANGANA



MY+ K+ V+ Jomaya MONSOONING AND BOUGHT BEAN OPERATIONS MANGALORE, KARNATAKA

From Consolidated Coffee Ltd. (CCL) to Tata Coffee Ltd. (TCL), my journey of over two decades has been indeed enriching. I began my career as an Assistant Manager in Nullore estate; and have since then worked across eight different estates, operating with different teams, across multiple agro-climatic zones and countering varied challenges.

Monsooned coffees are an important milestone of our premiumisation journey and I am deeply honoured to have been entrusted with the responsibility of setting up this unit from the beginning.

I have also been involved in setting up the bought coffee operations, creating a network of suppliers and building a relationship with small growers in the region that went beyond an annual transaction.

From interacting with the global leadership of Starbucks to spreading the romance of monsooned coffees across the world, Tata Coffee has gifted me many wonderful memories. I look forward to contributing further to all its future endeavours.

My rich entrepreneurial experience and wide exposure to international markets at TCL helped me to elevate my professional standards and career compass in line with the organisational vision.

The Plantation Trails represent TCL's hospitality brand, offering colonial style, premium accommodation. Nestling in the lap of verdant nature, these bungalows are spacious, quaint and comfortable. They are preferred by patrons looking for peace and solitude.

We have guests from varied backgrounds. From CEOs to coffee connoisseurs to experiential domestic and international travellers. My values are aligned with the organisation's philosophy of giving back. At the Plantation Trails, we work with specially-abled graduates from Swastha to give them an opportunity to learn, while working with our guests. I believe in giving my best and ensure that our visitors enjoy the finest hospitality experience.



Mr. Gautam Prakash HOSPITALITY - PLANTATION TRAILS BENGALURU, KARNATAKA



CELEBRATING COMMUNITY WELL-BEING We help improve the quality of life of communities we work with



CELEBRATING COMMUNITY WELL-BEING

We undertake need-based interventions to elevate the conditions of life in the areas we operate; and it is intrinsic to our core sustainability goals. We have prioritised and set specific goals for our CSR initiatives, focusing on water sustainability and skill development programmes for women in Coorg.

Swastha, a school for the specially-abled with focus on vocational training, was set up by the Coorg Foundation in 2003. It caters to the needs of special children in Kodagu district through residential programmes. We have also set up DARE, a school to support specially-abled children with primary and vocational training in the Anamallais region.

In Theni, we have supported women self-help groups (SHGs) by providing them training in sewing and distributing sewing machines to make them financially independent.

The Rural India Health Project (supported by Tata Coffee) is the only healthcare centre of its specialty in the region. We have also partnered with Tata Digital Health to evaluate and implement electronic medical records and tele-medicine in the region.

>100

SPECIALLY ABLED CHILDREN FROM THE KODAGU REGION ARE SUPPORTED BY SWASTHA THROUGH FULLY RESIDENTIAL ACADEMIC AND VOCATIONAL TRAINING PROGRAMMES.

4,146

VOLUNTEERING HOURS CONTRIBUTED BY OUR TATA EMPLOYEES. TATA COFFEE IS AMONG THE TOP 10 TATA GROUP COMPANIES IN THIS REGARD.

Mrs. Arathy Somaiah HEAD-SWASTHA SUNTICOPPA I started my career at TCL as a visiting psychologist at Swastha in 2007. Over the years, guided by TCL's vision for community welfare and my passion, I have been blessed with opportunities to make a difference in the lives of the differently-abled and the underprivileged through Swastha, a foundation run by the Company.

I also work as the project Head of Asha Kirana, the HIV migrant programme at Kodagu. I also worked with the National AIDS Control organisation to spread awareness about HIV. My close interaction with the plantation and construction migrants for many years has helped me understand and cater to their problems.

My association with several welfare committees (child welfare committee, Juvenile Justice Board, Posh committee, among others) unceasingly inspires me to help elevate the lives of marginalised sections of society and empower the Company's corporate social responsibilities.

Financial Statements

Tata Coffee gave me the opportunity to learn soft skills on tailoring and handicraft making. The Company's decision to set up a free training centre at Jayamangalam for the underprivileged rural women of the village, as well as those of the neighbouring villages, turned my life for the better.

The Company provided me sewing machine without cost and now I am able to earn my livelihood by stitching school uniforms, garments for ladies, other dress materials, and selling wire bags and toys in the neighbourhood areas. My living conditions have significantly improved and my monthly income has increased from ₹ 2,500 to ₹ 6,000. I stay with my old parents and I am now able to fulfill my family's needs better.

I am grateful to Tata Coffee for taking this initiative to uplift the lives of women and families in the area by providing free sewing machines and training to women on self-employment.





I've been bitten by the teaching bug, since I joined Tata Coffee's DARE Project in 1999. In my association of three years with Akshara, a school run by Tata Coffee Wives Association in the Anamallais, I have tried to inculcate an activity-based system of learning. It empowers students, encourages more participation and interaction, and bolsters our leadership qualities.

Smart class teaching, pre-kindergarten and a reading room have been introduced for a richer learning experience, improving the spoken English and instilling the habit of reading. I strongly believe that quality education is a child's birth right. For the 174 children enrolled with us, Akshara helps in delivering that vision. It is especially heartening to extend quality education to India's underprivileged children.

We also conduct trainings for teachers to upgrade their own skills and ensure sustainable success. Tata Coffee has provided rock solid support to all my endeavours. For me, there is no greater satisfaction than seeing a child blossom into a confident and empowered individual.



CELEBRATING A SUSTAINABLE ROADMAP We embrace sustainability in every aspect of the business



CELEBRATING A SUSTAINABLE ROADMAP

We realise that being eco-efficient is the only way forward to help address climate change and run a sustainable business. Our initiatives for water conservation, wildlife preservation, tapping renewable energy sources, among others are creating sustainable impact.

Moreover, imported eco-pulpers ensure our wet-milling process takes almost 60% less water than conventional pulpers. Our expertise in water management is extended to our CSR efforts also. We also work with the Tata Sustainability Group and independent consultants to optimise specific consumption of water across instant coffee products.

More than 75% of our Freeze-Dried Coffee plant in Theni, and about 60% of the total energy consumption in our instant coffee factories is met by renewable energy sources.

We are the only company in the region to have a dedicated wildlife cell that works closely with governmental agencies, develops early warning signals to avoid man-animal conflict and implements infrastructural interventions – thus ensuring peaceful co-existence.

>80%

ENERGY CONSUMED IN THENI IS FROM RENEWABLE ENERGY.

273 RAINWATER HARVESTING TANKS

SCIENTIFICALLY DESIGNED AND CONSTRUCTED WITH 3.34 MILLION CUBIC METERS OF WATER-HOLDING CAPACITY, LEADING TO 100% BLOSSOM AND 100% BACKING IRRIGATION CAPABILITY.

 Mr. Miller V

 PLANT HEAD

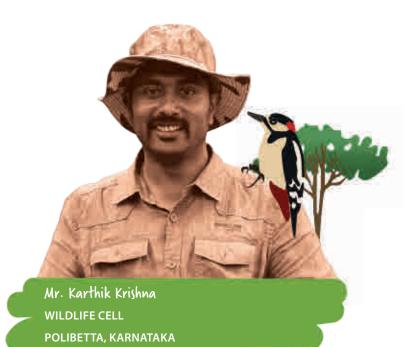
TOOPRAN, TELANGANA

I have served for over 20 years across diverse portfolios like production, maintenance, projects and the complete site operations. During the span of my employment, with the support from the leadership team, I worked across various sustainability initiatives, especially in instant coffee division.

I took initiatives to implement waste management practices across our operations, divisions and supply chain to conserve resources. More initiatives (adopting solar energy, rainwater harvesting, green belt development and effective water management) were undertaken to help strengthen Tata Coffee's commitment to reduce carbon emissions.

Another milestone for me was to secure the CII Sustainability and EHS award, along with ISO 14001: 2015 certification for the instant coffee division at Theni and Toopran. I am proud to be a part of a collective effort towards environment, health and safety of the community. I began my career as an MBA in Finance, but my passion for wildlife and nature conservation led me to work with WWF India in 2004. It was a proud moment for me when Tata Coffee selected me to set up and lead the Wildlife Cell. At Tata Coffee, I study the mananimal conflict issues and adopt suitable technology to ensure awareness on wildlife safety among workers and employees. To monitor and track elephant movement in estates, a dedicated elephant tracking team has been formed. Besides, the Tata Coffee Horn Bill Foundation Trust has been registered to save the endangered bird species.

I help conduct awareness programmes, mock drills and trainings for workers to avoid any wildlife related accidents in the estates. Endeavours towards habitat development, eco-development, elephant corridors, conservation education and public awareness have ensured peaceful co-existence of humans with wildlife in keeping with the ethos of the Company. It was a proud moment for me, when our efforts to mitigate man-animal conflict was recognised by the CII at the National Safety Awards in 2017.



58,000 LITRES

OF WATER IS NOW AVAILABLE DAILY IN AND AROUND THE VILLAGES OF MARGOLLY ESTATE, MEETING 100% WATER REQUIREMENT ROUND THE YEAR

I am a Gram Panchayat member at Margoly estate and a beneficiary of the CSR project on water rejuvenation, undertaken by TCL. Today, water problem is largely solved and water is supplied to around 350 households. We all are grateful to TCL for the assistance rendered to us.

The significant work conducted at Badaga Bangala Lake near Margolly estate yielded the supply of around 58,000 litres of daily water, meeting 100% water shortage. The lake capacity increased by 157%, 2.5-metre silt was cleared and retaining walls were raised by 2 metres to prevent contamination and encroachment.

The Company touched lives by implementing systems that address both rainwater (as run off) and grey water, aimed at restoring the natural balance of the ecosystem. Their efforts in sustaining natural waterbodies have proved highly advantageous to the ecosystem and the vegetation.



Mr. Karumbaiah BENEFICIARY - WATER CSR PROJECT MARGOLY ESTATE, KARNATAKA



ABOUT TATA COFFEE



STRENGTHENING AN INTEGRATED AND SUSTAINABLE BUSINESS

As one of the world's largest integrated coffee companies, our business initiatives range from growing and curing of coffee, pepper and tea to manufacturing instant coffee products.

Our various sustainability initiatives include rainwater harvesting, use of renewable energy like wind and solar, bio-waste management, pesticide control and continuous monitoring and reduction of specific consumption of resources. We use eco-friendly technologies and adhere to the highest standards of quality and assurance.

Over 90% of our green bean produce is exported to marquee roasters. Our customers majorly include large global roasters and instant coffee players. We have 19 coffee estates spanning more than 7,000 hectares in southern India and 7 tea estates spread over 2,400 hectares. We have two instant coffee plants in Theni, Tamil Nadu and Toopran, Telangana. The third instant coffee plant – a state-of-the-art freeze-dried coffee plant – is under construction in Vietnam. It is expected to start production in January 2019.

Mission

Create distinctive long-term value for all stakeholders with coffee and allied plantation products embracing sustainable practices.

Values

(ustomer focus Responsibility Innovation & Agility People (entric Transparency

Statutory Reports

Financial Statements

OUR BUSINESS UNITS







TOTAL CULTIVATED AREA	2,456 Hectares
REVENUE	₹ 66 (rores





TATA COFFEE LIMITED

DIVERSE OFFERINGS

GREEN BEAN COFFEE

The entire process of growing, processing and supplying green bean coffee is executed with environment-friendly practices. We grow and process approximately 8,000 MT of Arabica and Robusta, both washed and unwashed forms.

The cherries are shade-grown, carefully handpicked and sun-dried to produce superior blends that include fine single estate coffee, monsooned coffees, microlots and other premium varieties.

We have a dedicated research and development centre; and a set of experienced cuppers, who ensure the finest output. Our green bean portfolio is certified by the Rainforest Alliance, UTZ and SA 8000. The 13 Arabica estates are Starbucks C.A.F.E. Practices certified.



ILLY CAFÉ RECOGNISED TWO OF OUR LOTS FROM THE NULLORE ESTATE AND COOVERCOLLY ESTATE AS THE BEST INDIAN COFFEES FOR THE YEAR.





Corporate Overview

Statutory Reports

Artist impression of the upcoming Vietnam plant

5,000 MT

CAPACITY OF A FDC PLANT IN VIETNAM WHICH IS CURRENTLY UNDER CONSTRUCTION

Customer Focus

Our core competence lies in the ability to co-create blends with discerning customers and preparing customised offerings for specific geographies. With agile supply-chain management techniques, in-house packaging facilities and third-party certified operations, we are focused on building long-term relationships with our global customers.



INSTANT COFFEE

Our instant coffee division uses best-in-class technologies, while at the same time preserving the surrounding environment and executing water conservation initiatives. We utilise significant amount of wind and solar energy to power our instant coffee production units. We manufacture 8,400 MT of instant coffee annually.

The Theni plant is the ideal pure coffee manufacturing destination, with capability to co-create customised blends with green beans from across the world. It has a total capacity of 6,000 MT for only afcasole offerings in spray dried (SDC), agglomerated and freeze-dried coffee (FDC). The research and development laboratories are certified by the National Accreditation Board for Testing and Calibration Laboratories (NABL).

Toopran is the preferred destination for both afcasole and non-afcasole offerings in spray-dried (SDC) and agglomerated coffee. With a 2,400 MT total capacity, the unit has the capability to create soluble mixes using chicory, barley and maltodextrin.

Vietnam will be Tata Coffee's first production foray beyond India. The state-of-the-art FDC plant is now under construction and will have a 5,000 MT capacity. The plant will have a cutting-edge FDC extraction technology, focused on efficiency and innovation, powered by a smaller pilot plant. Environmental, health and safety standards will be imbibed as a core culture in the workforce. The operations are expected to start in January 2019.

TATA COFFEE LIMITED

DIVERSE OFFERINGS



OUR PEPPER PROCESSING UNIT IS EXPORT INSPECTION AGENCY CERTIFIED

PEPPER

We have inter-cropped our coffee and tea estates with pepper vines that produce around 1,000 MT of pepper every year. The pepper vines have mechanised irrigation systems to ensure optimum water utilisation.

Traceability is ensured by end-to-end control of the value chain, right from rearing pepper plants in our nurseries, cultivating them in our certified estates to processing the final output in our Kushalnagar Works. We produce both black and white pepper in our triple certified (Rainforest Alliance, UTZ and SA 8000 compliant) estates.

A special area of focus in pepper cultivation is the safety of our workers in pepper picking operations. We have developed customised PPE and trained a group of pickers across estates to ensure 100% safe picking operations.



Corporate Overview

Statutory Reports

Financial Statements





TEA

We have seven tea estates that cover an area of 2,456 hectares with an output of around 7.50 million kilogrammes of tea annually. We use the finest tea leaves, carefully harvested from our estates to offer some of the best Premium Orthodox and CTC teas in India. Our plantations and factories are certified under the Rainforest Alliance, Trustea, Ethical Tea Partnership and SA 8000.

Tea estate in Anamallais

Customer Focus

Our tea is sold through auctions and also directly to businesses in the domestic market. The export segment is also an area of focus, especially for our orthodox teas.



OUR GLOBAL REACH



EInstant Coffee

Map not to scale



TATA COFFEE LIMITED



KEY CERTIFICATIONS

We ensure that our products and processes adhere to the highest standards of quality and assurance. Our accreditations and certifications strengthen our position with global customers.

PLANTATIONS

- Our coffee estates Coorg, Hassan, Anamallais and Kushalnagar are UTZ, Rainforest Alliance and SA 8000 certified
- 14 estates are Starbucks C.A.F.E. Practices certified
- Our Devaracadoo division of Balmany estate in Coorg holds the Organic Certificate for manufacturing quality organic coffee
- The engineering department at head office and Mylemoney estate is ISO 9001:2008 certified
- Curing works at Kushalnagar is ISO 9001:2008 certified
- The Roast & Ground (R&G) division at Kushalnagar is certified by ISO 22000:2005, 9001:2008, and 14000:2004, along with FSSC 22000
- The Pepper unit at Kushalnagar is ISO 22000 certified and has received an Export Inspection Agency (EIA) Certificate
- Anamallais Tea estates are Trustea, Rainforest Alliance and Ethical Tea
 Partnership certified





INSTANT COFFEE DIVISION

- Our Theni plant is certified for Integrated Management System (IMS) comprising BRC, IFS, ISO 9001:2015, ISO 22000-2005, HACCP, ISO 14001:2015, HALAL, KOSHER, FSSAI, OHSAS 18001:2007, SA 8000:2014, RFA and UTZ.
- Our Toopran plant is certified for Integrated Management System (IMS), comprising ISO 9001:2015, ISO 22000:2005, ISO 14001:2015, ISO 18001:2007, GMP, Halal, Kosher, BIS, FSSAI, SA 8000:2014 and FSSC Ver 4.1, RFA and UTZ.

Statutory Reports

Financial Statements

AWARDS AND ACHIEVEMENTS

ACCOMPLISHMENTS

The Yemmigoondi estate microlot was acclaimed and selected by Starbucks Reserve. Last year, the Nullore estate microlot was the first ever Indian origin coffee to be selected by Starbucks Reserve. This reflects our strong back-end capability to deliver high-quality coffees year after year.

In the second edition of the Ernesto Illy International Coffee Award 2017, held in New York, Tata Coffee was awarded the 'Best Coffee Grower in India' for Nullore and Coovercolly estate lots.



Received India's Most Trusted Companies Awards 2017 on 24th September, 2017 in Mumbai, presented by IBC Infomedia.

Letter of appreciation received from Dr. V. P. Joy, Central Provident Fund Commissioner (CPFC), New Delhi, for our exempted establishment, having secured full points out of 600 points in the ranking for November 2017.

5

Our Instant Coffee Division (ICD) – Toopran unit was recognised and awarded with 'Excellence in Industrial Productivity on FTAPCCI – 100 YEARS Shatak Pragathi Excellence' at an award ceremony held on 25th June, 2017 at the Federation House, FTAPCCI, Hyderabad.

Won the CII National Safety Award for work done in mitigating man-animal conflict.

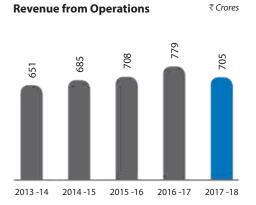




KEY PERFORMANCE INDICATORS (KPIs)

PERFORMING WITH FOCUS AND FORESIGHT

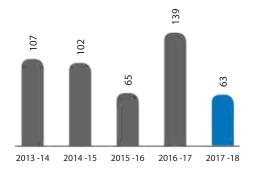
Standalone



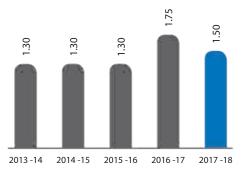
Profit After Tax

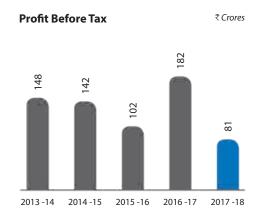
₹ Crores

₹

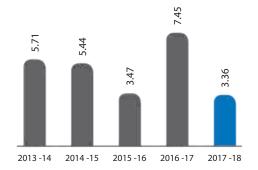


Dividend Per Share*



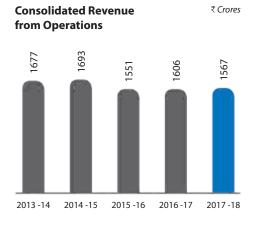


Earnings Per Share*



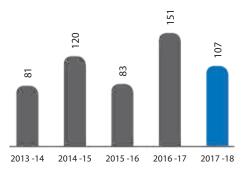
₹

Consolidated



Consolidated Profit After Tax attributable to Shareholders of the Company

₹ Crores





Consolidated Earnings Per Share*



* On the adjusted Face Value of ₹ 1 per share



BOARD OF DIRECTORS

Mr. R. Harish Bhat Chairman

Mr. Bhat is the Brand Custodian at Tata Sons. He joined the Tata Group in 1987, as an officer in the Tata Administrative Service (TAS). Currently, he is the Chairman of Tata Coffee Limited. He is a Director on the Boards of several other Tata Companies, including Tata Global Beverages Ltd., Titan Company Ltd., Trent Ltd., Tata Starbucks Pvt. Ltd., Infiniti Retail Ltd., Tata Unistore Ltd. and Tata AIA Life Insurance Company.

During his career spanning over 30 years with the Tata Group, Mr. Bhat has held several senior roles. These include stints as Managing Director of Tata Global Beverages Ltd., Chief Operating Officer of the Watches and Jewellery businesses of Titan Company and the telecom business of the Group. He has played a key role in several strategic moves of the Group over the past two decades, including the launch and nurturing of many iconic brands of the Tata Group, the successful turnaround of the Jewellery business, as well as the acquisition of Tetley. Mr. Bhat is an alumnus of BITS Pilani and IIM Ahmedabad, graduating at the top of his class in both institutions. He won the IIM Ahmedabad Gold Medal for scholastic excellence in 1987. A decade later, he won the Chevening Scholarship for young managers, awarded by the British Government. In 2017, he received the Distinguished Alumnus Award from BITS Pilani. He has strong professional interests in strategy, consumer behaviour, business economics and business history; and has been a member of the Consumer Insights Panel of the Economic Development Board, Government of Singapore. He is a member of the Executive Committee of the World Federation of Advertisers.

Mr. Bhat is passionate about writing and is a prolific writer who contributes regularly to various national publications. In 2012, his first book was published by Penguin titled "Tata Log". The book narrates stories from the modern history of the Tata Group, set to an overarching theme. His second book, titled "The Curious Marketer", was published in 2017 by Penguin Random House. This book discusses why curiosity is very important to marketers, and how they can improve their curiosity quotient.

Mr. L. Krishnakumar Non-Executive Non – Independent Director

Mr. L Krishnakumar joined Tata Group in the year 2000 in the hotels business as Vice President, Finance. He took over as Head of Finance for Tata Tea in India in 2004 and he is currently the **Executive Director and Group Chief Financial** Officer of Tata Global Beverages Limited. He supervises the Finance, Governance, IT functions and oversees Global Buying & Blending and Supply Chain. He is also a Director on the Board of NourishCo Beverages Ltd. and several of Tata Global Beverages overseas subsidiaries. Mr. Krishnakumar graduated from Loyola College in Madras and obtained professional qualifications in Chartered Accountancy, Cost Accountancy and Company Secretarial with a diploma in systems analysis. He has worked with A F Ferguson and Co., and with Larsen and Toubro Ltd., where he was General Manager, Finance.

Mr. Sanjiv Sarin Managing Director and CEO

Mr. Sarin joined the Tata Group in 2008 as the Executive Director - Business Development in Tata Coffee. He went on to become the Regional President South Asia, Tata Global Beverages and then MD & CEO of Tata Coffee in 2015. He joined the Group from Cadbury Adams, Philippines, where he was the Country Director. He has extensive experience in Sales, Strategy, Marketing, and General Management in India and Global markets. He has been a member of the National Tea Board, member of the CII FMCG Committee and an Executive Committee member of UPASI. He did his Masters in Management from the Asian Institute of Management, Manila, Philippines, graduating with a Distinction and a Masters in Economics from Bombay University, where he graduated at the top of the class and was awarded the University Gold Medal.

Mr. (hacko Purackal Thomas Executive Director and Deputy CEO

Mr. Chacko Thomas is a Bachelor of Science with specialization in Computer Science from University of Jodhpur. He has over 26 years of experience in the industry and has served as the Managing Director of Kannan Devan Hills Plantation Company Private Limited, Munnar. Since August 2015, Mr. Chacko Thomas has undertaken the role of Executive Director and Deputy CEO for Tata Coffee.

Mr. K. Venkataramanan Executive Director – Finance and CFO

Mr. K. Venkataramanan is the Executive Director - Finance and CFO of Tata Coffee since 25th October 2014. Mr. Venkataramanan was formerly the Vice President-Finance and Chief Financial Officer of Tata Global Beverages Limited. He is a qualified Chartered Accountant and a Cost Accountant with more than 25 years of experience in diverse areas covering financial and management accounting, commercial finance, taxation, treasury, and corporate restructuring. He also oversees Risk Management, Governance and IT functions.

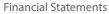
Mr. S. Santhanakrishnan Independent Director

Mr. S. Santhanakrishnan is a Fellow Member of the Institute of Chartered Accountants of India (ICAI) and a Managing Partner of PKF Sridhar & Santhanam LLP, Chartered Accountants. He was appointed on the Board of Tata Coffee effective 13th October 2008. He was a member in the Central Council of the Institute of Chartered Accountants of India for fifteen years upto 2015 and has served in various committees of the Institute. He has specialised knowledge in mergers and acquisitions, valuations, corporate laws and technology. He brings to the Board of Tata Coffee, his 4 decades of rich experience in Finance, Accounts and international accounting standards, Strategy & Planning, Corporate Laws. He is also actively involved in numerous industry-oriented activities with various Government Industry bodies. His Board membership includes Boards of Tata **Companies, IDBI Capital Markets & Securities** Ltd., ICICI Home Finance Co. Ltd. and others.

Ms. Sunalini Menon

Independent Director

Ms. Menon, a Post Graduate in Food Technology from the University of Madras, has been associated with quality and quality-related aspects of domestic and international coffee for over 35 years. She is among Asia's most recognized coffee cuppers. Ms. Menon was the Director of Quality Control with the Coffee Board of India. She currently runs 'Coffeelab', a premier lab, the first of its kind in India, to evaluate the sensorial quality aspects of coffee.





Standing (left to right): Mr. Siraj Azmat Chaudhry, Mr. Chacko Purackal Thomas, Mr. Sanjiv Sarin, Mr. K Venkataramanan, Mr. L Krishnakumar and Mr. S Santhanakrishnan. Sitting (left to right): Mr. V Leeladhar, Mr. R Harish Bhat, Ms. Sunalini Menon and Dr. P G Chengappa

Mr. V. Leeladhar

Independent Director

Mr. Leeladhar has considerable experience in the banking industry having worked as the Executive Director of the Bank of Maharashtra; Chairman and Managing Director of the Vijaya Bank; and Chairman and Managing Director of the Union Bank of India. Additionally, he has served as the Deputy Governor of the Reserve Bank of India, for over four years. Besides, he was a member of the Securities and Exchange Board of India for about three years. He is an expert in banking and financial matters. He is on the Boards of Tata Global Beverages Limited, Tata Cleantech Capital Limited and Axis Mutual Fund Trustee Limited.

Mr. Siraj Azmał (haudhry Independent Director

Mr. Chaudhry is the Chairman of Cargill India, the wholly owned subsidiary of Cargill Inc. He has nearly three decades of experience in agriculture, commodity risk management and the food processing industry. He is a post

graduate from the Indian Institute of Foreign Trade. He provides leadership and insights in policy advocacy for the industry as an active member of several Industry Associations -CII, FICCI, AMCHAM and USIBC. In the past, he has chaired the National Committee on Food Processing at FICCI. Moreover, he has chaired the Agriculture and Food India Subcommittee in US India Business Council and co-chaired the Agricultural and Food Committee in American Chamber of Commerce. Over the years, he has led significant industry initiatives for food safety, food fortification, food banking and waste reduction. Currently, he is the President of the Food Industry Capacity and Skill Initiative (FICSI) operating under NSDC.

Dr. P. G. (hengappa Independent Director

Dr. Chengappa is one of India's leading Agricultural Economists. He has over three decades experience in teaching, research, extension and academic administration. He

served as the Vice Chancellor of University of Agricultural Sciences, Bangalore. Till recently, he was the National Professor of the Indian Council of Agricultural Research at the Institute for Social and Economic Change, Bangalore. He is a Policy Economist specializing in the area of agri-business and trade. He was a member of the working group on Agricultural Marketing of Planning Commission of India, for preparing the 12th Five Year Plan document. He has been a consultant to several international organizations including International Food Policy Research Institute, Washington; International Plant Genetics Resource Institute, Rome; International Rice Research Institute, Manila; and DSE Germany. He has been a visiting Professor to Universities of Reading and Wales. He was president (Elect), Indian Society of Agricultural Economics 2012 and President, Agricultural Economics Review Association, New Delhi 2013-16.

Currently, he is on the Board of Sam Agri Tech Ltd., Sam Agri Ventures Limited and Tasty Bite Eatables Limited.



CORPORATE INFORMATION

Board of Directors

Mr. R. Harish Bhat (Chairman) Mr. S. Santhanakrishnan Ms. Sunalini Menon Mr. V. Leeladhar Mr. Siraj Azmat Chaudhry Dr. P.G. Chengappa Mr. Sanjiv Sarin (Managing Director & CEO) Mr. Chacko Purackal Thomas (Executive Director & Deputy CEO) Mr. K. Venkataramanan (Executive Director- Finance & CFO) Mr. L. Krishnakumar (w.e.f. 07.11.2017) Mr. T. Radhakrishnan (Executive Director- ICD Operations) (till 07.11.2017)

Head- Legal & Company Secretary Mr. N. Anantha Murthy

Corporate Identity Number (CIN) L01131KA1943PLC000833

Registered Office

Pollibetta – 571 215 Kodagu, Karnataka Tel: (08274) 251 411/ 13

Corporate Office

No.57, Railway Parallel Road Kumara Park (W), Bangalore – 560 020 Tel: (080) 2356 0695, Fax: (080) 233 41843 E-mail : investors@tatacoffee.com Website : www.tatacoffee.com

Registrar & Transfer Agent

TSR Darashaw Limited. (Unit: Tata Coffee Limited) 6-10, Haji Mosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011 Tel: 022-6656 8484 Fax: 022-6656 8494 E-mail : csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com

Statutory Auditors M/s. Deloitte Haskins & Sells LLP

Bankers

Corporation Bank Indian Overseas Bank Standard Chartered Bank Hongkong and Shanghai Banking Corporation Limited HDFC Bank Limited MUFG Bank Limited

Board Committees

Audit Committee Mr. S. Santhanakrishnan – Chairman Mr. V. Leeladhar Ms. Sunalini Menon

Nomination and Remuneration Committee

Mr. V. Leeladhar – Chairman Mr. S. Santhanakrishnan Mr. R. Harish Bhat Mr. Siraj Azmat Chaudhry

Stakeholders' Relationship Committee

Mr. S. Santhanakrishnan – Chairman Mr. R. Harish Bhat Mr. V. Leeladhar Mr. Chacko Purackal Thomas Mr. K. Venkataramanan

Corporate Social Responsibility Committee

Ms. Sunalini Menon – Chairperson Mr. V. Leeladhar Mr. Siraj Azmat Chaudhary Dr. P.G. Chengappa Mr. Sanjiv Sarin

Risk Management Committee

Mr. Siraj Azmat Chaudhry – Chairman Mr. V. Leeladhar Dr. P. G. Chengappa Mr. Sanjiv Sarin Mr. Chacko Purackal Thomas Mr. K. Venkataramanan

Ethics & Compliance Committee

Dr. P. G. Chengappa – Chairman Mr. S. Santhanakrishnan Ms. Sunalini Menon Mr. Sanjiv Sarin

Key Highlights-Standalone

		2013-14	2014-15	2015-16	2015-16	2016-17	2017-18
		(Under Previous	(Under Previous	(Under Previous	(Under	(Under	(Under
		GAAP)	GAAP)	GAAP)	Ind AS)	Ind AS)	Ind AS)
Revenue from Operations	(₹ in Lakhs)	65091.63	68530.52	71817.62	70811.49	77882.51	70543.14
Other Income	(₹ in Lakhs)	3518.07	4013.85	3592.77	4466.53	6948.49	5622.75
Total Income		68609.70	72544.37	75410.39	75278.02	84831.00	76165.89
Profit Before Tax	(₹ in Lakhs)	14823.17	14166.49	14197.05	10231.49	18197.80	8080.50
As percentage of Total Income		22	20	19	14	21	11
Profit After Tax	(₹ in Lakhs)	10657.01	10156.04	10249.98	6473.45	13922.99	6276.38
As percentage of Total Income		16	14	14	9	16	8
Debt/Equity Ratio		0.17:1	0.17:1	0.15:1	0.15:1	0.09:1	0.10:1
Earning per Share	(₹)	57.06*	5.44	5.49	3.47	7.45	3.36
Dividend per Share	(₹)	13*	1.30	1.30	1.30	1.75	1.50
* One any site value of T 10 and							

* On equity share of ₹ 10 each

Key Highlights-Consolidated 2013-14 to 2017-18- A Five Year Review

		2013-14	2014-15	2015-16	2015-16	2016-17	2017-18
		(Under Previous	(Under Previous	(Under Previous	(Under	(Under	(Under
		GAAP)	GAAP)	GAAP)	Ind AS)	Ind AS)	Ind AS)
Revenue from Operations	(₹ in Lakhs)	167717.01	169294.50	176444.52	155105.81	160600.18	156732.35
Other Income	(₹ in Lakhs)	1203.79	892.48	1096.55	1970.32	2278.71	2203.00
Total Income		168920.80	170186.98	177541.07	157076.13	162878.89	158935.35
Profit Before Tax	(₹ in Lakhs)	13645.47	26571.01	23816.61	20595.28	31789.73	18593.88
As percentage of Total Income		8	16	13	13	20	12
Profit After Tax	(₹ in Lakhs)	8147.69	12038.57	11783.31	8250.46	15115.09	10663.36
As percentage of Total Income		5	7	7	5	9	7
Debt/Equity Ratio		1.45:1	1.27:1	1.06:1	0.98:1	0.84:1	0.67:1
Earning per Share	(₹)	43.62*	6.45	6.31	4.42	8.09	5.71
* 0							

* On equity share of ₹ 10 each

Production (In Tonnes)

YEAR	COFFEE			TEA	PEPPER	COFFEE	INSTANT
TEAR	ARABICA	ROBUSTA	TOTAL	IEA	PEPPER	CURED	COFFEE
2008/2009	1551	4225	5776	7606	1515	11195	5219
2009/2010	2171	7285	9456	7994	884	10427	2955
2010/2011	1670	6620	8290	7334	535	12959	4974
2011/2012	2129	5667	7796	6775	864	12010	6347
2012/2013	1542	6800	8342	6640	1148	12509	6639
2013/2014	2076	4781	6857	6545	368	11988	6955
2014/2015	1594	7002	8596	6170	1150	10266	7975
2015/2016	1899	6222	8121	6180	599	11162	7986
2016/2017	1628	6000	7628	5666	544	11528	8474
2017/2018	1890	3736	5626	5629	909	11940	8150

ACREAGE STATEMENT - 5 YEARS

	2013/14	2014/15	2015/16	2016/17	20	017/18
	Acres	Acres	Acres	Acres	Acres	Hectares
COFFEE*						
Arabica	7568	7548	7579	7482	7479	3028
Robusta	10590	10590	10607	10640	10635	4306
Mixed Coffee	86	86	87	87	87	35
	18244	18224	18273	18209	18201	7369
TEA	6089	6067	6067	6066	6066	2456
OTHER CROPS						
Cardamom	413	363	299	351	351	142
Pure Pepper/Areca	550	546	571	425	457	185
Oil Palm/Bamboo/etc.	151	181	169	175	146	59
TOTAL CULTIVATED AREA	25447	25381	25379	25226	25221	10211

*Includes Pepper inter-planted in Coffee

TATA COFFEE LIMITED

Notice

NOTICE is hereby given that the 75th Annual General Meeting of the Members of Tata Coffee Limited will be held on **Monday**, **the 2nd July, 2018 at 11.00 A.M.** at the Registered Office of the Company at Pollibetta 571215, Kodagu, Karnataka, to transact the following businesses:

ORDINARY BUSINESS:

- (a) To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018, together with the Reports of the Board of Directors and Auditors thereon.
 - (b) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018, together with the Report of the Auditors thereon.
- **2.** To declare Dividend on Equity Shares for the financial year 2017-18.
- **3.** To appoint a Director in place of Mr. R. Harish Bhat, (DIN: 00478198) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. Appointment of Mr. L Krishnakumar as a Director

To consider and if thought fit, to convey assent or dissent to the following Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, Mr. L Krishnakumar (DIN: 00423616), who was appointed as an Additional Director by the Board on 7th November 2017 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying its intention to propose Mr. L Krishnakumar as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

5. Re-appointment of Mr. Sanjiv Sarin, as Managing Director & CEO

To consider and if thought fit, to convey assent or dissent to the following Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') as amended from time to time read with Schedule V to the Act, the Company hereby approves the re-appointment and terms of remuneration of Mr. Sanjiv Sarin (DIN: 02063332) as Managing Director & CEO of the Company for a further period i.e., from 25th April, 2018 to 31st March 2019, upon the principal terms and conditions set out in the explanatory statement annexed hereto including the remuneration to be paid in the event of inadequacy of profits in any financial year, with liberty to the Board of Directors of the Company to increase, alter and vary, without further reference to the shareholders, the terms and conditions of the said re-appointment including the remuneration, in such manner, as may be agreed to between the Board of Directors and Mr. Sanjiv Sarin.

RESOLVED FURTHER THAT the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

6. Re-appointment of Mr. Chacko Purackal Thomas, as Executive Director & Deputy CEO

To consider and if thought fit, to convey assent or dissent to the following Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') as amended from time to time read with Schedule V to the Act, the Company hereby approves the re-appointment and terms of remuneration of Mr. Chacko Purackal Thomas (DIN: 05215974) as Executive Director and Deputy CEO of the Company for a further period of three years i.e., from 4th August 2018 to 3rd August 2021, upon the principal terms and conditions set out in the explanatory statement annexed hereto including the remuneration to be paid in the event of inadequacy of profits in any financial year, with liberty to the Board of Directors of the Company to increase, alter and vary, without further reference to the shareholders, the terms and conditions of the said re-appointment including the remuneration, in such manner, as may be agreed to between the Board of Directors and Mr. Chacko Purackal Thomas

RESOLVED FURTHER THAT the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.



7. Ratification of Cost Auditor's Remuneration

To consider and if thought fit, to convey assent or dissent to the following Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, as amended from time to time, payment of ₹ 2,75,000/- (Rupees Two Lacs and Seventy Five Thousand only) plus applicable taxes thereon and reimbursement of out-of-pocket expenses at actuals, to M/s. Rao, Murthy & Associates, Cost Accountants, Bengaluru (Firm Registration No. 000065), who have been appointed by the Board as Cost Auditors of the Company for conducting the cost audit of the accounts for the financial year ending 31st March, 2019, be and is hereby ratified.

8. Consent of Members for increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate

To consider and if thought fit, to convey assent or dissent to the following Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board". which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of ₹ 1000 Crores (Rupees One Thousand Crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

By Order of the Board

Place: Bengaluru	N. Anantha Murthy
Date: 7th May 2018	Head – Legal & Company Secretary

NOTES:

- 1. The Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') setting out material facts in respect of Item Nos. 4, 5, 6, 7 and 8 is annexed hereto. The relevant details as required under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), of persons seeking appointment /re-appointment as Directors are provided in the Annexure to this Notice.
- 2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OR MEMBERS, AS THE CASE MAY BE, 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 commencement of the Meeting. Proxies submitted on behalf of companies, societies, partnership firms etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organization.

Members are requested to note that a person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. Book Closure and Dividend:

- (a) The Register of Members and the Share Transfer Books of the Company will remain closed from 20th June, 2018 to 2nd July, 2018 (both days inclusive) for the purpose of payment of dividend.
- (b) If dividend on Equity Shares, as recommended by the Board, is approved at the Annual General Meeting, the



payment of such dividend will be made on or after 5th July 2018, as under:

- to all beneficial owners in respect of Shares held in electronic form as per details furnished by the Depositories for this purpose as at the end of business hours on 19th June, 2018.
- (ii) to all Members in respect of Shares held in physical form, after giving effect to valid share transfers lodged with the Company on or before 19th June, 2018.
- **4.** The route map showing directions to reach the venue of the Annual General Meeting is annexed.
- **5.** In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- **6.** Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting.

7. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members/Claimants whose shares, unclaimed dividend, and debenture interest amount have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on <u>www.</u> <u>iepf.gov.in</u>) along with requisite fee as decided by it from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per IEPF Rules.

It is in Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time. Members who have not yet encashed the dividend warrants, redemption amount on 7% Non-convertible Debentures (NCD) and interest thereon from the financial year ended 31st March 2011 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents. It may be noted that once the unclaimed dividend, redemption amount on 7% NCD and interest thereon is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amount, redemption amount on 7% NCD and interest thereon which were lying with the Company upto the year ended on 31st March 2010, have already been transferred to IEPF. The details of the unclaimed dividends, redemption amount on 7% NCD and interest thereon are available on the Company's website at www.tatacoffee.com and on the website of Ministry of Corporate Affairs at www.mca.gov.in. Members are requested to contact the Company's Registrar and Share Transfer Agent – M/s. TSR Darashaw Limited, Unit: Tata Coffee Limited, 6-10, Haji Mosa Patrawala Ind. Estate, 20, Dr. E Moses Road, Mahalaxmi, Mumbai – 400 011, to claim the unclaimed/ unpaid dividends, redemption amount on 7% NCD and interest thereon.

8. Payment of Dividend through electronic means:

- (a) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in electronic mode through various permitted modes such as National Automated Clearing House (NACH). Members holding shares in physical form and desirous of availing this facility of electronic remittance are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFS Code), along with their Folio Number, to the Company's Registrar and Share Transfer Agent - M/s. TSR Darashaw Ltd. Members holding shares in electronic form are requested to provide the said details to their respective Depository Participants.
- (b) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
- **9.** Members holding shares in physical form are requested to advise change of address, if any, immediately to the Company's Registrar and Share Transfer Agent. Members holding shares in

electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.

10. Members holding shares in physical form are requested to consider converting their shareholdings into dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Registrar and Share Transfer Agent for assistance in this regard.

11. Updation of Members' Details:

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company/ Registrar and Share Transfer Agent to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing these additional details is appended at the end of this Annual Report. Members holding shares in physical form are requested to submit the filled in form to the Company or to its Registrar and Share Transfer Agent. Members holding shares in electronic form are requested to submit the details to their respective Depository Participant.

- 12. Nomination Facility: As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.
- 13. Shareholders, who have not yet exchanged their shares of Asian Coffee Ltd. /Coffee Lands Ltd. /Consolidated Coffee Ltd., with the Share Certificates of Tata Coffee Ltd., are requested to surrender their Share Certificate(s) for exchange. They may contact the Company's Registrar and Share Transfer Agent M/s. TSR Darashaw Limited, in this regard.
- 14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and Bank Holidays, during business hours up to the date of the Annual General Meeting.
- **15.** Electronic copy of the Annual Report 2017-18 is being sent to those Members whose e-mail addresses are registered with the Company / Depositories for communication purpose, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report are being sent

in the permitted mode. Members may note that this Annual Report will also be available on the Company's website at www.tatacoffee.com.

- **16.** To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ their Depository Participants, in respect of shares held in physical/electronic mode, respectively.
- **17.** In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended to date and Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below. Resolution(s) passed by Members through e-Voting is/are deemed to have been passed as if they have been passed at the Annual General Meeting.
- **18.** The facility for voting through poll shall also be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-Voting shall be able to exercise their right to vote at the Annual General Meeting.
- **19.** The Company has appointed Mr. S M Pramod of M/s. BMP & Co., LLP, Company Secretaries (Membership No. FCS 7834) as the Scrutinizer to scrutinize the voting at the meeting and remote e-Voting process, in a fair and transparent manner.
- **20.** The Members who have cast their vote by remote e-Voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
- **21. E-Voting Instructions:** The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step-1: Log-in to NSDL e-Voting system at <u>https://www.evoting.nsdl.com/</u>

- i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <u>https://www.evoting.nsdl.com/</u> either on a Personal Computer or on a mobile.
- ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.



Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <u>https://eservices.nsdl.com/</u> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

iv) Your User ID details are given below :

Mar	ner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID
		For example if your DP ID is IN300*** and Client ID is 12***** then
		your user ID is IN300***12*****.
b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID
		For example if your Beneficiary ID is 12**************** then your user
		ID is 12************
C)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the
		company
		For example if folio number is 001*** and EVEN is 101456 then user
		ID is 101456001***.

- v) Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you by NSDL from your mailbox. Open the email and open the attachment i.e. a.pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
- vi) If you are unable to retrieve or have not received the "initial password" or have forgotten your password:
 - a) Click on "<u>Forgot User Details/Password?</u>"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

- b) "<u>Physical User Reset Password?</u>" (If you are holding shares in physical mode) option available on <u>www.</u> <u>evoting.nsdl.com</u>.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at <u>evoting@nsdl.co.in</u> mentioning your demat account number/folio number, your PAN, your name and your registered address.
- vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- viii) Now, you will have to click on "Login" button.
- ix) After you click on the "Login" button, Home page of e-Voting will open.

Step-2: Cast your vote electronically on NSDL e-Voting system

- After successful login at Step-1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- iii) Select "EVEN" of company for which you wish to cast your vote.
- iv) Now you are ready for e-Voting as the Voting page opens.
- v) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which

you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

- vi) Upon confirmation, the message "Vote cast successfully" will be displayed.
- vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

22. General instructions/information for Members for voting on the Resolutions:

- a) Corporate/ Institutional Members (i.e., other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the relevant Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s) who are authorized to vote, to the Scrutinizer at the email address: pramod@adyanta.co.in with a copy marked to 'evoting@nsdl.co.in'.
- b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting. nsdl.com to reset the password.
- c) In case of any query pertaining to e-Voting, Members may refer to the Frequently Asked Questions (FAQs) for shareholders and e-Voting user manual for shareholders available at the download section of <u>www.evoting.nsdl.</u> <u>com</u> or call on Toll Free No.: 1800-222-990 or send a request at <u>evoting@nsdl.co.in</u>. Any query or grievance connected with the remote e-Voting may be addressed to the Head – Legal & Company Secretary, Mr. N. Anantha Murthy, at No. 57, Railway Parallel Road, Kumara Park West, Bengaluru – 560 020. Tel: +91 80 23560695, Fax: +91 80 23341834, Email:- anantha.murthy@tatacoffee.com
- d) Members holding Shares in either physical or de-materialized form as on the Cut-Off Date i.e., 25th June 2018, may cast their votes electronically. The e-Voting

period for the Members who hold shares as on the Cut-Off Date commences from 9.00 a.m. on Friday, the 29th June 2018 and ends at 5.00 p.m. on Sunday, the 1st July 2018. The remote e-Voting module shall be disabled by NSDL for voting thereafter.

- e) The voting rights of the shareholders (for voting through remote e-Voting or by Poll at the Meeting) shall be in proportion to their share of the paid-up equity share capital of the Company as on 25th June 2018 ("Cut-Off Date"). A person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or voting at the meeting.
- f) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 25th June 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on <u>www.evoting.nsdl.com</u>.
- g) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses who are not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- h) The Chairman or the person authorized by him in writing shall forthwith on receipt of the consolidated Scrutinizer's Report, declare the result of the voting. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website and on the website of NSDL immediately after the results is declared and communicated to the Stock Exchanges where the equity shares of the Company are listed.
- Subject to the receipt of requisite number of votes, the Resolutions forming part of the Notice of Annual General Meeting shall be deemed to be passed on the date of the AGM i.e. Monday, the 2nd July 2018.

TATA COFFEE LIMITED



Details of Directors seeking appointment/re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the Listing Regulations)

Name of Directors	Mr. R. Harish Bhat	Mr. L Krishnakumar	Mr. Sanjiv Sarin	Mr. Chacko Purackal Thomas
Date of Birth	08.11.1962	29.10.1958	25.04.1955	09.04.1970
Date of Appointment	27.07.2012	07.11.2017	25.04.2015	04.08.2015
Qualifications	B.E (Hons.) – BITS Pilani	B.Com, ACA, ACS, CWA		Bachelor of Science with
	PGDM (IIM – Ahmedabad)		Asian Institute of Management	specialization in Computer
			Manila, Philippines	Science
			Master Degree in Economics	
			from Bombay University	
Relationship between	None	None	None	None
Directors inter-se				
Expertise in specific	Overall Business Management	Wide experience in	41 years extensive global	26 years of rich experience in
functional area	including functional expertise	Finance, Accounts,	experience in various areas	Plantation Sector.
	in Sales, Marketing and	Governance and	of management including	
	Corporate Management	Corporate Laws	marketing, team building,	
			organization development and	
			managing new products	
Directorships held	Tata Global Beverages Limited	Tata Global Beverages	-	-
in other Public	Infiniti Retail Limited	Limited		
Companies(excluding	Trent Limited	Nourishco Beverages		
Foreign, Private and	Tata Unistore Limited	Limited		
Section 8 Companies)	Titan Company Limited			
	Tata AIA Life Insurance			
	Company Limited			
Memberships/	Tata Global Beverages Limited	Tata Global Beverages	-	-
Chairmanships	(Audit Committee – Member)	Limited		
of committees				
of other Public	Titan Company Limited	Stakeholders'		
Companies(includes only	(Audit Committee – Member,	Relationship		
Audit Committee and	Stakeholders Relationship	Committee - Member		
Stakeholders Relationship		22		
Committee)				
	Trent Limited (Stakeholders'			
	Relationship Committee –			
	Chairman)			
No. of shares held in the	NII	NIL	3000	NIL
Company			3000	

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 4

The Board of Directors of the Company at the meeting held on 7th November, 2017, based on the recommendation of the Nomination & Remuneration Committee, appointed Mr. L Krishnakumar as an Additional Director (Non-Executive) of the Company with effect from that date. In terms of the provisions of Section 161 of the Act, Mr. Krishnakumar holds the office till the date of ensuing Annual General Meeting and is eligible for appointment.

Notice under the provisions of Section 160 of the Act has been received from a member signifying its intention to propose the candidature of Mr. Krishnakumar as Director of the Company.

The Directors recommend the resolution set out at Item No. 4 of the accompanying Notice.

Mr. Krishnakumar is interested and concerned in the Resolution mentioned at Item No. 4 of the Notice. None of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No. 5

The Board of Directors at the meeting held on 23rd March 2018, re-appointed Mr. Sanjiv Sarin as the Managing Director & CEO for a further period i.e., from 25th April 2018 to 31st March 2019 on the then existing terms of remuneration, based on the recommendations of the Nomination & Remuneration Committee and subject to the approval by the shareholders of the Company. Further, the Board of Directors at the meeting held on 7th May 2018, based on the recommendations of the terms of remuneration of Mr. Sanjiv Sarin, effective 1st April 2018.

Mr. Sarin did his Masters in Management from the Asian Institute of Management, Manila, Philippines, graduating with a Distinction and a Masters in Economics from Bombay University, where he graduated at the top of the class and was awarded the University Gold Medal. Mr. Sarin has extensive experience in Sales, Strategy, Marketing, and General Management in India and Global markets.

The principal terms and conditions of re-appointment of Mr. Sanjiv Sarin (hereinafter referred to as "the Appointee") including the terms of remuneration are given below:

- A. Tenure of Re-appointment: The re-appointment of Mr. Sanjiv Sarin as Managing Director & CEO is for the period from 25th April 2018 to 31st March 2019.
- B. Nature of Duties: 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, and

exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board, in connection with and in the best interests of the Company and the business of any one or more of its Associated Companies and/or Subsidiaries, including performing duties as assigned by the Board from time to time by serving on the Boards of such Associated Companies/Subsidiaries or any other Executive body or a Committee of such a Company.

C. Remuneration:

The Appointee shall be entitled to remuneration as stated hereunder in terms of Schedule V to the Act and as per Industry/ Market Standards:

a) Basic Salary: ₹ 6,43,517/- per month

b) Benefits, Perquisites, Allowances:

In addition to the basic salary referred to in (a) above, the Appointee shall be entitled to:

A. Rent-free residential accommodation (furnished or otherwise) the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.

OR

House Rent, House Maintenance and Utility Allowances aggregating 85% of the Basic Salary. (in case residential accommodation is not provided by the Company)

- B. Hospitalization, Transport, Telecommunication and other facilities:
 - Hospitalization and major medical expenses for self, spouse and dependent (minor) children;
 - (ii) Car, with driver provided, maintained by the Company for official and personal use.
 - (iii) Telecommunication facilities including broadband, internet and fax.
 - (iv) Housing Loan as per the Rules of the Company.
- C. Other perquisites and allowances given below subject to a maximum of 55% of the annual salary;

The categories of perquisites / allowances to be included within the 55% limit shall be –

SI. No.	Perquisite/Allowance		%
a.	Allowances		33.34
b.	Leave Travel Concession/Allow	ance	8.33
C.	Medical Allowance		8.33
d.	Personal Accident Insurance	\mathcal{I} @ actuals subject to	5.00
e.	Club Membership Fees	a cap of	
Tota	1		55.00

- D. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company.
- E. The Appointee shall be entitled to Leave in accordance with the Rules of the Company. Privilege Leave earned but not availed by the Appointee is encashable in accordance with the Rules of the Company.

c) Commission:

Such remuneration by way of commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013. The specific amount payable to the Appointee will be based on performance as evaluated by the Board or a Committee thereof duly authorized in this behalf and will be payable annually after the Annual Accounts have been approved by the Board.

d) Incentive Remuneration:

Incentive remuneration will be paid annually at the discretion of the Board, based on his individual performance and such other parameters including the Company's performance, as may be considered appropriate from time to time.

e) 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 to the Appointee, remuneration by way of Salary, Benefits, Perquisites and Allowances, and Incentive Remuneration as specified above.



f) Other terms of re-appointment:

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

other entities without claim for compensation for loss of office;

- (b) the Appointee shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries or associate companies.
- vii. The terms and conditions of re-appointment of the Appointee also include clauses pertaining to adherence with the Tata Code of Conduct and maintenance of confidentiality.
- viii. If and when the Agreement relating to re-appointment expires or is terminated for any reason whatsoever, the Appointee will cease to be the Managing Director & CEO and also cease to be a Director of the Company.
- ix. The remuneration payable to the Appointee is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Act, read with Schedule V thereto, the terms of re-appointment and remuneration specified above are now being placed before the Members for their approval.

The Company has immensely benefited during Mr. Sanjiv Sarin's tenure as Managing Director & CEO and the Directors recommend the resolution for his re-appointment as set out at Item No. 5 of the accompanying Notice.

Mr. Sanjiv Sarin is interested and concerned in the Resolution mentioned at Item No. 5 of the Notice. None of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution.

Item No. 6

The Board of Directors of the Company at the meeting held on 7th May 2018, re-appointed Mr. Chacko Purackal Thomas as the Executive Director & Dy. CEO for a further period of 3 years i.e., from 4th August 2018 to 3rd August 2021 on the terms and conditions as set out below, based on the recommendations of the Nomination & Remuneration Committee of the Board and subject to the approval by the shareholders of the Company.

Mr. Chacko Thomas holds Bachelor's Degree in Science with specialization in Computer Science and has 26 years of rich experience in Plantation Sector.

The principal terms and conditions of re-appointment of Mr. Chacko Thomas (hereinafter referred to as "the Appointee") including the terms of remuneration are given below:

- A. Tenure of Re-appointment: The re-appointment of Mr. Chacko Thomas as Executive Director & Dy. CEO is for a period of 3 years i.e., from 4th August 2018 to 3rd August 2021.
- **B.** Nature of Duties: 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, and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board and the Managing Director of the Company, in connection with and in the best interests of the Company and the business of any one or more of its Associated Companies and/or Subsidiaries, including performing duties as assigned by the Board from time to time by serving on the Boards of such Associated Companies/ Subsidiaries or any other Executive body or a Committee of such a Company.

C. Remuneration:

The Appointee shall be entitled to remuneration as stated hereunder in terms of Schedule V to the Act and as per Industry/ Market Standards:

a) Basic Salary: ₹ 4,50,462/- per month with annual increments effective 1st April every year as may be decided by the Board, on the recommendation of Nomination & Remuneration Committee, based on merit and taking into account the Company's Performance;

b) Benefits, Perquisites, Allowances:

In addition to the Basic Salary referred to in (a) above, the Appointee shall be entitled to:

A. Rent-free residential accommodation (furnished or otherwise) the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.

OR

House Rent, House Maintenance and Utility Allowances aggregating 85% of the basic salary. (in case residential accommodation is not provided by the Company)

B. Hospitalization, Transport, Telecommunication and other facilities:



- (i) Hospitalization and major medical expenses for self, spouse and dependent (minor) children;
- (ii) Car, with driver provided, maintained by the Company for official and personal use.
- (iii) Telecommunication facilities including broadband, internet and fax.
- (iv) Housing Loan as per the Rules of the Company.
- C. Other perquisites and allowances given below subject to a maximum of 55% of the annual salary;

The categories of perquisites / allowances to be included within the 55% limit shall be –

SI. No.	Perquisite/Allowance		%
a.	Allowances		33.34
b.	Leave Travel Concession/Allowa	ance	8.33
C.	Medical Allowance		8.33
d.	Personal Accident Insurance	@ actuals subject to	5.00
e.	Club Membership Fees	a cap of	
Tota	I		55.00

- D. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company.
- E. The Appointee shall be entitled to Leave in accordance with the Rules of the Company. Privilege Leave earned but not availed by the Appointee is encashable in accordance with the Rules of the Company.

c) Commission:

Such remuneration by way of commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013. The specific amount payable to the Appointee will be based on performance as evaluated by the Board or a Committee thereof duly authorized in this behalf and will be payable annually after the Annual Accounts have been approved by the Board.

d) Incentive Remuneration:

Incentive remuneration will be paid annually at the discretion of the Board, based on his individual

performance and such other parameters including the Company's performance, as may be considered appropriate from time to time.

e) 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 to the Appointee, remuneration by way of Salary, Benefits, Perquisites and Allowances, and Incentive Remuneration as specified above.

f) Other terms of re-appointment:

- i. The Appointee shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- ii. The terms and conditions of the re-appointment of the Appointee may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Appointee subject to such approvals as may be required.
- iii. The re-appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.
- iv. The employment of the Appointee may be terminated by the Company without notice or payment in lieu of notice:
 - (a) if the Appointee is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required to render services; or
 - (b) in the event of any serious, repeated or continuing breach (after prior warning) or non-observance by the Appointee of any of the stipulations contained in the agreement to be executed between the Company and the Appointee ("Agreement"); or
 - (c) in the event the Board expresses its loss of confidence in the Appointee.

- v. In the event the Appointee is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
- vi. Upon the termination by whatever means of the Appointee's employment:
 - (a) the Appointee shall immediately tender his resignation from offices held by him in any subsidiaries and associate companies and other entities without claim for compensation for loss of office;
 - (b) the Appointee shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries or associate companies.
- vii. The terms and conditions of re-appointment of the Appointee also include clauses pertaining to adherence with the Tata Code of Conduct and maintenance of confidentiality.
- viii. If and when the Agreement relating to re-appointment expires or is terminated for any reason whatsoever, the Appointee will cease to be the Executive Director & Dy. CEO and also cease to be a Director of the Company.
- ix. The remuneration payable to the Appointee is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them.

In compliance with the provisions of Sections 196, 197 and other applicable provisions, if any, of the Act, read with Schedule V thereto, the terms of re-appointment and remuneration specified above are now being placed before the Members for their approval.

The Company has immensely benefited during Mr. Chacko Thomas's tenure as Executive Director & Dy. CEO and the Directors recommend the resolution for his re-appointment as set out at Item No. 6 of the accompanying Notice.

Mr. Chacko Thomas is interested and concerned in the Resolution mentioned at Item No. 6 of the Notice. None of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution.

Item No. 7

In terms of the provisions of Section 148 of the Act and the Rules made thereunder, the Company is required to maintain Cost Audit records and have the same audited by a Cost Auditor.

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on 7th May 2018, appointed M/s. Rao, Murthy & Associates, as Cost Auditor for conducting the Cost Audit for the financial year ending 31st March, 2019, on a remuneration of ₹ 2,75,000/- (Rupees Two Lacs Seventy-five Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals.

Rule 14 of Companies (Audit and Auditors) Rules, 2014 as amended, requires that the remuneration payable to the Cost Auditor be ratified by the Members. Hence, the resolution at Item No.7 of the Notice.

The Directors recommend that the remuneration payable to the Cost Auditor in terms of the resolution set out at Item No. 7 of the accompanying Notice be ratified by the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution.

Item No. 8

The Company has been making investments in, giving loans and guarantees to and providing securities in connection with loans to various persons and bodies corporate (including its subsidiary) from time to time, in compliance with the applicable provisions of the Act.

The provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. Further, the said Section provides that where the giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of Members by means of a Special Resolution is required to be passed at a general meeting.

As per the latest audited Balance Sheet of the Company as on 31st March 2018, sixty per cent of the paid-up share capital, free

TATA COFFEE LIMITED



reserves and securities premium account amounts to ₹ 547.45 Crores while one hundred per cent of its free reserves and securities premium account amounts to ₹ 893.74 Crores. Therefore, the maximum limit available to the Company under Section 186(2) of the Act for making investments or giving loans or providing guarantees / securities in connection with a loan, as the case may be, is ₹ 893.74 Crores. As on 31st March 2018, the aggregate value of investments and loans made and guarantee and securities issued by the Company, as the case may be, amounts to ₹ 674.50 Crores.

In view of the above and considering the long term business plans of the Company, which requires the Company to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time, prior approval of the Members is being sought for enhancing the said limits. Hence, the Special Resolution at Item No.8 of the Notice, notwithstanding the fact that the same exceeds the limits provided under Section 186 of the Act.

The Directors recommend the Special Resolution as set out at Item No. 8 of the accompanying Notice, for Members' approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution.

By Order of the Board

Place: Bengaluru Date: 7th May 2018 N. Anantha Murthy Head – Legal & Company Secretary

Directors' Report

To the Members,

Your Directors are pleased to present the 75th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2018.

FINANCIAL RESULTS:

The Company's financial performance for the year ended 31st March 2018 is summarized below:

(₹ in Crores)

	Sta	andalone	Co	nsolidated
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations	706	779	1567	1606
Other Income	56	69	22	23
Total Income	762	848	1589	1629
Profit Before Exceptional Items and Taxes	81	184	197	320
Add: Exceptional Income/(Expenses)	-	(2)	(11)	(2)
Profit Before Tax	81	182	186	318
Provision for Tax	18	43	(1)	108
Profit After Tax	63	139	187	210
Less: Non-controlling Interests	-	-	(80)	(59)
Profit After Tax attributable to Shareholders of the Company	63	139	107	151
Surplus brought forward from Previous Year	461	364	539	430
Amount available for appropriation	524	503	646	581
General Reserve No. I	-	(14)	-	(14)
General Reserve No. II	(7)	(8)	(7)	(8)
Reversal of Dividend Distribution Tax/Deferred Tax	2	9	7	9
Dividend paid relating to Previous Year	(33)	(24)	(33)	(24)
Tax on Dividend	(7)	(5)	(7)	(5)
Balance carried forward	479	461	606	539

1. Revenue from Operations:

Standalone:

Your Company's total income during the year under review was ₹ 762 Crores as compared to ₹ 848 Crores in the previous year, registering a decrease of 10% over the previous year.

Consolidated:

The Consolidated total income during the year under review was ₹ 1589 Crores as compared to ₹ 1629 Crores in the previous year, registering a marginal decrease of 2% over the previous year.

2. Profits:

Standalone:

The Profit before Tax for the year 2017-18 was ₹ 81 Crores as against ₹ 182 Crores in the previous year. Profit after Tax in 2017-18 stood at ₹ 63 Crores as against ₹ 139 Crores in the previous year.

Consolidated:

On a Consolidated basis, Profit before Tax for the year 2017-18 was $\overline{\mathbf{x}}$ 186 Crores as against $\overline{\mathbf{x}}$ 318 Crores in the previous year. Profit after Tax (net of minority interest) in 2017-18 stood at $\overline{\mathbf{x}}$ 107 Crores as against $\overline{\mathbf{x}}$ 151 Crores in the previous year.

3. Dividend & Reserves:

Your Directors have recommended a Dividend of ₹ 1.50/- per share (face value of ₹ 1 per share) for the year ended 31st March 2018. The total Dividend amount aggregates to ₹ 28.02 Crores plus applicable Dividend Distribution Tax thereon.

4. Share Capital:

The Paid-up Equity Share Capital of the Company as on 31st March, 2018 was ₹ 18.68 Crores comprising of 18,67,70,370 Shares of ₹ 1/- each. The Company has not issued shares with differential voting rights, employee stock options and sweat equity shares. The Company has paid Listing Fees for the Financial Year 2018-19 to each of the Stock Exchanges, where its equity shares are listed.



5. Material changes and commitment – if any, affecting financial position of the Company from the end of the financial year till the date of this Report:

There has been no material change and commitment, affecting the financial performance of the Company which occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

6. Global Coffee Scenario:

The Global Coffee markets in 2017-18 continued to be mainly influenced by the alternating Brazilian "on" and "off" crops. Global coffee production was 159.66 million bags, 1.2% higher than 2016-17 with a 12.1% increase in Robusta output offsetting a 4.6% decline in Arabica production.

The decline in Arabica production is driven by lower output of Colombian Milds at 15.21 million bags (-4.6%) and Brazilian Naturals estimated at 50.23 million bags (-9.6%).

Robusta production rose from 55.6 million bags in 2016-17 to 62.24 million bags in 2017-18 largely due to increases in output from Vietnam and Indonesia. Vietnam's production is estimated at 29.5 million bags in coffee year 2017-18, 15.5% higher than the last year.

Coffee year 2017-18 was surplus for the second consecutive year, with production exceeding consumption. This excess is weighing down on global coffee prices in the current coffee year.

The New York (ICE) terminal, representing Arabica settled at 118.15 c/lb on 29th March 2018, and was 139.30 c/lb on 31st March 2017.

As on 29th March 2018, London Robusta May futures settled at USD 1725/MT and were USD 2149/MT on 31st March 2017.

7. Company's Performance:

A. Plantations:

Coffee:

During the financial year 2017-18, the Company has harvested a Robusta crop of 3736 MT as against 6,000 MT in the previous year. In the case of Arabica, a production of 1,890 MT has been harvested in, being an on year as against 1,628 MT in the previous season. The coffee harvesting operation and post-harvest operations has been completed as per schedule.

Prolonged drought coupled with high temperature and reduced number of wet days resulted in depletion of soil moisture during crucial "bud differentiation period" September to October 2016. In addition to this unprecedented early blossom shower on 27th January 2017 on standing crop narrowed the gap between crop harvest and blossom for healthy flowering and fruit set. Early rain induced immature flower bud opening, which adversely affected crop setting and production.

Tea:

The Company produced a total of 5.629 Million Kgs of Made tea for the financial year 2017-18 as against 5.666 Million kgs in the previous year. The current year's production is less by 0.39%. Shortfall in quantum of rainfall recorded during the season and very erratic rain in Q3 affected the flush growth and thereby impacted crop.

Pepper:

The Company has achieved a pepper production of 909 MT for the financial year 2017-18 compared to 544 MT harvested during 2016-17. The density and primary grade percentage of pepper this year has been good. The Company has initiated actions to increase the production base of pepper in the coming years.

Curing Works:

The Company's Curing Works at Kushalnagar (KNW) cured a total of 11,940 MT Coffee during the current year as against 11,528 MT in the previous year. In addition, a record quantity of 748 MT of Monsoon Coffee was processed against 520 MT in 2016-17.

Pepper Processing Unit:

The Pepper Grading Center is certified for Export Inspection Agency (EIA), which entails the Company to export Pepper meeting all the Global Standards. The unit has graded & processed 644 MT of Pepper during the financial year 2017-18, when compared with 537 MT in 2016-17. The unit is also certified under ISO 22000:2005 and SA 8000:2008.

Green Coffee Exports:

During the financial year 2017-18, your Company exported 6,100 MT of green coffee as against 6,420 MT in the previous year. Your Company continues to focus on growth, through Premium Differentiated Coffees and today differentiated coffee is 42% of our portfolio (sold at healthy premiums).

Specialty Coffee:

In line with the strategy to premiumize, differentiate and disintermediate, the Company continues to develop its Specialty Coffees portfolio. The Monsooning Facility has undergone an expansion to bring about more focus on process and innovation. The Company offers Monsooned Malabar and Monsooned Robusta Coffees. 'Microlots', forming about top 1% of the Company's Arabica production have been widely appreciated. These are offered in special wet and dry milling processes. The Company's Specialty Coffees portfolio capitalizes on its quality, sustainability, storytelling and heritage. Apart

from creating value on their own, these coffees are also helping the Company target and develop new niche Roasters across the world.

Plantation Trails:

Plantation Trails, our hospitality business, continues to grow and perform exceedingly well recording the highest ever revenues and profits since inception. Primary business focus has been on delivering a premium coffee experience for its guests. Global vacation trends continue to indicate Coorg as one of the top holiday destinations for India.

Plantation Trails was the recipient of several industry awards during the year including prestigious recognitions by Booking.com and Trip Advisor. Operationally a newly upgraded food experience resulted in a complete turnaround of the food & beverages business. Cottabetta and Thaneerhulla bungalows had very positive guest feedback and continue to be best sellers. Chickmagalur as a destination has again outperformed expectations.

For a first, Plantation Trails hired students from Swastha to help with its operations. This initiative was well received and appreciated by the guests.

B. Instant Coffee Operations:

The financial year 2017-18 saw the Instant Coffee Division achieving noteworthy sales and production with the given external conditions. The total sales volumes for the financial year 2017-18 was 7531 MT compared to 8812 MT in the previous financial year, registering a drop of 15% over the previous year. The production for the year was 8150 MT compared to 8474 MT in the last fiscal. The plant capacity utilization was lower compared to previous year due to lower sales. The state-of-the-art Freeze Dried Coffee (FDC) facility underwent for a debottlenecking project successfully, safely and achieved an increased capacity up to 300 tonnes per annum. We could attract seven new customers and developed products with customized quality for them post debottlenecking project.

The sales volume was lower during 2017-18 compared to previous year due to loss of sales from one of our key customer. The Company significantly increased its value added focus in terms of product and packaging. New product variants developed for selected markets helped the Company to provide right value to the buyers and also differentiated itself from the competition. The Company also strengthened its sales and marketing team to ensure widespread reach and deeper customer connect.

New product development wing extended its focus on coffee mixes and specialized instant coffees during 2017-18 & developed 10 blends which gave sales of around 1350 MT.

Tata Coffee Grand:

The Company manufactures 'Tata Coffee Grand', an Instant Coffee for sale in domestic market, which is being distributed and marketed by the Holding company, Tata Global Beverages Ltd. The Brand has received positive response in the market. The two product variants HTS (Hot Tea Shops) with blend of Spray Dried Coffee with Chicory, and R&G with blend of Roasted and Ground coffee with Chicory, packed for the domestic market as part of overall Tata Coffee Grand portfolio got good response from market resulting increased trend in sales.

C. Starbucks Roastery:

The Unit has recorded 26% higher production and processed 150 MT during the current year as against 119 MT in the previous year, which shows an increasing trend. The Unit successfully added additional retail SKU known as cold brew as required by Starbucks with Kenyan origin roasted coffees. The Unit continues to cater exclusively to the requirements of TATA Starbucks outlets in India from its state-of-the-art Coffee Roasting Facility at Kushalnagar Works. The Unit continues to be certified under ISO 9001:2008 (Quality Management System), FSSC22000 (Food Safety & Standards Certification), ISO 14001:2004 (Environment Management System) and FSSAI (Food Safety and Standards Authority of India).

8. Business Excellence:

The Company participated in a full assessment in the TBEM EA 2017. The Assessment Team, consisting of members from diverse Tata companies, perused the Application and visited all the operational sites in the Coffee and Tea plantations and the ICD units. There were extensive deliberations with the functional heads and the senior leadership at the Corporate Office. Inputs were also sought from the Chairman to provide direction to the Assessment Team. The Assessment Team has since presented its feedback highlighting the Strengths and Opportunities for Improvement (OFI) to the Leadership Team of the Company and also to the Board during December 2017. The Company obtained a score of 519 out of 1000 on the Model's scoring scale. This is an increase of 32 points from its previous score. The Company is in the process of formulating Action Plans to retain its strengths and address the OFIs. The Company has also contributed to the Business Excellence journey with 4 persons having participated in assessments of other Tata Group Companies. Training of personnel across functions is also being done to spread awareness and build a group of TBEM assessors for deployment within the organization.

9. Quality Awards:

(i) Sustainability Awards:

• Two Arabica microlots of Yemmigoondi Estate was recognized as Starbuck Reserve during 2017-18.

TATA COFFEE LIMITED

- In the second edition of the Ernesto Illy International Coffee Award in New York for the Year 2017, Nullore and Coovercolly Estates have received the award for their excellence in quality.
- In 2nd National Safety Practices Competition held in Chennai on 26th April 2018 by Confederation of Indian Industry, the Company was awarded for Excellence in Workplace Safety (Working at height –Pepper).

(ii) Instant Coffee Operations (ICD):

Awards

- a) ICD-Theni stepped in to a milestone of achieving EHS 4 star award during 2017-18 & ICD Toopran unit sustained EHS 4 Star award which has proven the continual improvement in the areas of Environmental, Occupational Health and Safety Management Systems.
- b) ICD-Toopran also achieved the prestigious FTAPCCI (Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry) Award for excellence in Industrial Productivity.
- c) ICD Toopran received Legasis excellent performer award 2017 on statutory compliance.
- d) ICD Theni received four awards from MPEZ for high productivity & highest Net foreign exchange earnings
- e) ICD-Theni received SEEM (Society of Energy Engineers and Managers) National Energy Management Award this year.

Certifications

- Instant Coffee Unit, Toopran Toopran Unit was certified for Integrated Management System (IMS) comprising of ISO 9001, ISO 14001, OHSAS 18001 along with certifications on FSSC 22000, HALAL, KOSHER, FSSAI, SA 8000, UTZ, SAN-RFA & GMP.
- ii) Instant Coffee Unit, Theni Theni Unit was certified for In

Theni Unit was certified for Integrated Management System (IMS) comprising of ISO 9001, ISO 14001, BS OHSAS 18001 along with certifications on ISO 22000, HALAL, KOSHER, BRC, IFS, FSSAI, SA 8000, UTZ, SAN-RFA & GMP.

The Theni Unit Laboratory was certified with NABL (National Accreditation Board for Testing and Calibration Laboratories).



10. Capital Expenditure:

During the financial year 2017-18, ₹ 66.37 Crores was incurred towards capital expenditure primarily on account of welfare, modernization, upgradation, replanting and other programmes undertaken in the various units of the Company.

11. Subsidiary Companies and Consolidated Financial Statements:

Subsidiary Companies:

I. Eight O' Clock Coffee Company (EOC):

The Total Income of EOC during the financial year 2017-18 was at ₹ 860 Crores, compared to ₹ 827 Crores for the previous year. EOC in USA had a stable performance in its base business in 2017-18 with Bag coffee volume sales improving from the previous year led by effective promotion, distribution gains and new items. The Company's Profits grew over the previous year aided largely by good control over costs. The Company continued its focus on new product launches. EOC Coffee, a premium coffee brand with over a 150 year legacy, introduced a game changer to the coffee category that delivers an enhanced coffee-drinking experience to consumers. The Company launched a new coffee infusions line in the US, which offers thoughtfully crafted coffees blended with added ingredients to help enhance your day. Through this launch, EOC is delivering an enhanced coffee drinking experience to consumers. The launch is being supported through a multi-faceted marketing campaign and the consumer response has been positive. EOC and Keurig Green Mountain, Inc. (Keurig) have announced a multiyear expansion of their successful partnership for the manufacturing, sales, licensing and distribution of the EOC Coffee brand in K-Cup pods for use in Keurig brewers.

II. Consolidated Coffee Inc. (CCI):

CCI is the Holding Company of EOC. The Consolidated Net Profit after taxes was ₹ 161 Crores as compared to ₹ 117 Crores for the previous year.

Performance of Subsidiaries:

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ('the Act'), a statement containing salient features of Financial Statements of subsidiaries in Form AOC-1 is annexed as Annexure - A.

The Company does not have any Associate or Joint Venture Companies. The Company has adopted a policy for determining the criteria of material subsidiaries which can be viewed on the Company's website at www.tatacoffee.com.

12. Freeze Dried Instant Coffee Facility in Vietnam:

The Board of Directors of the Company at their meeting held on 19th December 2016 had approved setting up of a state-ofthe-art greenfield Freeze Dried Instant Coffee facility in Vietnam of 5000 MT capacity per annum through a Subsidiary Company, with an estimated Project Cost of ₹ 350 Crores. Pursuant thereto, the Company has infused an amount of ₹ 38.77 Crores in the equity capital of "Tata Coffee Vietnam Company Limited", which is a Wholly-owned Subsidiary of the Company.

The plant is being setup at the Vietnam-Singapore Industrial Park in Southern Binh Duong province, Vietnam. This trailblazing move marks a very important phase in the Company's Instant Coffee business. The Directors are happy to report that the Project is making satisfactory progress and that the Instant Coffee plant is expected to be operational early 2019.

13. Directors' Responsibility Statement:

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, the work performed by the Internal, Statutory, Cost and Secretarial Auditors including Audit of Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the financial year 2017-18.

Accordingly, pursuant to Section 134(3)(c) and 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed and that there are no material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profits of the Company for that period;
- (iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the Accounts for the financial year ended 31st March, 2018 on a 'going concern' basis;
- (v) they have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and are operating effectively;

(vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and are operating effectively.

14. Disclosure on compliance with Secretarial Standards

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India, have been complied with.

15. Directors & Key Managerial Personnel:

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on 18th May 2017, appointed Dr. P. G. Chengappa as an Additional Director (Non-executive Independent) of the Company with effect from that date. Further, at the same meeting, the Board of Directors re-appointed Mr. K. Venkataramanan as Executive Director – Finance and Chief Financial Officer for a further term of 3 years with effect from 25th October 2017, on terms of remuneration as recommended by the Nomination & Remuneration Committee. These appointments have further been approved by the Shareholders at the Annual General Meeting of the Company held on 17th July 2017.

In view of the planned relocation of Mr. T Radhakrishnan to Vietnam during FY 2018-19 to head the Instant Coffee Plant of the Company's Subsidiary – Tata Coffee Vietnam Company Limited at Vietnam, Mr. T Radhakrishnan resigned as Executive Director – ICD Operations of the Company, with effect from 7th November 2017. Your Directors place on record their appreciation of the valuable services rendered by him during his tenure as Executive Director of the Company.

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on 7th November 2017, appointed Mr. L Krishnakumar as an Additional Director (Non-executive Non-Independent) of the Company with effect from that date. Pursuant to the provisions of Section 161 of the Act, Mr. Krishnakumar holds office till the date of the ensuing Annual General Meeting and is eligible for appointment. A resolution in this behalf is set out at Item No.4 of the Notice of Annual General Meeting, for members' approval.

The Board of Directors at its meeting held on 23rd March 2018, subject to the approval of the shareholders in the general meeting, re-appointed Mr. Sanjiv Sarin as the Managing Director & CEO of the Company for a further period i.e., from 25th April 2018 to 31st March 2019 on terms of remuneration as recommended by the Nomination & Remuneration Committee. A resolution in this behalf is set out at Item No.5 of the Notice of Annual General Meeting, for members' approval.

The Board of Directors at its meeting held on 7th May 2018, subject to the approval of the shareholders in the general

TATA COFFEE LIMITED

meeting, re-appointed Mr. Chacko Purackal Thomas as the Executive Director & Dy. CEO of the Company for a further period of 3 years i.e., from 4th August 2018 to 3rd August 2021 on terms of remuneration as recommended by the Nomination & Remuneration Committee. A resolution in this behalf is set out at Item No.6 of the Notice of Annual General Meeting, for members' approval.

Pursuant to the provisions of Section 152 of the Act, Mr. R. Harish Bhat, Director, will retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

In terms of Section 203 of the Act, the following are the Key Managerial Personnel of the Company:

- Mr. Sanjiv Sarin, Managing Director & CEO
- Mr. K. Venkataramanan, Executive Director Finance & CFO
- Mr. N. Anantha Murthy, Head Legal & Company Secretary

All the Independent Directors of the Company have given their declarations stating that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ('the Listing Regulations'). In the opinion of the Board, they fulfil the conditions of independence as specified in the Act and the Listing Regulations and are independent of the management.

16. Board and Committee Meetings:

The Annual Calendar of Board and Committee Meetings planned during the year were circulated in advance to the Directors.

The Board has constituted an Audit Committee comprising of Mr. S. Santhanakrishnan as Chairman, Mr. V Leeladhar and Ms. Sunalini Menon as its Members. There have been no instances during the year where recommendations of the Audit Committee were not accepted by the Board.

The details of the composition of the Board and its Committees and the number of meetings held and attendance of Directors at such meetings are provided in the Corporate Governance Report, which forms part of the Annual Report.

17. Governance Guidelines:

The Company has adopted Governance Guidelines on Board Effectiveness. The Governance Guidelines encompasses aspects relating to composition and role of the Board, Chairman and Directors, Board Diversity, Definition of Independence, Term of Directors, Retirement Age and Committees of the Board. It also covers aspects relating to Nomination, Appointment, Induction and Development of Directors, Directors' Remuneration, Subsidiary oversight, Code of Conduct, Board Effectiveness Review and Mandates of Board Committees.



18. Policy on Director's Appointment and Remuneration and other details:

(a) Procedure for Nomination and Appointment of Directors:

The Nomination and Remuneration Committee (NRC) has been mandated to oversee and develop competency requirements for the Board based on the industry requirements and business strategy of the Company. The NRC reviews and evaluates the resumes of potential candidates for appointment of Directors and meets them prior to making recommendations of their nomination to the Board. Specific requirements for the position, including expert knowledge expected, are communicated to the appointee.

On the recommendation of the NRC, the Board has adopted and framed a Remuneration Policy for the Directors, Key Managerial Personnel and other employees pursuant to the provisions of the Act and the Listing Regulations. The remuneration determined for Executive/ Independent Directors is subject to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors. The Non-Executive Directors are compensated by way of profit sharing commission and the criteria being their attendance and contribution at the Board/Committee Meetings. The Executive Directors are not paid sitting fees; the Non-Executive Directors are entitled to sitting fees for attending the Board/Committee Meetings.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is in accordance with the Remuneration Policy of the Company. The Company's Policy on Directors' Appointment and Remuneration and other matters provided in Section 178(3) of the Act and Regulation 19 of the Listing Regulations have been disclosed in the Corporate Governance Report, which forms part of the Annual Report.

(b) Familiarization/Orientation program for Independent Directors:

The Independent Directors attend a Familiarization / Orientation Program on being inducted into the Board. The details of Familiarization Program are provided in the Corporate Governance Report and are also available on the Company's website. The Company issues a formal letter of appointment to the Independent Directors, outlining their role, function, duties and responsibilities, the format of which is available on the Company's website at <u>https://www.tatacoffee.com</u>.

19. Dividend Distribution Policy:

As required under Regulation 43A of the Listing Regulations, the Company has formulated a Policy on Dividend Distribution.

This Policy can be viewed on the Company's website at <u>https://</u><u>www.tatacoffee.com</u>.

20. Annual Evaluation of Board Performance and Performance of its Committees and of Directors:

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees on the evaluation criteria defined by the Nomination and Remuneration Committee (NRC) for performance evaluation process of the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter-alia the structure of the Board, meetings of the Board, functions of the Board, degree of fulfilment of key responsibilities, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The Committees of the Board were assessed on the degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of Meetings. The Directors were evaluated on aspects such as attendance, contribution at Board/Committee Meetings and guidance/support to the Management outside Board/Committee Meetings.

The performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated in a separate meeting of Independent Directors. The same was also discussed in the meetings of NRC and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

21. Internal Control Systems & their adequacy:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

22. Reporting of Frauds:

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.

23. Transfer to Investor Education and Protection Fund:

a) Transfer of unclaimed dividend / debenture redemption / debenture interest to IEPF:

As required under Section 124 of the Act, the unclaimed dividend amount aggregating to ₹ 13,63,703/- pertaining to the financial year ended on 31st March, 2010, ₹ 9,47,690/- in respect of interim dividend declared for the

financial year ended on 31st March 2011 and Unclaimed Interest on Debentures including Debenture redemption amount aggregating to ₹ 2,70,203/- lying with the Company for a period of seven years were transferred during the year 2017-18, to the Investor Education and Protection Fund established by the Central Government.

b) Transfer of shares to IEPF:

As required under Section 124 of the Act, 12,42,821 equity shares, in respect of which dividend has not been claimed by the members for seven consecutive years or more, have been transferred by the Company to the Investor Education and Protection Fund Authority (IEPF) during the financial year 2017-18. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

24. Auditors:

(i) Statutory Auditors:

The Members at the 73rd Annual General Meeting of the Company held on 26th July, 2016, had appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as the Statutory Auditor of the Company to hold office for a term of five years i.e., from the conclusion of the said Annual General Meeting until the conclusion of 78th Annual General Meeting of the Company to be held in 2021, subject to ratification of their appointment by the shareholders, every year. The Ministry of Corporate Affairs vide its Notification dated 7th May 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, the resolution relating to ratification of Auditor's appointment is not included in the Notice of the ensuing Annual General Meeting.

(ii) Cost Auditors:

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board of Directors, based on the recommendation of the Audit Committee, has appointed M/s. Rao, Murthy & Associates, Cost Accountants, as Cost Auditor of the Company for conducting the Cost Audit for the financial year 2018-19, on such remuneration as mentioned in the Notice of the ensuing Annual General Meeting.

A resolution seeking Member's ratification for the remuneration payable to the Cost Auditor forms part of the Notice of 75th Annual General Meeting and the same is recommended for your consideration and ratification.

(iii) Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Act and the rules made there under, the Company had appointed M/s. BMP & Co., LLP, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the

TATA COFFEE LIMITED



year ended 31st March, 2018. The Secretarial Audit Report issued in this regard is annexed as Annexure - B.

The Auditors' Report and the Secretarial Audit Report for the financial year ended 31st March, 2018 do not contain any qualification or reservation or adverse remark.

25. Risk Management:

The Company has constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) approving the Company's Risk Management Framework and (b) overseeing all the risks that the organization faces such as strategic, financial, liquidity, security, regulatory, legal, reputational and other risks that have been identified and assessed to ensure that there is a sound Risk Management Policy in place to address such concerns/risks. The Risk Management process covers risk identification, assessment, analysis and mitigation. Incorporating sustainability in the process also helps to align potential exposures with the risk appetite and highlight risks associated with chosen strategies.

The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the business and functions are systematically addressed through mitigating actions on continuing basis.

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and Regulation 21 of the Listing Regulations.

26. Particulars of Loans, Guarantees and Investments:

The details of Loans and Investments and Guarantees covered under the provisions of Section 186 of the Act are given in the Notes to the Financial Statements forming part of Annual Report.

27. Fixed Deposit:

During the year under review, your Company has neither accepted nor renewed any deposits from the public within the meaning of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

28. Related Party Transactions:

All Related Party Transactions that were entered into during the financial year under review were on an arm's length basis and in the ordinary course of business and is in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations.

All Related Party Transactions are placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature or when the need for them cannot be foreseen in advance. None of the transactions entered into with related parties falls under the scope of Section 188(1) of the Act. Details of transactions with related parties as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure - C in Form AOC-2 and forms part of this Report.

The Company has adopted a Policy for dealing with Related Party Transactions. The Policy as approved by the Board may be viewed on the Company's website at the web link: http:// www.tatacoffee.com/investors/related_party.pdf.

29. Corporate Governance & Management Discussion & Analysis Report:

Your Company is in compliance with all the applicable provisions of Corporate Governance as stipulated under Chapter IV of the Listing Regulations. A detailed report on Corporate Governance as required under the Listing Regulations is provided in a separate section and forms part of the Annual Report. Certificate from the Practicing Company Secretary regarding compliance with the conditions stipulated in the Listing Regulations forms part of the Corporate Governance Report.

The Management Discussion and Analysis Report as required under the Listing Regulations is presented in a separate section and forms part of the Annual Report.

30. Business Responsibility Report:

As required under Regulation 34 of the Listing Regulations, the Business Responsibility Report is provided in a separate section and forms part of the Annual Report.

31. Employees Welfare:

The Company continues to focus on welfare and improving the quality of lives of its employees by providing educational assistance to their children, employee wellness sessions, periodic occupational health checks, merit scholarships to employee children, spiritual peace by yoga classes, crèche and child care facilities, transport at subsidized rate to school going children, supply of provisions at cost through co-operative stores and providing housing loan interest subsidy & interest free loans for the employee family wellness.

Apart from the welfare initiatives implemented during last year, the following were the main focus areas in the welfare initiatives during FY 2017-18:

- improvement in housing infrastructure for Plantation workers)
- Introduction of new mobile toilets in plantations for the workers use in the work spots.
- Digitalization of TCL employees health records through TDHP
- Implementation of uniform colour coded waste segregation measures across locations.

32. Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Work place:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. The Policy aims to provide protection to employees at workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee, known as the Prevention of Sexual Harassment (POSH) Committee, to enquire into complaints of sexual harassment and recommend appropriate action.

During the financial year 2017-18, the Company received 4 complaints on sexual harassment, which have been disposed of and appropriate actions were taken.

33. Whistle Blower Policy/Vigil Mechanism:

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company at <u>www.tatacoffee.com</u>.

34. Corporate Social Responsibility (CSR):

The Annual Report on CSR activities in terms of the requirements of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure - D, which forms part of this Report.

The Company has a Corporate Social Responsibility Policy and the same has been posted on the website of the Company at <u>www.tatacoffee.com</u>.

35. Extract of Annual Return:

Pursuant to the provisions of Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in the prescribed form i.e., Form MGT-9 is annexed herewith as Annexure – E, which forms part of this Report.

36. Particulars of Employees and Remuneration:

In terms of the first proviso to Section 136 of the Act, the Reports and Accounts are being sent to the shareholders excluding the information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company. The said information is available for inspection by the Members at the Registered Office of the Company on any working day of the Company upto the date of the 75th Annual General Meeting.

The statement containing information as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure – F and forms part of this Report.

37. Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134 (3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as Annexure – G and forms part of this Report.

38. Significant and Material Orders passed by the Regulators or Courts:

There are no significant or material orders which were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's Operations in future.

39. Green Initiatives:

In commitment to keep in line with the Green Initiative and going beyond it to create new green initiatives, electronic copy of the Notice of 75th Annual General Meeting of the Company are sent to all Members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their e-mail addresses, physical copies are sent through the permitted mode.

40. Acknowledgement:

Your Directors take this opportunity to thank the Parent Company – Tata Global Beverages Limited, the employees, customers, vendors, investors and the communities in which the Company operates, for their unstinted co-operation and valuable support extended to the Company during the year.

Your Directors also thank the Government of India, Government of various States in India and concerned government departments/agencies for their co-operation.

Your Directors appreciate and value the contributions made by every member of Tata Coffee family.

For and on behalf of the Board

Place: Bengaluru Date: 7th May 2018 R. HARISH BHAT Chairman



Annexure-A

FORM AOC – 1

Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

(Pursuant to first Proviso to Sub-Section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

PART "A": SUBSIDIARIES

(₹ in Crores)

SI. No.					
1	Name of the Subsidiary	Consolidated	Eight O'Clock	Eight O'Clock	Tata Coffee
		Coffee Inc.	Holdings Inc.	Coffee Company	Vietnam Company Limited
2	Date since when subsidiary was acquired/formed	July 10, 2006	July 10, 2006	July 10, 2006	
3	Reporting Currency and Exchange Rate as on the last date of the	US Dollar /	US Dollar /	US Dollar /	US Dollar /
	relevant Financial Year in case of Foreign Subsidiaries	₹65.17	₹65.17	₹65.17	₹65.17
4	Average yearly rate for P & L items translation	US Dollar /	US Dollar /	US Dollar /	US Dollar /
	· · ·	₹ 64.46	₹ 64.46	₹ 64.46	₹ 64.46
5	Share Capital	390.34	390.34	390.34	39.10
6	Reserves & Surplus	(27.86)	(0.46)	197.45	(2.86)
7	Total Assets	393.46	390.61	1560.73	291.21
8	Total Liabilities	30.99	0.74	972.94	254.97
9	Investments	390.34	390.34	-	-
10	Turnover	-	-	860.38	-
11	Profit before Taxation	91.25	93.42	127.95	(2.86)
12	Provision for Taxation	(0.73)	-	(49.13)	-
13	Profit after Taxation	92.02	93.47	176.95	(2.86)
14	Proposed Dividend	-	-	-	-
15	Percentage of Shareholding	50.08	-	-	100

Notes:

- 1. Reporting period of the subsidiaries is the same as that of the Company.
- 2. Balance Sheet items have been translated at the exchange rate as on the last day of relevant financial year.
- 3. The numbers reported above are based on individual financial statements prepared under local GAAP.
- 4. Part B of the Annexure is not applicable as there are no Associate Companies/Joint ventures of the Company as on 31st March, 2018.
- 5. Eight O'Clock Holdings Inc. and Eight O'Clock Coffee Company are subsidiaries of Consolidated Coffee Inc.
- 6. Tata Coffee Vietnam Company Limited has been consolidated since it is the wholly owned subsidiary of the Company.

For and on behalf of the Board

Place: Bengaluru Date: 7th May 2018 R. HARISH BHAT Chairman

Annexure – B

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014]

To,

The Members, Tata Coffee Limited CIN: L01131KA1943PLC000833 Pollibetta, Kodagu 571215

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Coffee Limited (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder and the relevant provisions of the Act;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009; – Not Applicable as the Company did not issue any security during the financial year under review.
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in relation to Employee Stock Option Scheme; - Not Applicable as the Company has not issued any ESOPS to its employees;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable as the Company has not issued any debt securities during the financial year under review;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable as the Company has not done any buyback of its securities during the financial year under review.
- vi. The following key / significant laws as specifically applicable to the Company: -
 - 1) The Plantation Labour Act, 1951
 - 2) The Coffee Act, 1942 and the Rules made thereunder
 - 3) The Tea Act, 1953 & rules made thereunder
 - 4) The Coffee Market Expansion Act, 1942
 - 5) The Factories Act, 1948
 - 6) The Legal Metrology Act, 2009 and Rules made thereunder
 - 7) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
 - 8) The Water (Prevention and Control of Pollution) Act, 1974

TATA COFFEE LIMITED



- 9) The Water (Prevention and Control of Pollution) Cess Act, 1977
- 10) The Air (Prevention and Control of Pollution) Act, 1981
- 11) The Environment (Protection) Act 1986
- 12) The Hazardous Wastes (Management and Handling) Rules, 1989
- 13) Food Safety & Standards Act, 2006, and Food Safety & Standards Rules, 2011
- 14) The Spices Board Act, 1986 and the Rules, Regulations made thereunder;
- 15) The Indian Forest Act, 1927
- 16) The Indian Wildlife Protection Act, 1972
- 17) The Arms Act, 1959 and the Arms Rules 1962
- 18) The Electricity Act, 2003
- 19) The Contract Labour (Regulation and Abolition) Act, 1970 & its Central Rules/ concerned State Rules.
- 20) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes.
- 21) The Employees' State Insurance Act, 1948 & its Central Rules / concerned State Rules.
- 22) The Minimum Wages Act, 1948 & its Central Rules/ concerned State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade.
- 23) The Payment of Wages Act, 1936 & its Central Rules/ concerned State Rules if any.
- 24) The Payment of Bonus Act, 1965 & its Central Rules/ concerned State Rules if any.
- 25) The Payment of Gratuity Act & its Central Rules/ concerned State Rules if any.
- 26) The Maternity Benefit Act, 1961 & its Rules.
- 27) The Equal Remuneration Act, 1976.
- 28) The Workmen's Compensation Act, 1923
- 29) The Karnataka Shops & Establishments Act, 1961 and rules made thereunder
- 30) Information Technology Act, 2000
- 31) The Industrial Dispute Act, 1947
- 32) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

We have also examined compliance with the applicable clauses/ regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable Laws, Rules, Regulations and Guidelines.

As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

There are no other specific events/actions in pursuance of the above referred laws, rules, regulations guidelines etc., having a major bearing on the Company's Affairs.

For BMP & Co., Company Secretaries

> Pramod S M Partner FCS No: 7834 CP No: 13784

66

Place: Bengaluru Date: 7th May 2018

'Annexure 1' to Secretarial Audit Report

To, The Members, Tata Coffee Limited CIN: L01131KA1943PLC000833 Pollibetta, Kodagu 571215

Our report of even date is to be read along with this letter.

- 1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- 5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
- 6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
- 7. We further report that, based on the information provided by the Company its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/Company Secretary/Managing Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable General Laws like Labour Laws & Environment Laws and Data Protection Policy.
- 8. We further report that the compliance by the Company of applicable Financial Laws like Direct & Indirect Tax Laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For BMP & Co., Company Secretaries

Pramod S M

Partner FCS No: 7834 CP No: 13784

Place: Bengaluru Date: 7th May 2018



Annexure - C

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

Tata Coffee Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business or at arm's length during the financial year 2017-18. The Company has laid down policies and processes/ procedures so as to ensure compliance to the subject section in the Companies Act, 2013 and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts / arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts/arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Date(s) of approval by the Board, if any: Not Applicable
- (f) Amount paid as advances, if any: Not Applicable

For and on behalf of the Board

Place: Bengaluru Date: 7th May 2018 R. HARISH BHAT Chairman

Annexure – D

ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

1. A brief outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to the web link of the CSR Policy and projects or programs.

The focus areas of CSR Policy are as follows:

- a) Reduction of carbon and water foot print through inclusive and sustainable business practices.
- b) Renewable Energy, Water Conservation & Waste Management to support Environmental Sustainability.
- c) Ensuring protection and restoration of wildlife within the scope of operations.
- d) Undertaking programs focused on Education and Skill Development, Healthcare & Gender Equality.
- e) Actively participating in programs for volunteering and Affirmative Action.

The CSR Policy can be viewed on the Company's website at 'www.tatacoffee.com'

2. The Composition of CSR Committee:

Ms. Sunalini Menon - Chairperson (Independent Non-Executive Director)

Mr. V. Leeladhar (Independent Non-Executive Director)

Mr. Siraj Azmat Chaudhry (Independent Non-Executive Director)

Dr. P. G. Chengappa (Independent Non-Executive Director)

Mr. Sanjiv Sarin (Managing Director & CEO)

3. Average Net Profit of the Company for the last 3 Financial Years:

The average Net Profit for the last three years is ₹ 109.57 Crores.

4. Prescribed CSR Expenditure (two percent of the amount as mentioned at item 3 above):

The Company is required to spend ₹ 2.19 Crores towards CSR for the financial year 2017-18.

5. Details of CSR spent during the financial year:

- a) Total amount spent for the financial year: ₹ 2.21 Crores
- b) Amount unspent, if any: Nil
- c) Manner in which the amount spent during the financial year is detailed below:



(₹ in Lakhs)

SI. No.	Project/Activities	Sector	Locations Districts(State)	Amount Outlay (Budget)	Cumulative – expenditure upto reporting period	Amount Spent	
						Direct	Through Implementing Agency
1	Promoting Preventive Health Care	Health	Coorg, KA* Bengaluru, KA* Theni, TN*	96.95	99.17	79.17	20.00
2	Safe Drinking Water/ Sanitation Facility	Water	Theni, TN* Toopran, TEL* Coorg, KA*	48.50	39.83	2.30	37.53
3	Promoting education by providing contributions	Education	Coorg, KA * Anamallais, TN * Bengaluru, KA* Toopran, TEL *	72.60	59.08	59.08	-
4	Environmental Sustainability	Environmental Sustainability	Coorg, KA * Toopran, TEL *	1.60	5.65	5.65	-
5	Old Age Home	Old Age Home Maintenance	Bengaluru KA*	2.00	2.00	-	2.00
6	Others	Infrastructure/ Others	Bengaluru, Coorg, KA *	-	15.26	2.26	13.00
		Total		221.65	220.99	148.46	72.53

* KA - Karnataka; TN - Tamil Nadu; TEL – Telangana

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report:

Not Applicable

7. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: Bengaluru Date: 7th May, 2018 Sanjiv Sarin Managing Director & CEO Sunalini Menon Chairperson - CSR Committee

Annexure – E

Form No. MGT-9 EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

SI. No.	Particulars	Details
1	Corporate Identity Number (CIN)	L01131KA1943PLC000833
2	Registration Date	19th November, 1943
3	Name of the Company	Tata Coffee Limited
4	Category/ Sub- Category of the Company	Public Company/Limited by Shares
5	Address of the Registered Office and Contact Details	Pollibetta, Kodagu, 571 215, Karnataka, India
		Ph:- 080- 23560695
		Fax: 080-23341843
		E-mail: anantha.murthy@tatacoffee.com
6	Whether Listed Company? Yes/ No	Yes
7	Name, Address and Contact Details of Registrar and Transfer Agent,	TSR Darashaw Ltd.
	if any	6-10, Haji Moosa Patrawala Industrial Estate,
		20, Dr. E. Moses Road, Mahalaxmi,
		Mumbai 400 011.
		Tel. No.: 91 22 6656 8484
		Fax No.: 91 22 6656 8494
		E-mail: csg-unit@tsrdarashaw.com
		Website: www.tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company:-

SI. No.	Name & Description of Main Products/ Services	NIC Code of the Product/ Service	% to Total Turnover of the Company
1	Coffee	01272/10792	20.04
2	Instant Coffee	10792	51.06

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

SI. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Tata Global Beverages Limited	L15491WB1962PLC031425	Holding Company	57.48	2(46)
2	Consolidated Coffee Inc.	NA	Subsidiary	50.08	2(87)
	USA				
3	Eight O' Clock Holdings Inc.	NA	Subsidiary	-	2(87)
4	Eight O'Clock Coffee Company	NA	Subsidiary	-	2(87)
5	Tata Coffee Vietnam Company Limited	NA	Subsidiary	100%	2(87)



IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

i. Category-wise Share Holding

Cate	gory of Shareholders	No. of Shares h	eld at the b 1st April		e year i.e.	i.e. 31st March, 2018		year	% Change	
Cale	gory of shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	during the year
Α.	Promoters									
(1)	Indian									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(C)	Bodies Corporate	107,359,820	0	107,359,820	57.48	107,359,820	0	107,359,820	57.48	0.00
(d)	Financial Institutions / Banks	0	0	0		0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	-Total (A) (1)	107,359,820	-	107,359,820		107,359,820	-	107,359,820	57.48	
(2)	Foreign	. , ,			0.00	,,.		,,.	0.00	
(a)	Individuals (Non-Resident Individuals / Foreign	0	0	0		0	0	0		0.00
(u)	Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
	Institutions	0	0	0		0	0	0		0.00
(C)	Qualified Foreign Investor	0	0	0		0	0	0		0.00
(d)		0	0	0		0	0	0		
<u>(e)</u>	Any Other (specify)				0.00				0.00	0.00
	-Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
	al Shareholding of Promoter and Promoter	107,359,820	0	107,359,820	57.48	107,359,820	0	107,359,820	57.48	0.00
	up (A)									
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	7,682,743	27,860	7,710,603	4.13	5,163,526	24,980	5,188,506	2.78	
(b)	Financial Institutions / Banks	261,445	52,650	314,095	0.17	379,210	50,800	430,010	0.23	0.06
(C)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	2,947,350	0	2,947,350	1.58	3,992,263	0	3,992,263	2.14	0.56
(f)	Foreign Institutional Investors	49.086	0	49,086	0.03	0	0	0	0.00	-0.03
(g)	Foreign Venture Capital Investors	0	0	0		0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Foreign Portfolio Investors (Corporate)	0	0	0		68,074	0	68,074	0.04	0.04
(j)	Any Other (specify)									
	-Total (B) (1)	10,940,624	80,510	11,021,134	5.90	9,603,073	75,780	9,678,853	5.18	-0.72
(2)	Non-Institutions			,		-,,	,	-,,		
(a)	Bodies Corporate	9,965,936	123,770	10,089,706	5.40	5,478,498	77,210	5,555,708	2.97	-2.43
(b)	Individuals -		123,770	10,000,700	5.10	5,170,190	///210	5,555,700	2.77	2.15
(D)	Individual shareholders holding nominal share	33,637,187	5 543 380	39,180,567	20.98	40,378,671	4 237 100	44,615,771	23.89	2.91
I	0	55,057,107	5,545,500	59,100,507	20.90	40,570,071	4,237,100	44,010,771	23.09	2.21
	capital upto ₹ 1 lakh	2 (52 120	205.070	2 057 100	1 5 2	2 477 220	205 070	2 (0 2 4 0 0	1.07	0.44
ii	Individual shareholders holding nominal share	2,652,120	205,070	2,857,190	1.53	3,477,339	205,070	3,682,409	1.97	0.44
	capital in excess of ₹ 1 lakh									
(C)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other									
i	HUF	1,785,970	0	1,785,970		2,124,563	0	2,124,563	1.14	
ii	Non-Resident Indian (NRI)	2,761,375	98,600	2,859,975	1.53	4,578,287	42,110	4,620,397	2.47	0.94
iii	LLP	54,775	0	54,775	0.03	68,501	0	68,501	0.04	
iv	Trusts	235,665	0	235,665	0.13	238,887	0	238,887	0.13	0.00
V	Clearing Members	2,560,885	0	2,560,885	1.37	2,213,674	0	2,213,674	1.19	-0.19
vi	Foreign Companies	7,581,310	0	7,581,310	4.06	3,615,125	0	3,615,125	1.94	-2.12
vii	Director	3,000	0	3,000	0.00	3,000	0	3,000	0.00	0.00
viii	Foreign Nationals	30,720	0	30,720		30,720	0	30,720	0.02	0.00
ix	Alternate Investment Funds	0	0	0		205,000	0	205,000	0.11	0.11
Х	NBFCs registered with RBI	1,149,653	0	1,149,653	0.62	1,515,121	0	1,515,121	0.81	0.20
xi	IEPF A/c	0	0	0		1,242,821	0	1,242,821	0.67	0.67
	-total (B) (2)	62,418,596		68,389,416		65,170,207		69,731,697	37.34	0.72
Tota	al Public Shareholding (B) = $(B)(1)+(B)(2)$	73,359,220		79,410,550		74,773,280		79,410,550	42.52	0.00
	AL(A)+(B)	180,719,040		186,770,370		182,133,100			100.00	0.00
(C)	Shares held by Custodians and against which	0	0	0		0	0	0	0.00	0.00
(-)	Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
GP/	ND TOTAL (A)+(B)+(C)	180 719 040	6 051 330	186,770,370	100.00	182,133,100	4 637 270	186 770 370	100.00	0.00
<u>un</u> /		100,715,040	0,031,330	100,110,310	100.00	102,133,100	-1037,270	100,110,310	100.00	0.00

ii. Shareholding of Promoters

		Shareholding	at the beginnin 1st April, 2017	g of the year		ing at the end o 1st March, 2018		% change in
SI. No.	Shareholder's Name	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	shareholding during the year
1	TATA GLOBAL BEVERAGES LIMITED	107,359,820	57.48	0.00	107,359,820	57.48	0.00	0.00
		107,359,820	57.48	0.00	107,359,820	57.48	0.00	0.00

iii. Change in Promoter's Shareholding (Please specify, if there is no change)

SI. No.	Shareholder's Name	No. of Shares at the beginning of the year 1st April, 2017	% of total Shares of the Company	Cumulative Shares during the year	% of total Shares of the Company during the year
1	TATA GLOBAL BEVERAGES LIMITED				
	At the beginning of the year	107,359,820	57.48	107,359,820	57.48
	At the end of the year			107,359,820	57.48

iv. Shareholding Pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

SI. No.	Name of Shareholders	No of Shares as on 1st April, 2017	No of Shares as on 31st March, 2018	Net Change in shares	Net Change % to Capital
1	RELIANCE CAPITAL TRUSTEE CO LTD.	5,887,806	3,617,282	-2,270,524	-1.22
2	F. BORN A G	7,581,310	3,615,125	-3,966,185	-2.12
3	LIFE INSURANCE CORPORATION OF INDIA	505,870	1,913,643	1,407,773	0.75
4	INFINA FINANCE PRIVATE LTD	1,033,698	1,465,714	432,016	0.23
5	INVESTOR EDUCATION AND PROTECTION FUND	0	1,242,821	1,242,821	0.67
	AUTHORITY - MINISTRY OF CORPORATE AFFAIRS				
6	NATIONAL INSURANCE COMPANY LTD.	1,495,930	1,133,070	-362,860	-0.19
7	KASHYAP K BHATT	1,000,000	1,033,625	33,625	0.02
8	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE	1,200,000	1,009,958	-190,042	-0.10
	LIMITED (FORMERLY BIRLA SUN LIFE TRUSTEE				
	COMPANY PRIVATE LIMITED)				
9	CAPITAL FIRST LIMITED	2,549,214	788,014	-1,761,200	-0.94
10	MANGAL KESHAV CAPITAL LTD.	1,133,110	676,300	-456,810	-0.24

Note: The shares of the Company are traded on a daily basis and hence the date-wise increase/decrease in shareholding are not indicated. Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

v. Shareholding of Directors and Key Managerial Personnel:

SI.	Particulars	Shareholding at the be i.e. 1st Apı			Cumulative Shareholding during the year		
No	Particulars	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company		
1	Mr. Sanjiv Sarin						
	At the beginning of the year	3,000	0.00				
	At the end of the year i.e. 31.03.2018			3,000	0.00		
	Total	3,000	0.00	3,000	0.00		

None of the other Directors and Key Managerial Personnel of the Company holds shares in the Company.



V. INDEBTEDNESS:

Indebtedness of the Company including ir	nterest outstanding/ accrued b	ut not due for payment:		(₹ in Lakhs)
	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Fin	ancial Year			
i) Principal Amount	4705.22	3000.00	306.28	8011.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5.55	-	-	5.55
Total (i+ii+iii)	4710.77	3000.00	306.28	8017.05
Change in Indebtedness during the Finar	ncial Year			
i) Addition		2095.57		2095.57
ii) Reduction	206.76		164.87	371.63
Net Change	(206.76)	2095.57	(164.87)	1723.94
Indebtedness at the end of the Financial	Year			
i) Principal Amount	4500.00	5095.57	141.41	9736.98
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.01	-	-	4.01
Total (i+ii+iii)	4504.01	5095.57	141.41	9740.99

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

(₹ in Lakhs)

(₹ in Lakhs)

		•	-			,		
SI. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager						
		Mr. Sanjiv Sarin (Managing Director & CEO)	Mr. Chacko Purackal Thomas (Executive Director & Dy. CEO)	Mr. K. Venkataramanan (Executive Director - Finance & CFO)	Mr. T. Radhakrishnan (Executive Director - ICD Operations) (till 07.11.2017)			
1	Gross Salary							
	a) Salary as per provisions contained	162.55	117.98	101.67	40.70	422.90		
	in Section 17(1) of the Income Tax							
	Act, 1961							
	b) Value of perquisites u/s 17(2) of	9.72	6.35	6.05	2.05	24.18		
	the Income Tax Act, 1961							
	c) Profits in lieu of Salary u/s 17(3) of	-	-	-	-			
	the Income Tax Act, 1961							
2	Stock Option	-	-	-	-			
3	Sweat Equity	-	-	-	-			
4	Commission	96.00	51.00	52.00	18.77	217.77		
5	Others (contribution to Retiral Funds)	19.17	13.42	11.91	4.79	49.28		
	Total (A)	287.44	188.75	171.63	66.31	714.13		
	Ceiling as per the Act (@10% of					811.13		
	profits calculated under Section 198							
	of the Companies Act, 2013							

B. Remuneration to Other Directors:

1. Independent Directors

SI.		Name of Directors					
No.	Particulars of Remuneration	Mr. S. Santhanakrishnan	Ms. Sunalini Menon	Mr. V. Leeladhar	Mr. Siraj Azmat Chaudhry	i. Chengappa	Total Amount
1	Fee for attending Board and Committee Meetings	7.35	4.80	5.40	3.60	2.70	23.85
2	Commission for FY 2017-18 payable in FY 2018-19	30.00	15.00	16.00	11.00	8.00	80.00
3 Tota	Others, please specify (B1)	-	-	-	-	-	103.85

2. Non-Executive Directors

SI.	Deutieulaus of Deuton austion	Name of D	irectors	Total Amount
No.	Particulars of Remuneration	Mr. R. Harish Bhat	Mr. L. Krishnakumar	
1	Fee for attending Board and Committee Meetings	2.40	0.40	2.80
2	Commission for FY 2017-18		-	-
3	Others, specify		-	-
Tota	I B(2)			2.80
Tota	l Managerial Remuneration (B1)+(B2)			106.65
Tota	l Sitting Fees			26.65
Tota	Commission			80.00
Over	all Ceiling as per the Act for payment of Commission to Non- Executive Dir	ectors for the financial yea	r 2017-18.	81.11

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD:

(₹ in Lakhs)

SI. **Particulars of Remuneration** No.

		COMPANY SECRETARY
		Mr. N. Anantha Murthy
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	34.45
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.96
	(c) Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	-
2	Stock Option	NA
3	Sweat Equity	NA
4	Commission / Merit Bonus	8.02
5	Others (contribution to Retiral Funds)	3.82
	Total	47.25

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of the Companies Act, 2013, against the Company or its Directors or other officers in default, if any, during the year.

Financial Statements

(₹ in Lakhs)



Annexure – F

PARTICULARS OF EMPLOYEES

Information relating to remuneration of Directors / Key Managerial Personnel as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the Financial Year:

Non-Executive Directors	Ratio to Median	% increase/(decrease) in Remuneration
Mr. R. Harish Bhat	1.26	(14)
Mr. L Krishnakumar ^	0.21	NA
Mr. S. Santhanakrishnan	19.63	(36)
Ms. Sunalini Menon	10.41	(42)
Mr. V. Leeladhar	11.25	(45)
Mr. Siraj Azmat Chaudhry	7.68	(60)
Dr. P.G. Chengappa ^	5.62	NA
Executive Directors & Key Managerial Personnel		
Mr. Sanjiv Sarin	141.03	(11)
Mr. Chacko Purackal Thomas	92.17	(9)
Mr. K. Venkataramanan	83.96	(4)
Mr. T. Radhakrishnan^	32.34	NA
Mr. N. Anantha Murthy ^	22.33	NA

^ Directorship / Employment is for part of the period, either in current year or in previous year. Hence, percentage increase in remuneration is not provided.

2. The percentage increase in the median remuneration of employees in the financial year: 8%

- 3. The number of permanent employees on the rolls of Company: 5880
- 4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The percentage increase in the salaries of employees other than Managerial Personnel in financial year 2017-18 was 8%. The increments given to employees are based on their potential, performance and contribution, which is benchmarked against applicable Industry norms.

5. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is affirmed that the remuneration paid is as per the Remuneration Policy applicable for Directors, Key Managerial Personnel and other employees, adopted by the Company.

Annexure – G

Details on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo (Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014)

A. Conservation of Energy:

i. ICD-THENI

1. The steps taken or impact on conservation of energy

Various steps taken to use renewable energy which is generated from natural sources i.e. wind, and solar

- a) Additional wind energy of 25 Lakh units introduced through Group Captive Power (GCP) concept during March 2017 from the existing sanction of 64 Lakh units. With this, the total sanction has gone upto 89 Lakh units against the total requirement of 120 Lakh units i.e., 74% of total energy will be from Green Energy.
- b) Spent coffee utilization remained a major saving initiative for the unit.
- c) Specific power consumption of FDC has reduced from 4.31units/kg to 3.66units/kg through energy conservation CFTs
- d) Specific power consumption of SDC has reduced from 1.20units/kg to 1.19units/kg irrespective of new load addition at packaging section through energy conservation CFTs
- e) Specific diesel consumption in Roaster at SDC has reduced from 0.12 to 0.11 lts/Kg through PIT's.
- f) Specific Boiler Fuel Consumption of SDC has reduced from 2.75kg/kg to 2.72kg/kg through implementation of energy conservation measures
- g) Fly ash generated from the boiler is being disposed in an eco-friendly manner for brick manufacturing.
- h) Specific Water Consumption reduced at SDC from 44.54KL/MT to 40.03KL/MT and at FDC from 108.60KL/MT to 106.75KL/MT.

2. The steps taken by the Company for utilizing alternate sources of energy

- a) Theni Unit improvised its focus on renewal energy sourcing (wind +solar) and made it fruitful by increasing its share from 50.6% to 81.9% of the total power consumption of the plant from previous year.
- b) Wind power share increased from 44% to 76% of the total power consumption of ICD from previous year.
- c) Approximately 20% reduction of LPG consumption at Canteen through Rs 12 Lakhs investment of steam cooking provision, made a step towards flameless cooking

3. The capital investment on energy conservation equipment

The Theni Unit of Instant Coffee Division invested ₹ 58 Lakhs on New VAM Chiller in SDC plant to minimize the electrical power consumption. The energy reduction initiative led to a saving of 880 units daily average.

ii. ICD - Toopran

1. The steps taken or impact on conservation of energy.

Various steps taken on conservation of energy in the unit.

- a) Spent coffee utilization remained a major saving initiative for the unit. Husk and fuel ratio increased from 33% to 37% (spent usage) by modifying the fuel mixing system which led to reduce the husk consumption by 263 MT in the year 2017-18 (₹ 7.75 Lakhs savings in 2017-18)
- b) Spray drier DHF electrical heaters replaced with steam radiator hence 16KWH savings (₹ 7.3 Lakhs/annum)
- c) ETP treatment done after the PIT implementation with the external expert supports resulted savings in the treatment cost from ₹ 131/KI to ₹ 113/KI (savings in 2017-18 is ₹ 7.39 Lakhs).
- d) Upgrading DM plant regeneration capacity from 250 KLD to 350 KLD through PIT resulted a water savings of 1920 KL (cost savings in 2017-18 4.36 Lakhs)



- e) A sustainable water savings of 26 KLD achieved through effluent recovery process in effluent treatment plant. (8626 Kl recovered in 2017-18)
- f) Energy efficient and compact preheater installed for extraction hot water requirement resulted in steam consumption savings of 1.5 MT/day (₹ 4.95 Lakhs/annum)
- g) Fly ash generated from the Boiler is being disposed in an eco-friendly manner for brick manufacturing.

2. The capital investment on energy conservation Equipment

The Toopran Unit of Instant Coffee Division invested ₹ 13.73 Lakhs on compact preheater installed for extraction hot water requirement yielding a steam consumption savings of 1.5 MT/day. ₹ 5.59 Lakhs spent on energy efficiency Equipment.

B. TECHNOLOGY ABSORPTION:

- 1. Specific area
- a. Soil health maintenance and its sustenance with Soil Nutrient Index.
- b. Integrated Pest, Disease and Crop Management Research.
- c. Bio-Control Research culturing of beneficial microbes for Pest, Disease control and Composting process.
- d. Varietal trial of Coffee, Pepper and Cardamom.
- e. Quality enhancement, good post-harvest processing and Pepper grading for incremental gain.
- f. Environmental preservation through Surface Water Analysis, Pesticide Residue Analysis, etc. and Water Conservation.
- g. Soil moisture conservation and optimization of available water.
- h. Bio-remediation and waste management Recycling of Agro waste, Compost, Vermi-compost & Coffee Waste Water Treatment and recycling.
- i. Quality evaluation of estate produce and Agro-inputs.
- j. Mono Cultivation of Pepper and Crop Diversification.
- k. Apiculture and Pisciculture.
- I. Collaborative Research to evolve Less Hazardous environment friendly Agro Chemical and Pheromones for Sustainable Agriculture.
- m. Standardization 'Operating Procedure for Plantation, Processing.

2. Benefits Derived

Crop Nutrition Research :

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- a. Soil fertility evaluation through annual soil nutrient analysis and leaf micronutrient diagnostic analysis, the results is used to optimize fertilizer recommendation and soil amendment.
- b. Our fertilizer program is rationalized based on soil nutrient status and plant replenishment ratio, which is optimum and adequate to enhance crop production and productivity.
- c. Monitoring the availability of micronutrients and secondary nutrients to improve Coffee, Pepper and Cardamom productivity and quality.

II. Coffee, Pepper & Cardamom - Varietal Trial Experiment :

Identified location specific high yielding, pest, disease and drought tolerant selection for planting in our Estates.

III. Organic Manure :

• Agro Waste management and recycling through large-scale production of quality compost with improved technology incorporating in-house prepared beneficial microbial concoction, to enhance the soil fertility status and to manage soil borne diseases.

IV. Bio- control Research :

- a. Culturing of beneficial fungus for integrated disease management. R&D pioneered and scaled up the culturing of pure line Trichoderma fungus using fermenter and concentrate formulation in vial. To be used as a biological control for Pepper Wilt and Root diseases of Coffee.
- b. Culturing of Pseudomonas, Paecilomyces and Pochonia for soil Nematode control.
- c. Coffee Berry Borer Control: Large-scale installation of Berry Borer trap with the use of organic solvents and Culturing of Entomopathogen fungus Beauveria bassiana, as a part of Integrated Pest Management.
- d. Coffee White Stem Borer Control: Large-scale installation of Pheromone traps as a monitoring and IPM tool, 'Lime spray' and intensive tracing, as a part of Integrated Pest Management [IPM] in endemic area.

V. Organic farming system :

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

VI. Mono Cultivation of Pepper and Crop Diversification :

Intensive Pepper cultivation with improved package of practices.

Areca nut, Oil palm planted along the valleys and marginal areas have established and contributing substantial revenue. Horticulture crops like Avocado and tree spice – Nutmeg are experimented.

VII. Preparation of Standard Operating Procedure (SOP) and package of practices based Good Agricultural practices (GAP) and Good Processing Practices (GPP).

VIII. Training programs on critical cultural operations for estate personnel and monthly Advisory circulars to estates and also to our customers on updated current/new trends in cultivation practices, pest & disease management and post-harvest technology.

IX. Certifications -

All our cultural operations are validated through international certifications such as UTZ, Rainforest Alliance, SA 8000, ISO 22000 and Cafe Practices.

3. Plan of action in-house I. Improved crop varieties :

Field evaluation of location specific high yielding and pest, disease and drought tolerant selection of Coffee, Pepper and Cardamom.

II. Crop Diversification :

To assess the potential of very low yielding coffee areas and to identify other suitable commercial crops and fruit trees.

III. Coffee 'Waste water' Management Research :

Experiments are under way to determine economical waste water treatment through effective Ecofriendly neutralization agents, biological process and energy recovery from waste water.

IV. Crop Nutrition Research:

Rationalization of fertilizer application for the future. Experimenting on identification of potential 'fertilizer formulation' for better absorption of applied nutrients, and quality enhancement.

V. Water conservation :

To develop an economically viable technique of recycling of treated waste water for agricultural use.

VI. Quality enhancement – Improved process to preserve the "Inherent quality" of estate produce, right time of crop harvest based on sugar content (coffee), improved post- harvest drying standards for Coffee and Pepper to avoid Mycotoxins.



VII. Coffee Waste Utilization for Incremental gain :

Experiments are under way for effective utilization of Coffee processing waste for incremental gain.

- VIII. Quality of Surface Water To assess and confirm that our farm activities are not contaminating the receiving water bodies, even though less hazardous chemicals are used as per Sustainable Agricultural Network and WHO standard.
- **IX. Apiculture** To enhance production through insect pollination in Coffee and also to revive the diminishing population of honey bees, to preserve the bio-diversity.
- X. **Pisciculture** Fish farming in Irrigation tank, to preserve the aquatic eco system and also for Revenue generation.
- XI. Collaborative Research : To evolve less Hazardous "WHO" approved Agro-Chemicals for sustainable Agriculture.

4. General

Collaboration with Research Institutes :-

- Central Coffee Research Institute, Balehonnur.
- Indian Institute of Spices Research, Calicut.
- Collaborative Research with Tata Chemicals Innovation Centre and Rallis Innovation Chemistry
 Hub, with respect to Arabica White Stem Borer and Termite on 'live standards'.
- Pest Control India Private Limited on new molecules of Pheromones for coffee white stem borer.
- College of Forestry Science, University of Agricultural Sciences, Bangalore.
- **II.** Obtained UTZ, Rainforest Alliance and Café practices Certificates for Coffee export to EU, USA and Japan; NOP and NPOP Certificate for Organic produce, and ISO: 22000 Certification for R & G and Pepper Processing unit at KNW, EIA for Pepper Export.
- **III.** Scientific technical guidance to students pursuing higher studies both International and National universities.
- IV. Our R&D Laboratory is recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology.

5. In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):

- (a) the details of technology imported; Penagos, Pulping Technology for Coffee Processing
- (b) the year of import: 2015-16
- (c) whether the technology been fully absorbed : Yes

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(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not Applicable

6. The expenditure incurred on Research and Development:

		(₹ in Lakhs)	
Particulars	2017-18	2016-17	
Capital Expenditure	38.68	27.75	
Revenue Expenditure	83.30	69.13	
Total	121.98	96.88	
Total R&D expenditure as a % of net sales	0.17%	0.12%	

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

		(₹ in Lakhs)
Particulars	2017-18	2016-17
Foreign Exchange Earned	50016	55909
Outgo of Foreign Exchange	16289	18829

For and on behalf of the Board

Place: Bengaluru Date: 7th May 2018 R. HARISH BHAT Chairman

Report on Corporate Governance

1. Company's Philosophy on Code of Governance:

Your Company's Corporate Governance philosophy is based on transparency, accountability, values and ethics, which forms an integral part of the Management's initiative in its ongoing pursuit towards achieving excellence, growth and value creation. Your Company is committed to highest standards of Corporate Governance and disclosure practices to ensure that its affairs are managed in the best interest of all stakeholders. As part of Tata Group, your Company has a strong legacy of fair, transparent and ethical governance practices.

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

The Corporate Governance practices followed by the Company are compatible with International Standards. Your Company has established systems to encourage and recognize employee participation and volunteering in environmental and social initiatives that contribute to Organizational Excellence, Sustainability, Human Resources Development and health of its employees and of the neighboring community etc. These actions have become an integral part of your Company's operating plans for performing social responsibilities too.

Your Company is in compliance with the requirements of Corporate Governance stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter called "the Listing Regulations" and also Guidance Note on Board Evaluation as prescribed by SEBI.

2. Board of Directors:

Composition of the Board

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well informed Board with qualifications and experience in diverse areas. The Board composition is in conformity with the Listing Regulations and the Companies Act, 2013 ("the Act").

The Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Director. The Board of Directors, as on 31st March, 2018, comprised of 10 Directors, out of which 3 were Executive Directors and 7 were Non-Executive Directors, which includes 5 Independent Directors. The Chairman of the Board is a Non-Executive Director and more than one-half of the total number of Directors comprised of Non-Executive Directors.

Category of Directors	No. of Directors	%
Non-Independent Non-Executive Directors	2	20%
Independent Non-Executive Directors	5	50%
Managing & Executive Directors	3	30%

During the financial year 2017-18, the Board of Directors appointed Mr. L. Krishnakumar as an Additional Director of the Company with effect from 7th November, 2017. Mr. L. Krishnakumar will be seeking appointment as Director at the ensuing Annual General Meeting. Mr. T. Radhakrishnan resigned as Executive Director – ICD Operations of the Company, with effect from 7th November 2017.

All Directors possess relevant qualifications and experience in general Corporate Management, Coffee/Commodity expertise, Finance, Banking and other allied fields, which enable them to effectively contribute to the Company in their capacity as Directors. None of the Directors are related to each other. Mr. Sanjiv Sarin, Managing Director & CEO holds 3000 equity shares of the Company as on 31st March 2018. No other Director holds equity shares in the Company.

None of the Directors on the Board is a member of more than ten Committees or Chairman of five Committees (committees being Audit Committee and Stakeholders Relationship Committee) across all the Public Companies in which he/she is a Director. Necessary disclosures regarding their Committee positions have been made by all the Directors.

None of the Directors hold office in more than ten Public Companies. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance of the limit on Independent Directorships of listed companies as prescribed under Regulation 25(1) of the Listing Regulations.



The composition and category of Directors, their attendance at the Board Meetings and at the last AGM held during financial year 2017-18 and the number of Directorships and Committee Chairmanships / Memberships held by them in other Indian Public Limited companies as on 31st March, 2018 are as follows:

Name of Directors	Category of Directors	Attend	ance at	Directorships and Chairmanship/Memberships of Board Committees in other Indian Public Companies		
	category of Directors	Board Meetings held in 2017-18	Last AGM held on 17.07.2017	Directorship(#)	Committee Membership (#)	Committee Chairmanship (#)
Mr. R. Harish Bhat	Non-Independent	7	Yes	6	3	1
(Chairman)	Non-Executive					
DIN: 00478198						
Mr. S. Santhanakrishnan	Independent	7	Yes	5	5	1
DIN: 00032049	Non-Executive					
Mr. V. Leeladhar	Independent	5	Yes	4	1	3
DIN: 02630276	Non-Executive					
Ms. Sunalini Menon	Independent	6	Yes	-	-	-
DIN: 06983334	Non-Executive					
Mr. Siraj Azmat Chaudhry	Independent	7	Yes	1	1	-
DIN: 00161853	Non-Executive					
Dr. P.G. Chengappa	Independent	6	Yes	3	2	-
DIN: 06771287	Non-Executive					
Mr. Sanjiv Sarin	Non-Independent	7	Yes	-	-	-
(Managing Director & CEO)	Executive					
DIN: 02063332						
Mr. Chacko Purackal Thomas	Non-Independent	7	Yes	-	-	-
(Executive Director & Deputy CEO)	Executive					
DIN: 05215974						
Mr. K. Venkataramanan	Non-Independent	7	Yes	1	-	-
(Executive Director – Finance & CFO) Executive					
DIN: 01728072						
Mr. T. Radhakrishnan*	Non-Independent	4	Yes	-	-	-
(Executive Director –	Executive					
ICD Operations)						
DIN: 03527405						
Mr. L. Krishnakumar**	Non-Independent	2	-	2	1	-
DIN: 00423616	Non-Executive					

(*) Mr. T. Radhakrishnan resigned as the Executive Director – ICD Operations w.e.f. 7th November 2017.

(**) Mr. L. Krishnakumar was appointed as an Additional Director w.e.f. 7th November 2017.

(#) Excludes Directorships in Associations, Private Limited Companies, Foreign Companies, Government Bodies and Companies registered under Section 8 of the Act. Only Audit Committee and Stakeholders Relationship Committee of Indian Public Companies have been considered for Committee positions.

During the financial year 2017-18, the Board met seven times i.e., on 18th May, 2017, 17th July, 2017, 27th July, 2017, 7th November, 2017, 18th December, 2017, 25th January, 2018 and 23rd March, 2018. The maximum time gap between two board meetings was less than 120 days.

Board Procedure

The annual calendar of Board Meetings is circulated to the members of the Board, well in advance. The agenda is circulated well in advance to the Board members, along with comprehensive back-ground information on the items in the agenda to enable the Board members to arrive at appropriate decisions. The agenda and related information is circulated in electronic form through a highly secure web based application, which is accessible to the Board members through iPad. The information as required under Part A of Schedule II to the Listing Regulations is also made available to the Board. The Board also reviews the declarations made by the Managing Director & CEO, the Chief Financial Officer and the Company Secretary regarding compliance with all applicable laws, on a quarterly basis.

Statutory Reports

Code of Conduct

The Company has adopted the 'Tata Code of Conduct' which is applicable to the Company and its employees, including the Managing and Executive Directors. The Board has also approved a Code of Conduct for the Non-Executive Directors of the Company, which incorporates the duties of Independent Directors as laid down in the Act. Both these Codes are posted on the Company's website at www.tatacoffee.com.

All the Board Members and Senior Management Personnel, have affirmed compliance with the applicable Code of Conduct. A declaration to this effect, signed by the Managing Director & CEO, forms part of this Report.

Apart from receiving remuneration that they are entitled to under the Act as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its Promoters or its Directors, its Senior Management or its Subsidiaries and Associates.

The Directors and Senior Management of the Company have made disclosures to the Board confirming that there are no material financial and/or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

Independent Directors

The Independent Directors of the Company have been appointed in terms of the requirements of the Act and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letter of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the Company's website at <u>www.tatacoffee.com</u>.

Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company was held on 22nd March, 2018, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations.

- At the meeting, the Independent Directors:
- reviewed the performance of Non-Independent Directors and the Board as a whole;
- reviewed the performance of the Chairman of the Company, taking into account the views of the Managing Director and Non-Executive Directors; and
- assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors of the Company attended the Meeting of Independent Directors held on 22nd March, 2018. The Independent Directors expressed their entire satisfaction to the desired level on the governance of the Board.

Board and Directors/Evaluation and Criteria for Evaluation

During the year, the Board has carried out an Annual Evaluation of its own performance and the performance of Directors, as well as evaluation of Committees of the Board.

The Nomination and Remuneration Committee (NRC) has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation include inter-alia, structure of the Board, including gualifications, experience and competency of Directors, diversity in Board and process of appointment; Meetings of the Board, including regularity and frequency, agenda, discussion and dissent, recording of minutes and dissemination of information; functions of the Board, including strategy and performance evaluation, corporate culture and values, governance and compliance, evaluation of risks, grievance redressal for investors, stakeholder value and responsibility, conflict of interest, review of Board evaluation and facilitating Independent Directors to perform their role effectively; evaluation of management's performance and feedback, independence of management from the Board, access of Board and management to each other, succession plan and professional development; degree of fulfillment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and functioning and guality of relationship between the Board and Management.

Criteria for evaluation of individual Directors include aspects such as professional qualifications, prior experience, especially experience relevant to the Company, knowledge and competency, fulfillment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity, independence and guidance/ support to Management outside Board/ Committee Meetings. In addition, the Chairman is also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer meetings, impartiality, ability to keep shareholders' interests in mind and effectiveness as Chairman.

Criteria for evaluation of the Committees of the Board include mandate and composition; effectiveness of the Committee; structure of the Committee; regularity and frequency of meetings, agenda, discussion and dissent, recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and Management.

The procedure followed for the performance evaluation of the Board, Committees and Directors is detailed in the Directors' Report.

The NRC has also formulated criteria for determining qualifications, positive attributes and independence of Directors in terms of Section 178(3) of the Act and the Listing Regulations.

Familiarization Programme for Independent Directors

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc., through various programmes. These include orientation programme upon induction of new Director, as well as other initiatives to update the Directors on an ongoing basis.

The Familiarization Programme for Independent Directors is disclosed on the Company's website at the web link: http://www.tatacoffee. com/investors/shareholder_information/TCL_familiarisaiton_ programme.pdf.

3. Audit Committee:

The Audit Committee has been constituted by the Board in compliance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

Terms of reference

The terms of reference of the Audit Committee covers all the areas mentioned under Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The terms of reference of the Audit Committee, inter-alia is as follows:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending the appointment and removal of External Auditors, fixation of Audit Fee and approval for payment for any other services;
- Review with the management and statutory auditors of the annual financial statements before submission o the Board with particular reference to:
 - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section
 (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;



- (d) Significant adjustments made in the financial statements arising out of audit findings;
- (e) Compliance with listing and other legal requirements relating to financial statements
- (f) Disclosure of any Related Party Transactions;
- (g) Modified opinion(s) in the draft Audit Report;
- iv. Review of the quarterly and half yearly financial results with the management and the Statutory Auditors;
- v. Examination of the financial statement and the Auditors' Report thereon;
- vi. Review and monitor Statutory Auditor's independence and performance and effectiveness of audit process;
- vii. Approval or any subsequent modification of transactions with related parties;
- viii. Scrutiny of Inter-Corporate Loans and Investments;
- ix. Review of valuation of undertakings or assets of the company wherever it is necessary;
- x. Evaluation of Internal Financial Controls and Risk Management Systems;
- Review with the Management, Statutory Auditors and the Internal Auditors about the nature and scope of audits and of the adequacy of internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- xiii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xiv. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- xv. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders,

Financial Statements

shareholders (in case of non-payment of declared dividend) and creditors, if any;

- xvi. Review the functioning of the whistle blower mechanism;
- xvii. Review and monitor the end use of funds raised through public offers and related matters;
- xviii. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- xix. Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading Code and supervise its implementation under the overall supervision of the Board;
- xx. Review of the following information:
 - (1) Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by Management;
 - (3) management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - (4) Internal Audit Reports relating to internal control weaknesses;
 - (5) the appointment, removal and terms of remuneration of the Chief Internal Auditor;
 - (6) Statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1)
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus in terms of Regulation 32(7), if applicable
- xxi. Carrying out any other function as may be referred to the Committee by the Board.
- xxii. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II to the Listing Regulations.

Internal Audit

The Company has adequate internal control and Internal Audit System commensurate with its size and nature of its business. The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors directly present their report to the Audit Committee for their consideration.

Composition and Attendance during the year

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act. All members of the Committee are financially literate, with Mr. S. Santhanakrishnan, as Chairman of the Committee, having the relevant accounting and financial management expertise.

The composition of the Audit Committee and the details of the meetings attended by its members during the financial year ended 31st March, 2018 are as under:

Name of Members	Category of Directors	No. of Meetings held	No. of Meetings attended
Mr. S. Santhanakrishnan –	Independent	9	9
Chairman	Non-Executive		
Ms. Sunalini Menon	Independent	9	8
	Non-Executive		
Mr. V. Leeladhar	Independent	9	8
	Non-Executive		
Mr. Siraj Azmat Chaudhry	Independent	9	1
(till 17.7.2017)	Non-Executive		

The Audit Committee met nine times during the financial year 2017-18 and the gap between two meetings did not exceed 120 days. The dates on which Audit Committee Meetings held were: 10th April 2017, 17th May 2017, 26th July, 2017, 22nd September, 2017, 6th November, 2017, 7th December, 2017, 24th January 2018, 28th February, 2018 and 22nd March, 2018. Required quorum was present at the above meetings.

The Audit Committee meetings are usually attended by the Managing Director & CEO, Executive Director & Deputy CEO, Executive Director – Finance & CFO, Head of ICD Operations and the respective departmental heads, wherever required. The Company Secretary acts as the Secretary of the Audit Committee. The Statutory Auditors and Internal Auditors also attend the Audit Committee meetings by invitation.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

During the year, the Audit Committee reviewed key audit findings covering Operational, Financial and Compliance areas, Risk Mitigation Plan covering key risks affecting the Company which were presented to the Committee. The Chairman of the



Audit Committee briefed the Board members on the significant discussions which took place at Audit Committee Meetings.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 17th July, 2017.

4. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

Terms of reference

The terms of reference of the Nomination and Remuneration Committee (NRC) are as follows:

- a) Make recommendations regarding the composition of the Board, identify Independent Directors to be inducted to the Board, from time to time and take steps to refresh the composition of the Board, from time to time.
- b) Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- c) Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees.
- d) Formulate criteria for evaluation of performance of Independent Directors and the Board of Directors.
- e) To see whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors
- f) Devise a policy on diversity of Board of Directors.
- g) Assist the Board in fulfilling its Corporate Governance responsibilities relating to remuneration of the Board, KMP and Executive Team members.
- h) Evaluate and approve the appointment and remuneration of senior executives, including the KMP, the Company's remuneration plan, annual salary increase principles and budgets, annual and long term incentive plans of the Company, policies and programmes such as succession planning, employment agreements, severance agreements and any other benefits.

- i) Establish key performance metrics to measure the performance of the Managing Director, KMP and the Executive Team including the use of financial, non-financial and qualitative measures.
- j) Review and recommend to the Board, the remuneration and commission payable to the Managing and Executive Directors and define the principles, guidelines and process for determining the payment of Commission to Non-Executive Directors of the Company.

Composition and Attendance during the year

The composition of the NRC and details of meetings attended by its members during the financial year ended 31st March, 2018, are given below:

Name of Members	Category of Directors	No. of Meetings held	No. of Meetings attended
Mr. V. Leeladhar –	Independent	3	3
Chairman	Non-Executive		
Mr. S. Santhanakrishnan	Independent	3	3
	Non-Executive		
Mr. R. Harish Bhat	Non-Independent	3	3
	Non-Executive		
Mr. Siraj Azmat Chaudhry	Independent	3	3
	Non-Executive		

The NRC met three times during the financial year 2017-18 i.e., on 17th May 2017, 7th November, 2017 and 22nd March, 2018.

The Chairman of the NRC was present at the Annual General Meeting of the Company held on 17th July, 2017.

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the Listing Regulations, the Annual Performance Evaluation was carried out for the financial year 2017-18 by the Board in respect of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Risk Management, Stakeholders' Relationship, CSR Committees and Ethics & Compliance Committee. A structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared after taking into consideration the Guidance Note issued by SEBI vide circular dated 05.01.2017.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as guidance/ support to management outside Board/ Committee meetings, degree of fulfillment of key responsibilities, effectiveness of meetings etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

Remuneration Policy

The Company's philosophy for remuneration of Directors, Key Managerial Personnel and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, Key Managerial Personnel and other employees, which is aligned to this philosophy. The key factors considered in formulating the Policy are as under:

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors to run the Company successfully;
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company does not have any Employee Stock Option Scheme.

The key principles governing the Company's Remuneration Policy are as follows:

- (i) <u>Independent Directors and Non-Independent</u> <u>Non-Executive Directors</u>
 - a) Independent Directors ('ID') and Non-Independent Non-Executive Directors ('NEDs') are paid sitting fees for attending the Meetings of the Board and of Committees of which they are Members, and Commission within regulatory limits, as recommended by the NRC and approved by the Board.
 - b) Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company taking into consideration the challenges faced by the Company and its future growth. Remuneration paid should be reflective of the size of the Company, complexity of the Sector/ Industry/ Company's Operations and the Company's capacity to pay the

remuneration and be consistent with recognized best practices.

- c) The aggregate Commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board. The NRC will recommend to the Board the quantum of Commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee Meetings, individual contributions at the Meetings and contributions made by Directors other than in Meetings.
- d) The remuneration payable to Directors shall be inclusive of any remuneration payable for services rendered in any other capacity, unless the services rendered are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the Profession.
- (ii) <u>Managing Director ('MD')/ Executive Directors ('ED')/ Key</u> <u>Managerial Personnel ('KMP')/ rest of the employees</u>

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence, remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the Sector/ Industry/ Company's Operations and the Company's capacity to pay, consistent with recognized best practices and aligned to regulatory requirements.

Basic/Fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, the Company provides employees with certain perquisites, allowances and benefits in accordance with terms of employment/contract.

In addition to the Basic/ Fixed salary, benefits, perquisites and allowances as provided above, the Company provides to its MD/ EDs' such remuneration by way of Commission, calculated with reference to the net profits of the Company in the financial year, as may be determined by the Board, subject to the overall ceilings stipulated under Section 197 of the Act. The specific amount payable to the MD/ EDs' would be based on performance as evaluated by the NRC and approved by the Board.



Details of remuneration paid during the financial year 2017-18:

a) Non-Executive Directors (NEDs')

			(₹ in Lakhs)
Name of Non-Executive Directors	Commission relating to FY 2016-17 (paid in FY 2017-18)	Commission relating to FY 2017-18 (payable in FY 2018-19)	Sitting fee
Mr. R. Harish Bhat *	-	-	2.40
Mr. S. Santhanakrishnan	50.00	30.00	7.35
Prof. Arun Monappa (Retired on 09.03.2017)	13.00	-	-
Ms. Sunalini Menon	28.00	15.00	4.80
Mr. V. Leeladhar	31.00	16.00	5.40
Mr. Siraj Azmat Chaudhry	30.00	11.00	3.60
Dr. P. G. Chengappa	-	8.00	2.70
Mr. L. Krishnakumar*		-	0.40

* Mr. R. Harish Bhat and Mr. L. Krishnakumar, despite being Non-Executive Directors, do not draw any commission, in line with the applicable norms of Tata Group, since both of them are full-time employees of Tata Sons Ltd and Tata Global Beverages Limited, respectively.

b) Managing/Executive Directors:

					(₹ in Lakhs)
Name of Managing/Executive Directors	Salary	Perquisites and Allowances	Contribution to Retiral Funds	Commission FY 2017-18	Total
Mr. Sanjiv Sarin	162.55	9.72	19.17	96.00	287.44
Mr. Chacko Purackal Thomas	117.98	6.35	13.42	51.00	188.75
Mr. K. Venkataramanan	101.67	6.05	11.91	52.00	171.63
Mr. T. Radhakrishnan	40.70	2.05	4.79	18.77	66.31
(till 07.11.2017)					

The Company pays sitting fee of ₹ 30,000/- per meeting to the NEDs for attending Meetings of the Board, Audit Committee and NRC and ₹ 15,000/- for other Committees. In respect of current employees of Tata Companies who are NEDs on the Board of Indian Tata Companies, the sitting fees payable shall not exceed ₹ 20,000/- per meeting. In respect of Committees, the sitting fees shall be ₹ 10,000/- per meeting; there is no sitting fee for attending the Meeting of Corporate Social Responsibility Committee.

The Members at the Annual General Meeting of the Company held on 21st July, 2014 approved payment of Commission to the NEDs within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Act. The said Commission payable to the NEDs is decided each year by the Board of Directors and distributed amongst them based on their attendance, role and responsibility as Chairman/ Member of the Committees and their overall contribution as well as time spent on operational matters otherwise than at the meetings. The Company also reimburses the out of pocket expenses incurred by the NEDs for attending meetings.

The Governance Guidelines on Board Effectiveness adopted by the Company provides for the retirement age of Directors. As per the Guidelines, the Managing and Executive Directors retire at the age of 65 years, subject to the terms of their appointment; Non-Independent Non-Executive Directors retire at the age of 70 years and the retirement age for Independent Directors is 75 years.

The services of the Managing Director and Executive Directors may be terminated by either party, giving the other party a six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance fees.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE: Terms of reference

In terms of Section 178 (5) of the Act and Regulation 20 of the Listing Regulations, the terms of reference of the Stakeholders Relationship Committee are as under:

- a. To consider and resolve the grievances of the security holders of the Company, including complaints related to transfer of shares, non-receipt of Annual Report, non-receipt of declared Dividends, etc.
- b. To set forth the policies relating to and to oversee the implementation of the Code of Conduct for Prevention of Insider Trading and to review the concerns received under the Tata Code of Conduct.

The composition of the Stakeholders Relationship Committee and the details of the meetings attended by its members during the financial year ended 31st March, 2018 are as under:

Name of Members	Category of Directors	No. of meetings held	No. of meetings attended
Mr. S. Santhanakrishnan-	Independent	4	4
Chairman	Non-Executive		
Mr. V. Leeladhar	Independent	4	2
	Non-Executive		
Mr. R. Harish Bhat	Non-Independent	4	4
	Non-Executive		
Mr. Chacko Purackal	Non-Independent	4	4
Thomas	Executive		
Mr. K. Venkataramanan	Non-Independent	4	4
	Executive		

During the financial year 2017-18, the Committee met 4 times on 18th May 2017, 27th July 2017, 7th November, 2017 and 25th January, 2018. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of Investors' service. Mr. Anantha Murthy N, Head-Legal & Company Secretary is designated as Compliance Officer of the Company.

Details of complaints received and attended to during the financial year 2017-18 are given below:

No. of complaints pending as on 1st April 2017	0
No. of complaints received during the year	11
No. of complaints resolved during the year	11
No. of complaints pending as on 31st March 2018	0

The Equity Shares of the Company are traded on the stock exchanges in dematerialized form. During the financial year 2017-18, 183 requests for transfer/transmission covering 2,23,442 shares and 118 requests for dematerialization covering 1,54,820 shares were received and processed. As on 31.03.2018, there was 1 request for transfer/transmission covering 2,250 shares and 11 requests for dematerialization covering 21,440 shares were pending. These requests were received in last week of March 2018 and have been subsequently processed.

As per Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('Rules'') read with Section 124 of the Act, intimations have been sent to shareholders concerned, requesting them to encash their unclaimed dividends failing which the corresponding shares held by them will be transferred to Investor Education and Protection Fund (IEPF)Authority. As required under Section 124 of the Act, 12,42,821 equity shares, in respect of which dividend has not been claimed by the shareholders for seven consecutive years or more, have been transferred by the Company to the IEPF Authority during the financial year 2017-18. Details of shares transferred have been uploaded on the website of IEPF as well as the Company's website i.e., www.tatacoffee.com.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE: Terms of reference

The Company has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Act. The terms of reference are:

- a. Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII to the Act.
- b. Recommend the amount to be spent on CSR activities.
- c. Monitor implementation and adherence to CSR Policy of the Company from time to time.
- d. Such other activities as the Board of Directors determine as they may deem fit in line with CSR Policy.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The CSR Policy is available on the website of the Company at www.tatacoffee.com. The Annual Report on CSR activities for the financial year 2017-18 forms part of the Directors' Report.

The composition of the CSR Committee and the details of the meetings attended by its members during the financial year ended 31st March, 2018 are as under:

Name of Members	Category of Directors	No. of meetings held	No. of Meetings attended
Ms. Sunalini Menon -	Independent	3	3
Chairperson	Non-Executive		
Mr. V Leeladhar	Independent	3	3
	Non-Executive		
Mr. Siraj Azmat Chaudhry	Independent	3	2
	Non-Executive		
Dr. P. G. Chengappa	Independent	3	2
(w.e.f 17.07.2017)	Non-Executive		
Mr. Sanjiv Sarin	Non-Independent	3	2
	Executive		

During the financial year 2017-18, the Committee met three times on 17th May 2017, 7th December, 2017 and 28th February, 2018.

7. OTHER COMMITTEES:

a) Risk Management Committee:

The Risk Management Committee of the Company is constituted in line with the provisions of Regulation 21 of the Listing Regulations.

The Board of the Company has constituted a Risk Management Committee to frame, implement and monitor the Risk Management Plan for the Company. The Committee is responsible for reviewing the Risk Management Plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The composition of the Risk Management Committee and the details of the meetings attended by its Members during the financial year ended 31st March, 2018 are as under:

Name of Members	Category of Directors	No. of meetings held	No. of meetings attended
Mr. Siraj Azmat Chaudhry	Independent	2	2
-Chairman	Non-Executive		
Mr. V. Leeladhar	Independent	2	2
	Non-Executive		
Dr. P. G. Chengappa	Independent	2	2
	Non-Executive		
Mr. Sanjiv Sarin	Non-Independent	Non-Independent 2	
	Executive		
Mr. Chacko Purackal	Non-Independent	2	2
Thomas	Executive		
Mr. K. Venkataramanan	Non-Independent	2	2
	Executive		
Mr. T. Radhakrishnan (till	Non-Independent	2	1
7.11.2017)	Executive		

During the financial year 2017-18, the Committee met two times on 6th November, 2017 and 28th February, 2018.

b) Ethics and Compliance Committee

The Company has Ethics and Compliance Committee of Directors to consider matters relating to the Company with respect to the Company's Code of Conduct and such matters as may be referred by the Board, from time to time.

The composition of the Ethics and Compliance Committee and the details of the meetings attended by its members during the financial year ended 31st March, 2018 are as under:

Name of Members	ame of Members Category of Directors		No. of meetings attended
Dr. P. G. Chengappa -	Independent	4	4
Chairman	Non-Executive		
Mr. S. Santhanakrishnan	S. Santhanakrishnan Independent		4
	Non-Executive		
Ms. Sunalini Menon	Independent	4	4
	Non-Executive		
Mr. Sanjiv Sarin	Non-Independent	4	2
	Executive		
Mr. T. Radhakrishnan (till	Non-Independent	4	1
07.11.2017)	Executive		

During the financial year 2017-18, the Committee met four times on 26th July, 2017, 7th December, 2017, 25th January, 2018 and 22nd March, 2018.

8. SUBSIDIARY COMPANIES:

The Company does not have material non-listed Indian Subsidiary as defined under Regulation 16 of the Listing Regulations. It is therefore, not required to have an Independent Director of the Company on the Board of such Subsidiary.

The Company's Audit Committee reviews the Consolidated Financial Statements of the Company as well as the Financial Statements of the Subsidiaries, including the investments made by the Subsidiaries. The Minutes of the Board Meetings, along with a report of the significant transactions and arrangements of the unlisted subsidiaries of the Company are placed before the Board of Directors of the Company.

The Company has formulated a policy for determining Material Subsidiaries and the Policy is disclosed on the Company's website at <u>www.tatacoffee.com</u>.

9. GENERAL BODY MEETINGS:

i. Location and time, where last three AGMs were held: The last three Annual General Meetings of the Company were held as under:

Year	Date & Time of Meeting	Venue
2014-15	3rd August, 2015 at 10:00 AM	Registered Office :
2015-16	26th July, 2016 at 10.30 AM	Pollibetta – 571215,
2016-17	17th July, 2017 at 11.00 AM	Kodagu

- ii. Whether any special resolutions passed in the previous three AGMs No special resolution was passed during last three AGMs.
- iii. Whether any special resolution passed last year through postal ballot- details of voting pattern No special



resolution was passed through postal ballot in the last year.

- iv. Whether any special resolution is proposed to be conducted through postal ballot – At present, there is no proposal to pass any special resolution through Postal Ballot.
- v. Procedure for postal ballot : Not Applicable

10. Disclosures:

- a. All transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations, during the financial year 2017-18 were in the ordinary course of business and on arm's length pricing basis and do not attract provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements. The Board has approved a policy for dealing with related party transactions and the same is disclosed on the website of the Company at the link <u>http://www.tatacoffee.com/investors/related_party.pdf</u>.
- b. The Company has complied with the requirements of the Stock Exchanges / SEBI and Statutory Authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by these authorities.
- c. The Company has adopted a Whistle Blower Policy and has established necessary Vigil Mechanism as defined under Regulation 22 of the Listing Regulations for Directors and employees to report concerns about any unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has also been disclosed on the website of the Company at the link http://www.tatacoffee.com/investors/whistle_ blower_policy_May14.pdf.
- d. The Company does not have any material non-listed Indian subsidiary whose net worth exceeds 20% of the consolidated net worth of the Holding Company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. However, in line with the requirements of the Listing Regulations, a policy to determine a material subsidiary has been framed and the same is disclosed on the Company's website at the link <u>http://www.tatacoffee.com/investors/material</u> <u>subsidiary.pdf</u>

- e. The Managing Director & CEO and the Chief Financial Officer have certified to the Board in accordance with Regulation 33(2)(a) of the Listing Regulations pertaining to CEO/CFO certification for the financial year ended 31st March, 2018.
- f. The Company has complied with all the mandatory requirements of the Listing Regulations. The Company has also fulfilled the following discretionary requirements as provided for in the Listing Regulations:
 - (i) The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
 - (ii) The Internal Auditor reports to the Audit Committee.
 - (iii) The financial statements of the Company are with unmodified audit opinion.
- g. Commodities form a major part of business of the Company and hence Commodity price risk is one of the important risks for the Company. Your Company has a robust framework in place to protect the Company's interests from risks arising out of market volatility. The Risk Management Team, based on market intelligence and continuous monitoring, advises the sales and procurement teams on appropriate strategy to deal with such market volatility.
- h. Your Company has managed the Foreign Exchange risk with appropriate hedging activities in accordance with the policies of the Company. The Company used Forward Exchange Contracts to hedge against its Foreign Currency exposures relating to firm commitments. There were no materially uncovered exchange rate risks in the context of the Company's Foreign Exchange exposures.
- i. Insider Trading Regulations

Your Company has adopted the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices. This Code of Conduct is applicable to all Directors and such designated employees of the Company and other connected persons who are expected to have access to unpublished price sensitive information relating to the Company. Mr. K. Venkataramanan, Executive Director- Finance & Chief Financial Officer of the Company, is the Compliance Officer for the purpose of this regulation.

11. Means of Communication:

The quarterly and annual financial results of the Company are uploaded on NSE Electronic Application Processing System



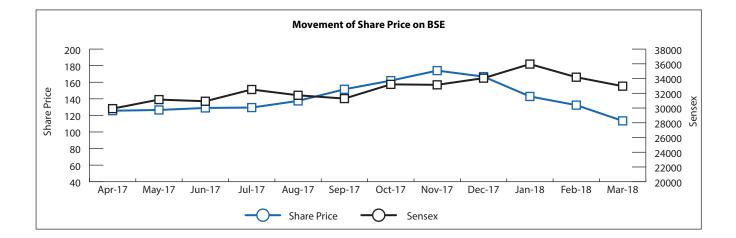
(NEAPS) and BSE Listing Centre in accordance with the Listing Regulations. The financial results are displayed on BSE and NSE websites. The financial results are also published in 'The Business Line' (English) and 'Kannada Prabha' (Kannada) newspapers and posted on the Company's website at www.tatacoffee.com. In terms of the Listing Regulations, the Company has a designated email ID for dealing with Investors' complaints viz., <u>investors@tatacoffee.com</u>. The official media releases and presentations made to Institutional Investors/ Analysts and audio recording of Analyst Calls are posted on the Company's website.

12. General Shareholder information:

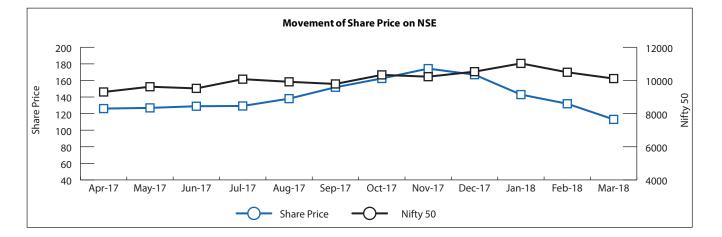
I.	AGM: Date, Time and Venue	Monday, the 2nd July, 2018 at 11.	00 A.M at the Registered Office: Pollibe	tta – 571215, Kodagu, Karnataka	
II.	Financial	Board Meetings for approval of:			
	Calendar	Financial Results for the first quar	ter ending 30th June, 2018	In July/August 2018	
	(tentative)	Financial Results for the second q	uarter ending 30th September, 2018	In October/November 2018	
		Financial Results for the third qua	rter ending 31st December, 2018	In January/February 2019	
		Annual Accounts for FY 2018-201	9	In May, 2019	
		Annual General Meeting for the y		In July/August, 2019	
<u>III.</u>	Dates of Book Closure	20th June, 2018 to 2nd July, 2018			
IV. V	Dividend Payment Date Listing on	The Dividend will be paid on or a BSE Ltd.	National Stock Exchange of India Ltd.		
	Stock Exchanges	Phiroze Jeejeebhoy Towers, Dalal	Exchange Plaza, 5th Floor, Plot No. C/	1, G.Block	
		Street,	Bandra-Kurla Complex, Bandra (E), Mu	umbai - 400 051	
		Mumbai - 400 001	Tel Nos: 022-26598100-8114		
		Tel: 022-22721233/34	Fax:022-26598237/38		
		Fax: 022-22723121 Stock Code: TATACOFFEE			
		Stock Code: 532301			
The	Company has paid Listing Fees	for the financial year 2018-19 to each	of the Stock Exchanges, where the equ	uity shares of the Company are listed	

VI. Market Price Data: High and Low during each month in the financial year 2017-18:

Month	BSE Ltd.		National Stock Exchange of In	dia Ltd.
Month	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2017	129.50	123.50	130.50	123.50
May, 2017	139.00	123.00	139.00	123.20
June, 2017	137.70	126.00	137.40	126.05
July, 2017	150.50	128.55	150.50	128.50
August, 2017	141.75	117.60	142.10	117.00
September, 2017	175.00	137.30	174.90	137.50
October, 2017	165.50	148.50	165.70	149.15
November, 2017	183.45	140.50	183.50	140.60
December, 2017	180.40	153.65	180.55	152.60
January, 2018	173.15	142.60	173.40	142.55
February, 2018	148.20	128.00	147.35	124.50
March, 2018	133.45	112.30	133.10	112.00



VII. Performance of the Company's equity shares in comparison to BSE Sensex and NSE Nifty during the financial year 2017-18:



VIII.	Name of the Depository with whom the Company	ISIN Number			
	has entered into Agreement:				
	1. National Securities Depositories Limited	INE493A01027			
	2. Central Depository Services (India) Limited	INE493A01027			
Χ.	Registrar and Share Transfer Agent:				
	Share Transfer System				
	Share transfers, dividend payments and all other invest	or related activities are attended to and processed at the Registered Office of the			
	Company's Registrar and Share Transfer Agent. For lodgment of transfer deeds and any other documents or for any grievances/compla				
		ed which are open from 10.00 a.m. to 3.30 p.m. between Monday to Friday (except on			
		ed which are open norm 10.00 a.m. to 5.50 p.m. between monday to mady (except on			
	bank holidays)	ea when are open norm 10.00 a.m. to 3.50 p.m. between monday to miday (except of			
		ea which are open norm 10.00 a.m. to 3.50 p.m. between workday to middy (except of			
	bank holidays) TSR Darashaw Limited	ea when all open non 10.00 a.m. to 3.50 p.m. between wonday to maay (except of			
	bank holidays) TSR Darashaw Limited Registered Office:				
	bank holidays) TSR Darashaw Limited Registered Office: 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. M				
	bank holidays) TSR Darashaw Limited Registered Office:	oses Road, Mahalaxmi, Mumbai - 400 011			



	BRANCH OFFICES:	iii.	New Delhi
	Bengaluru		TSR Darashaw Limited
	TSR Darashaw Limited		2/42 Ansari Road, 1st Floor,
	503, Barton Centre, 5th Floor, 84, Mahatma Gandhi Road,		Daryaganj, Sant Vihar,
	Bengaluru – 560001		New Delhi – 110 002
	Tel: 080- 25320321		Tel: 011- 23271805
	Fax: 080-25580019		Fax: 011-23271802
	E-mail: <u>tsrdlbang@tsrdarashaw.com</u>		E-mail: <u>tsrdldel@tsrdarashaw.com</u>
i.	Kolkata	iv.	Jamshedpur
	TSR Darashaw Limited		TSR Darashaw Limited
	Tata Centre, 1st Floor, 43, J. L. Nehru Road,		'E' Road, Northern Town, Bistupur,
	Kolkata – 700 071		Jamshedpur – 831 001.
	Tel: 033-22883087		Tel: 0657-2426616
	Fax: 033-22883062		Fax: 0657 2426937
	E-mail: <u>tsrdlcal@tsrdarashaw.com</u>		E-mail: <u>tsrdljsr@tsrdarashaw.com</u>
/.	Ahmedabad (Agent)		
	Shah Consultancy Services Limited		
	3, Sumatinath Complex		
	2nd Dhal, Pritam Nagar		
	Ellisbridge		
	Ahmedabad – 380 006		
	Tel: 079- 26576038		
	Email: shahconsultancy8154@gmail.com		

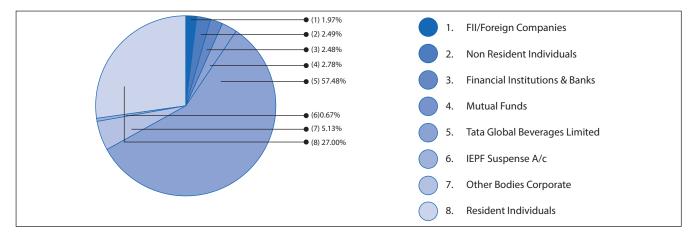
X. Distribution of Shareholding as on 31st March, 2018:

No. of Equity Shares	No. of Shareholders	% to Shareholders	No. of Shares	% of Shareholders
1 – 500	76183	83.89	10345302	5.54
501 - 1000	6638	7.31	5518678	2.95
1001 - 2000	3462	3.81	5433738	2.91
2001 - 3000	1490	1.64	3873794	2.07
3001 - 4000	751	0.83	2720401	1.46
4001 - 5000	597	0.66	2832175	1.52
5001 - 10000	923	1.02	6820728	3.65
10001 & above	763	0.84	149225554	79.90
TOTAL	90807	100.00	186770370	100.00

XI. Category-wise Shareholders as on 31st March, 2018:

SI. No.	Category of Shareholders	No. of Shares	Percentage
1	FII/Foreign Companies	3683199	1.97
2	Non-Resident Individuals	4651117	2.49
3	Financial Institutions & Banks	4627273	2.48
4	Mutual Funds	5188506	2.78
5	Tata Global Beverages Limited	107359820	57.48
6	IEPF Suspense A/C	1242821	0.67
7	Other Bodies Corporate	9591891	5.13
8	Resident Individuals	50425743	27.00
	TOTAL	186770370	100.00

Category-wise Shareholders as on 31st March, 2018



XII.	Shares in Physical and Demat form as on 31st March, 2018:		No. of Shares	Percentage
		In Physical Form	4637270	2.48
		In Dematerialized Form	182133100	97.52
XIII.	No. of shareholders whose shares as on 31st March, 2018 are in Physical		No. of	Percentage
	and Demat form:		Shareholders	
	In Physical Form		6104	6.72
	In Dematerialized Form		84703	93.28
XIV.	Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity: Plant Locations:			Nil
<u>, v.</u>	17 Coffee Estates in Kodagu, Hassan and Chickmagalur District.			
	1 Tea Estate in Kodagu Dist. and 1 Tea and Coffee (mixed) in Chickmagalur District.	State of Karnataka		
		State of Tamil Nadu		
	4 Tea Estates in Pachaimallai, Pannimade, Uralikal & Velonie and 1 Coffee Estate i	n		
	Valparai			
	1 Tea Estate in Malakiparai	State of Kerala		
	Curing Works, R&G factory and Pepper processing Unit in Kudige, Kushalnagar	State of Karnataka		

XVI. Address for correspondence:

As stated in 12 (IX) above

13. Particulars of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting have been provided in the Notice of the Annual General Meeting.

14. Certificate on Corporate Governance

1 Instant Coffee Plant at Toopran, Brahmanpally Village.

1 Instant Coffee Plant at Jayamangalam Village, Theni

A compliance certificate from Dr. Asim Kumar Chattopadhyay, Practicing Company Secretary pursuant to the requirements of Schedule V to the Listing Regulations regarding compliance of conditions of Corporate Governance is attached.

State of Telangana

State of Tamil Nadu



DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

In terms of the Listing Regulations, 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, 2018.

Place: Bengaluru Date: 7th May, 2018 Sanjiv Sarin Managing Director & CEO

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Tata Coffee Limited,

I have examined the compliance of the conditions of Corporate Governance by Tata Coffee Limited ('the Company') for the year ended 31st March 2018, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

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

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

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

Dr. Asim Kumar Chattopadhyay Practicing Company Secretary

Place: Bengaluru Date: 7th May, 2018 FCS No. 2303 CP No. 880

Management Discussion & Analysis Report

A. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Global Coffee markets in 2017-18 continued to be mainly influenced by the alternating Brazilian "on" and "off" crops. Global coffee production was 159.66 million bags, 1.2% higher than 2016-17 with a 12.1% increase in Robusta output offsetting a 4.6% decline in Arabica production.

The decline in Arabica production is driven by lower output of Colombian Milds at 15.21 million bags (-4.6%) and Brazilian Naturals estimated at 50.23 million bags (-9.6%).

Robusta production rose from 55.6 million bags in 2016-17 to 62.24 million bags in 2017-18 largely due to increase in output from Vietnam and Indonesia. Vietnam's production is estimated at 29.5 million bags in coffee year 2017-18, 15.5% higher than the last year.

Coffee year 2017-18 was surplus for the second consecutive year, with production exceeding consumption. This excess is weighing down on global coffee prices in the current coffee year.

The New York (ICE) terminal, representing Arabica settled at 118.15 c/lb on 29th March 2018, and was 139.30 c/lb on 31st March 2017.

As on 29th March 2018, London Robusta May futures settled at USD 1725/MT and were USD 2149/MT on 31st March 2017.

Tea is a popular and widely consumed beverage in India and around the world. Its cultivation is confined to only certain regions of the world due to specific requirements of climate and soil. Africa, India, Sri Lanka and Indonesia are the major Black Tea producing regions. It is also grown in South America in small quantities. India is the largest producer of Black Tea and contributes to about 23% of the global Tea production. China is the largest producer of Green Tea. Tea production in India during 2017 was 1278.80 Million Kgs Vs 1267.40 Million Kgs in 2016. In view of favourable weather conditions in northern India in the current year, tea crop is positive for Jan - Mar 2018 at 92.20 Million kg Vs 88.91 Million Kgs in the previous year. The CTC market for plainer and medium guality tea remains weak and this trend is expected to continue in the ensuing season. High quality, good liquoring CTC teas will find good acceptance and a firm market is forecast during the current season. Quality Orthodox teas will also experience a firm market, with steady exports.

Pepper extensively cultivated along the tropical region, is native to South India. Until 18th century, cultivation and production of pepper was confined to India, being important agricultural commodity of commerce and trade with major share contributed by the State of Kerala. Since then pepper cultivation has been taken up on a commercial scale by several nations such as Vietnam, Indonesia, Malaysia, Thailand and Brazil.

At present, Vietnam is the World's largest pepper producer (40%) followed by Indonesia (15%), Brazil (12%) and India (11%). These countries except India resort to mono cropping of pepper in its areas and the vine is grown to a height up to 6m. On the contrary, pepper is intercropped on the shade trees of coffee, tea and minor crops like Arecanut and Coconut without any restriction on vine height. India produces around 57000 MT of pepper with 70% domestic consumption. Indian pepper is known for its quality, pungency and taste which has created its own niche in the International Market.

As per industry sources, India's pepper production was 57,000 MT in 2017 and is expected to be about 65,000 MT in 2018. The past year also saw ingress of imported pepper into India through grey market channels. These two factors contributed to a significant fall in domestic prices of pepper. Indian local prices fell from ₹ 612/kg at the start of FY 17-18 to just under ₹ 400/kg at the end of FY 17-18.

Global Pepper production increased from about 434,000 MT in 2016 to about 523,000 MT in 2017 as per reports published in various Spices Conferences.

Instant Coffee market continues to grow globally at just over 2% per annum. There is an increasing conversion of nontraditional markets to the fold of instant coffee – either through direct or through indirect routes (coffee mixes). Markets of Asia and Africa, backed by the headroom to grow, continue to be attractive for instant coffee manufacturers and marketers to invest for the future. The growth of modern retail in some of these countries is another catalyst for growth of instant coffee. The instant coffee market space is also seeing exciting new product innovation and development, an example of which is instant coffee is cognizant of these changing dynamics and is positioning itself suitably to benefit from these changes.

Source: Courtesy ICO

B. OPPORTUNITIES:

Plantations

i) Green Coffee

Tata Coffee continues to focus on premium differentiated coffees by working with a wide array of international clients. Our basket today includes not only specialty, estate specific, certified, organic range of coffees but also micro lots – typically used for roasters for limited editions and occasions.

ii) Instant Coffee

Tata Coffee continues to focus on emerging markets for growth. Our pursuit of market share in markets like Africa and Middle East exemplifies this drive. As traditional markets like Russia become more competitive, it is our constant effort to search for new growth drivers. In keeping with the global trend for high value instant coffees, Tata Coffee's new Freeze Dried plant in Vietnam is expected to be operational by early 2019. The new plant would deliver state-of-the-art Freeze Dried Coffee to global buyers.

iii) Tea

Quality Teas continue to sell well and command a good premium in the domestic markets. The outlook for good liquoring Teas is promising and is expected to have a strong demand. The Company's Estates and Manufacturing Facilities are certified both nationally and internationally by Trustea, Rain Forest Alliance, SA 8000 and Ethical Tea Partnership. These Certifications reaffirm the Company's commitment to produce high-quality products in a sustainable and responsible manner, while also protecting the environment.

iv) Pepper

Pepper is an important ingredient in cooking and is found in the cuisines of both East and West. As the customer prefers the presence of pepper in their meal, opportunities to get a premium price in both international and domestic market is very high for a quality produce with premium grades. The Company with sustainable certifications such as UTZ, RA and SA8000 is driving all its cultivation packages to be sustainable and is heading towards connecting with the customer directly instead of intermediaries. Focus is to identify the customers who value our sustainable approaches and efforts. Both the production and marketing team have aligned to meet the customer's requirement and we have started exporting pepper directly to international customers. The Company is focusing on getting another, "GLOBAL GAP Certification" to further establish its position in the International market and also expand its production base to enhance pepper production. We have made our Pepper Unit ready for exports which would allow us to participate in international trade flows seeking markets for our sustainably grown pepper.

C. RISKS, CONCERNS AND THREATS:

The volatile macro-economic conditions continue to pose risks to our business. The movement of coffee terminals, the swings in several critical currencies, imposition of tariff and non-tariff barriers by some countries and the vagaries of weather – all these uncertainties present a significant challenge to our operations. The Company mitigates these risks by timely managerial intervention – whether it is currencies or timing of commercial transactions in coffee business. Its drive to seek new and niche origins or markets continuously prevents an over-reliance on a particular geography on selling or buying.

The emergence of new competitive entities whether in India or overseas presents another risk. At Tata Coffee, it has been our endeavor to forge long term association with clients based on trust and value to address the intensified competitive landscape.

The Company operates in highly competitive Instant Coffee markets which are price sensitive and has substantial dependence on certain geographies and customers. This challenge is being mitigated and de-risked by diversifying sales into new geographies and building long term customer relationships. The Company is required to maintain its cost competitive edge by timely sourcing of green coffee – the primary raw material, whose prices are highly volatile in the international markets. Constant efforts are required to create and innovate new blends to cater to the changing needs of customers in different markets.

The plantation industry is weather dependent with factors like rainfall, its distribution, temperature, relative humidity and light intensity which will have its impact on coffee/ pepper yield characteristics. As the plantations are susceptible to vagaries of weather, in order to mitigate the impact, the Company has increased its capacity to artificially irrigate its Robusta by harvesting the rain water in its catchment areas by excavating reservoirs thereby recharging its water table and significantly augmenting the storage capacity. Currently, the estates are equipped to irrigate its 100% area of Robusta for blossom and backing irrigation along with mechanized watering of its pepper population.

Under Arabica operations, pest management is integrated to combat white stem borer which is a constant threat across the industry. Apart from regular tracing to keep the pest under check below the threshold levels, the Company has taken various initiatives and trials with external agencies, Tata Group Companies and in house R&D, to curb the infestation of this pest. Selectively, chemical control is also advocated for managing the beetle.



Shortage of skilled manpower is a major challenge faced by the plantation industry. The Company is focusing on retaining the skilled workforce by providing better working atmosphere, improving the skill levels by training on various activities like introduction of mechanization in all possible and feasible activities. Another area of concern is the human animal conflict. Various measures are in place to minimize the man animal conflict, with Wild Life Cell formed by the Company which is constantly conducting regular awareness programmes across the locations highlighting the systems which are in place to track the movement of wild animals and avoid potential danger to the workers. Besides, protection of the endangered and nature friendly species such as snakes, birds and other species are in place in liaison with the forest department.

With very low rainfall received in previous two years, it has been challenging for the plantation industry. This has led to impact on coffee and sparse pepper crop setting. Estates have initiated watering of vines to improve the condition of the vines and quality of pepper along with mitigation of drought situation.

D. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE: Major Product-wise Turnover

	FY 2017-18		FY 2016	5-17
	Qty. (MT)	₹ in Lacs	Qty. (MT)	₹ in Lacs
Green Bean	6463	12153	7159	13032
Pepper	621	2875	575	3923
Теа	6081	6631	5863	7979
Instant Coffee	7531	36018	8812	41539
R&G	515	1984	370	1328
Domestic Marketing/		10882		10082
Allied Divisions/Others		10002		10062
Total Revenue from		70543		
Operations		70543		77883

E. OUTLOOK:

Green Coffee

The plantation division of the Company has been following scientifically based sustainable cultural practices with focus continuing on premium differentiated coffees. Following Nullore's micro lot success, this year too, two micro lots from Yemmigoondi Estate made it to the Starbucks Reserve from India, a selection of rare and distinctive coffee. The micro lot coffee is unique to its ecosystem on account of its exclusivity created by a combination of flora and fauna with distinctive soil conditions influencing the intrinsic quality of the beans. Another testimony to quality focus is the winning of Nullore and Coovercolly Estate award for "Best Indian origin coffee" by Illy café, New York.

The Company continues to pursue its strategy to sustain its assets by:

• Rejuvenation of assets (replanting and consolidation of Arabica and Robusta) so as to narrow down biennial variations.

- Efforts to augment water resources to mitigate inadequate blossom and backing showers are addressed by excavating additional irrigation tanks.
- To maintain high quality of produce with maximum premium grades, by harvesting at the right time both in case of coffee and pepper.
- Skill competency mapping and development along with sourcing of repeated workers to enhance labour productivity.
- Upgradation of processing equipment with better capacity utilization, with standardization of man day and materials usage, an important cost optimization initiative.
- All social and environmental certifications were sustained aligning to our commitment in safeguarding and protecting the ecosystem we operate in.

Instant Coffee

The Global Coffee Market is fundamentally an attractive space to be in. Both the variants, whether it is R&G or instant, continue to grow globally on the back of demographics, rapid conversion of non-traditional markets to coffee and emergence of new formats of product and distribution in developed markets. Tata Coffee with its full chain presence from bean to instant coffee is well poised to participate in this growth.

Теа

CTC Tea markets for plainer and medium liquoring teas remains weak. However, teas that are of good quality still find good demand and the outlook for such teas in the ensuing season will continue to be firm. Orthodox teas are also expected to find better acceptance, especially with the export market.

Pepper

Black Pepper produced by the Company will be of premium quality with its initiatives of sustainable cultivation practices, processing, certifications, upgraded processing centers and getting EIA certified and implementing traceability initiatives. With introduction of modern pepper nurseries to grow different varieties of pepper specific to estates based on location, rainfall pattern and altitude, we shall continue to increase pepper production. A separate vertical is exclusively working on:

- Increased focus on pepper cultivation practices with short and long term plans
- Increased focus on irrigation capacity and efficiency
- Upgradation of the processing and grading unit



Target customers directly in the domestic and international market.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has aligned its current systems of Internal Financial Control with the requirements of the Companies Act, 2013, on lines of globally accepted risk based framework. The Internal Control – Integrated Framework (the 2013 framework) is intended to increase transparency and accountability in an organization's process of designing and implementing a system of Internal Control. The framework requires a Company to identify and analyze risks and manage appropriate responses.

The Company has successfully laid down the framework and ensured its effectiveness. The Company's Internal Controls are 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, executing transactions with proper authorization and ensuring compliance of Corporate Policies.

The Company has a well-defined delegation of power with authority limits for approving revenue as well as expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down. The Company uses a state-of-the-art Enterprise Resource Planning (ERP) system to record data for Accounting, Consolidation and Management Information purposes and connects to different locations for efficient exchange of information. It has continued its efforts to align all its processes and controls with best practices.

The Operating Management assessed the effectiveness of the Company's Internal Control over Financial Reporting as of 31st March, 2018. M/s. Deloitte Haskins & Sells LLP, the Statutory Auditors of the Company have audited the Financial Statements included in this Annual Report and have issued a report on the Internal Control over financial reporting (as defined in section 143 of the Companies Act, 2013).

The Company has appointed reputed firms of Chartered Accountants to oversee and carry out Internal Audits. The Audit is based on an Internal Audit Plan, which is reviewed each year in consultation with the Audit Committee. In line with international practice, the conduct of Internal Audit is oriented towards the review of Internal Controls and risks in its operations such as Plantations (Coffee and Tea), Instant Coffee Divisions, Estates Supply Division, Curing Works, Accounting and Finance, Procurement, HR etc.

Additionally, there has been a continued focus on IT enablement and computerization of key process controls through the ERP Systems to maximize automated control transactions across key functions. The Internal Audit function endeavors to make meaningful contributions to the Organization's overall governance, Risk Management and Internal Controls. The Audit Committee reviews reports submitted by Internal Auditors. Suggestions for improvement are considered and the Audit Committee follows up on corrective actions taken by the Management. The Audit Committee also meets the Company's Statutory Auditors to ascertain, inter alia, their views on the adequacy of Internal Control Systems and keeps the Board of Directors informed of its major observations periodically.

Based on its evaluation (as provided under Section 177 of the Companies Act, 2013 and Clause 18 of SEBI Listing Regulations), the Audit Committee has concluded that as of 31st March, 2018, the Internal Financial Controls were adequate and operating effectively.

G. BUSINESS EXCELLENCE:

The Company participated in a full assessment in the TBEM EA 2017. The Assessment Team, consisting of members from diverse Tata companies, perused the Application and visited all the operational sites in the Coffee and Tea Plantations and the ICD units. There were extensive deliberations with the functional heads and the senior leadership at the Corporate Office. Inputs were also sought from the Chairman to provide direction to the Assessment Team. The Assessment Team has since presented its feedback highlighting the Strengths and Opportunities for Improvement (OFI) to the Leadership Team of the Company and also to the Board during December 2017. The Company obtained a score of 519 out of 1000 on the Model's scoring scale. This is an increase of 32 points from its previous score. The Company is in the process of formulating Action Plans to retain its strengths and address the OFIs. The Company has also contributed to the Business Excellence journey with 4 persons having participated in assessments of other Tata Group Companies. Training of personnel across functions is also being done to spread awareness and build a group of TBEM assessors for deployment within the organization.

H. MISSION/VALUES:

The Company's Mission/Values are as under:

- **Mission**: Create distinctive long-term value for all stakeholders with Coffee and Allied Plantation products embracing sustainable practices.
- Values : Customer focus; Responsibility; Innovation & Agility; People centric; Transparency.

I. FINANCIAL AND OPERATIONAL PERFORMANCE:

The Total Income for the current year is at ₹ 762 Crores compared to ₹ 848 Crores in the previous year, a decrease of 10%. The Profit before Tax of ₹ 81 Crores was lower than the previous year's profit of ₹ 182 Crores. The Profit after Tax was ₹ 63 Crores vis-à-vis ₹ 139 Crores in the previous year.

J. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT AND NUMBER OF PEOPLE EMPLOYED:

The manpower strength of the Company as on 31st March, 2018 was 5880 permanent employees including 165 Management Staff across different locations. This does not include the retainer, temporary and contractual workers.

The Company's efforts to build capabilities for the workforce continued through adoption of specific and targeted interventions for different categories of the workforce. With respect to the Management Staff Cadre, specific Leadership Development Programs have been adopted in partnership with Tata Management Training Centre, Pune. For the junior officer and staff cadre, several in-house programs have been conducted at specific locations with both internal and external faculty. The Company adopted various governmental skilldevelopmental programs to build and enhance plantation and shop-floor related skills. The Company continues its efforts to build further on Reward and Recognition Practices by introducing an online portal "Brewing Brilliance" in the last year and the same has been deployed across the Company in order to continue to encourage and foster Employee Engagement. Training and Development interventions in areas of technical and behavioral needs of the workforce have been addressed through deployment of internal and external faculty. Harmonious Industrial Relations prevailed at all the units of the Company during the financial year 2017-18.

K. SUBSIDIARY COMPANY - EIGHT O'CLOCK COFFEE COMPANY (EOC):

EOC in USA had a stable performance in its base business in 2017-18 with Bag coffee volume sales improving from the previous year led by effective promotion, distribution gains and new items. The Company's Profits grew over the previous year aided largely by good control over costs. The Company continued its focus on new product launches. EOC Coffee, a premium coffee brand with over a 150 year legacy, introduced a game changer to the coffee category that delivers an enhanced coffee-drinking experience to consumers. The Company launched a new coffee infusions line in the US, which offers thoughtfully crafted coffees blended with added ingredients to help enhance your day. Through this launch, EOC is delivering an enhanced coffee drinking experience to consumers. The launch is being supported through a multi-faceted marketing campaign and the consumer response has been positive. EOC and Keurig Green Mountain, Inc. (Keurig) have announced a multi-year expansion of their successful partnership for the manufacturing, sales, licensing and distribution of the EOC Coffee brand in K-Cup pods for use in Keurig brewers.

L. CAUTIONARY STATEMENT:

Certain statements made in the Management Discussion and Analysis Report relating to the Company's Objectives, Projections, Outlook, Expectations, Estimates and Others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's Operations. These include Climatic and Economic Conditions affecting Demand and Supply, Government Regulations and Taxation, Natural Calamities etc., over which the Company does not have any direct control.



Business Responsibility Report

CEO's message

At Tata Coffee, magical goodness of nature resides in every sip of our delicious Coffee. We ensure the same by embracing sustainable practices across our operations. Sustainability is embedded into our core values and our commitment to the core values is reflected in the superior environmental and social performance of our company. We contribute to the wellbeing of not just our shareholders and employees, but also to the ecosystems and communities in which we operate.

Given the criticality of water as a resource to our business, water conservation is a key focus area. We have adopted various water management initiatives including water conservation, waste water treatment and rain water harvesting at our plantations and manufacturing facilities. Our rainwater harvesting project in coffee plantations has made us 100% water sufficient in terms of blossom and backing irrigation needs. Our approach to water conservation extends to use of water-efficient technology, wastewater management, awareness generation, and capacity building programs and this has contributed to significant reduction in our specific consumption of water. Our plant at Theni is a Zero-Liquid-Discharge (ZLD) facility and has systems in place to Reduce, Reuse and Recycle (3R principles) waste water generated.

We are cognizant of the risk climate change pose to our business and have taken multiple initiatives towards mitigating the impact. Our plantations are huge carbon sinks and this helps us in achieving a negative carbon footprint of 1.71 lakh tonnes of C₀₂ equivalent per annum. Our renewable energy share constitutes 64 % of overall energy requirement of Instant Coffee Operations. The share of wind and solar power increased from 44.2% to 81% of the total power consumption of Instant Coffee Division, Theni.

Safety of our employees is important to us and we continuously work towards providing a safe work environment. We achieved a 60% reduction in total incidents and 10% reduction in Loss Time Injury (LTI) compared to previous year. Number of hours invested in safety training increased by 53% over the previous year. We were recognized by Confederation of Indian Industry through 'Excellence

in work place safety' award for our efforts to mitigate Human Elephant Conflict. We will soon be launching a pilot project on 'Shade lopping' that will be a part of our risk management program.

As part of our CSR program, we work towards restoration of hydrological balance in the regions where we operate. We have undertaken restoration of two lakes and 2 ponds at Coorg and Hassan with the objective of eradicating water shortage faced by the communities. More than 4000 people from local communities benefitted from this program.

We firmly believe in the Group's philosophy of creating wealth for an enriched nation with a strong commitment to corporate social responsibility. Tata Coffee plays an integral part in development of its proximate communities. We conduct need assessment of the communities and design interventions to create a positive impact.

In association with Tata Strive, we have conducted Skill Development Programme for Women to increase employability. We will evaluate how we can scale this. Tata Coffee also continues to support Coorg Foundation and Swastha. Swastha currently provides academic and vocational training to over 130 specially-abled children.

As a result of our continuous efforts, all of Tata Coffee's estates have the unique distinction of being triple certified by Rainforest Alliance, UTZ and SA 8000. Our focus on sustainability also acts as a unique differentiator as our global customers identify with similar value systems and many marquee roasters source Indian origin coffee from our estates.

The second edition of our Business Responsibility Report is another step in the direction of transparency and accountability of our company towards its stakeholders. It is our honest effort to lead the way social investments are made by emphasizing on social value creation.

> SANJIV SARIN Managing Director & CEO

Pursuing sustainability coffee business

Introduction to Business Responsibility Report

SECTION A – GENERAL INFORMATION ABOUT THE COMPANY	
Corporate Identity Number (CIN) of the Company	L01131KA1943PLC000833
Name of the Company	Tata Coffee Limited
Registered Office address	Pollibetta – 571 215, Kodagu, Karnataka
Website	www.tatacoffee.com
E-mail id	investors@tatacoffee.com
Financial Year reported	2017-18
Sector(s) that the Company is engaged in (industrial activity code-	Coffee - 01272/10792
wise)	Instant Coffee – 10792
List three key products/services that the Company manufactures/	Coffee
provides (as in Balance Sheet)	Instant Coffee
	Теа
	Pepper
Total number of locations where business activity is undertaken by	
the Company	
Number of International Locations	Our Coffee business is largely global in nature where we sell instant coffee and
	green beans to buyers across the world. Our main markets for Instant Coffees
	are Russia, West Africa, Eastern Europe and South East Asia whereas for green
	beans our chief destinations are Italy, Germany and Middle East.
	The Company is in the process of setting up of a state-of-the-art greenfield Freeze Dried Instant Coffee facility with 5000 MT capacity per annum through its Wholly-owned Subsidiary viz., Tata Coffee Vietnam Company Limited, in Vietnam.
Number of National Locations	 17 Coffee Estates in Kodagu, Hassan and Chikmagalur District, 1 Tea Estate in Kodagu District and 1 Tea and Coffee (mixed) in Chikmagalur District of Karnataka
	• 4 Tea Estates in Pachaimalai, Pannimade, Uralikal & Velonie and 1 Coffee
	Estate in Valparai, in Coimbatore District of Tamil Nadu
	1 Tea Estate in Malakiparai, in Thrissur District of Kerala
	Curing Works, Roasting & Grinding Factory and Pepper Processing Unit in
	Kudige, Kushalnagar in Kodagu District of Karnataka
	 1 Instant Coffee Plant at Toopran, in Medak District of Telangana
	 I Instant Coffee Plant at Toopfan, in Medak District of Tamil Nadu 1 Instant Coffee Plant at Theni, in Theni District of Tamil Nadu
Markets som vad hvidba Canadami	Marketing and Corporate functions are based out of Bengaluru, Karnataka
Markets served by the Company	Major markets served by the Company are Russia, West Africa, Eastern Europe,
	South East Asia, Italy, Germany, Middle East and India.

SECTION B -	FINANCIAL	DETAILS	OF THE	COMPANY
JECHOND-		PLINLS		COMPANY

Paid up Capital:	₹ 18,67,70,370
Total Turnover:	₹ 706 Crores
Total profit after taxes:	₹ 63 Crores
Total Spending on Corporate Social Responsibility (CSR) as percentage of average Net profit of the company for last 3	2.02% (₹ 2.21 Crores)
financial years:	

Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has four subsidiaries namely:
	Consolidated Coffee Inc., USA
	 Eight O'Clock Holdings Inc.,USA
	Eight O'Clock Coffee Company, USA
	 Tata Coffee Vietnam Company Limited, Vietnam



Do the Subsidiary Company/Companies participate in the Business Responsibility (BR) initiatives of the parent company? If yes, then indicate the number of such subsidiary Company (ies)?

Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Our policies also extend to our Subsidiaries and they participate in our BR initiatives in line with our policies.

Yes, we actively engage with our supplies, customers and other Business Partners on issues related to Business Responsibility. All our suppliers are expected to abide by our policies.

SECTION D - BUSINESS RESPONSIBILITY (BR) INFORMATION

Details of the Director / Directors responsible for implementation of the BR Policy

DIN Number	02063332	
Name	Mr. Sanjiv Sarin	
Designation	Managing Director & CEO	
Telephone Number	+91 80 23560695	
Email Id	investors@tatacoffee.com	

PRINCIPLE-WISE (AS PER NVGs) BR POLICY / POLICIES (REPLY IN Y/N)

At Tata Coffee, the mission is to create distinctive long-term value for all stakeholders by embracing sustainable practices.

The National Voluntary Guidelines provide the following nine principles.

•	Principle 1: Ethics, Transpare	ncy a	and	Acco	ount	abili	ty [P	1]		
•	Principle 2: Products Lifecycle Sustainability [P2]									
•	Principle 3: Employees' Well-being [P3]									
•	Principle 4: Stakeholder Engagement [P4]									
•	Principle 5: Human Rights [P5]									
•	Principle 6: Environment [P6]									
•	Principle 7: Policy Advocacy [P7]									
•	Principle 8: Inclusive Growth	[P8]								
•	Principle 9: Customer Value [P9]									
51.1	No. Ouestions	D1	DD	D3	D/I	D5	P6	D7	P8	P9
		F I	ΓZ	r J	1 4	r J	F U	F /	r o	12
Do	you have policy/policies for#	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been formulated Y Y Y Y Y Y Y Y Y						Y				
in c	onsultation with the relevant									

Principle 8: Inclusive Growth Principle 9: Customer Value []								relevant interna stakeholders'? Does the Comp
SI. No. Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	structure to imp
Do you have policy/policies for#	Y	Y	Y	Y	Y	Y	Y	Y	Y	policy/policies?
Has the policy been formulated	Υ	Y	Υ	Υ	Υ	Υ	Υ	Υ	Y	Does the Comp
in consultation with the relevant										grievance redre
stakeholders?										related to the p
Does the policy conform to any	Y	Y	Y	Y	Y	Y	Y	Y	Y	address stakeho
national / international standards?										related to the p
If yes, specify?										Has the Compa
										independent a

Sl. No. Questions	P1					P6			
Has the policy been approved by						by th			
the Board.	stat	utes	are	арр	rove	d by	the	Boa	rd/
If yes, has it been signed by MD/	Cor	nmit	ttee,	and	oth	er in	tern	al	
owner/CEO/ appropriate Board	pol	icies	are	appr	ove	d by	the		
Director?	Mai	nagi	ng D	irec	tor.				
Does the Company have a	Y	Y	Y	Y	Y	Υ	Υ	Y	Y
specified Committee of the									
Board/Director/Official to oversee									
the implementation of the policy?									
Indicate the link for the policy to	All	our p	polic	ies a	re m	nade	avai	lable	2
be viewed online	to r	espe	ectiv	e sta	keho	oldei	rs. So	ome	
	of c	our p	olici	es ai	re av	ailab	ole o	n th	e
	Cor	npai	ny's ۱	web	site a	at			
	WW	w.ta	taco	ffee.	com	1			
Has the policy been formally	Y	Y	Y	Y	Y	Υ	Υ	Υ	Υ
communicated to all									
relevant internal and external									
stakeholders'?									
Does the Company have in-house	Υ	Y	Y	Y	Y	Y	Y	Y	Y
structure to implement the									
policy/policies?									
Does the Company have a	Y	Y	Y	Y	Y	Y	Y	Y	Y
grievance redressal mechanism									
related to the policy/policies to									
address stakeholders' grievances									
related to the policy/policies?									
Has the Company carried out	All	oolic	cies u	Inde	rgo	regu	ılar		
independent audit/ evaluation of	mo	nitoi	ring	and	revie	ew b	y res	spec	tive
the working of this policy by an	pol	icy o	wne	ers. C)ur n	nana	igem	nent	
internal or external agency?	syst	ems	are	also	exte	ernal	ly ce	rtifie	ed*

Notes: # Tata Coffee Limited has the following policies: Tata Group Code of Conduct, Whistle Blower Policy, SHE & Quality policy, CSR Policy, HR Policies, Prevention of Sexual Harassment Policy, Code of conduct for Non-Executive Directors, Investor related policies like Dividend Distribution Policy, Prevention of Insider Trading Policy, Policy for Determination of Materiality for Disclosures, Document Retention Policy, Material Subsidiary Policy and Policy on Related Party Transactions.

* Our policies comply with all applicable local laws. They are also aligned with the principles of the National Voluntary Guidelines. In addition to this, we have externally certified management systems.

GOVERNANCE RELATED TO BR

The Board of Directors and its Committees oversee the governance of the company including governance of Business Responsibility aspects. Corporate Social Responsibility (CSR) Committee has the oversight of formulation and implementation of Sustainability and CSR Policy which communicates Tata Coffee's commitment to 'being knowledgeable, responsive and trustworthy and by adopting environmentally and socially –friendly technologies, business practices and innovation, while pursuing long term growth aspirations and the enhancement of stakeholder value'. The Committee consists of Managing Director and 4 Independent Non – Executive Directors who met 3 times in the financial year 2017-18.

In addition to CSR Committee, Audit Committee, Risk Management Committee and Ethics & Compliance Committee, also plays a role in the governance of BR issues by having oversight of the risks/ matters relating to the company with respect to the company's Code of Conduct. The Senior Leadership has the responsibility of translating into action the Business Sustainability and Responsibility agenda set by the Board. The strategic priorities of the Management include analysis and mitigation of environment and social risks and implementing environment and community initiatives.

Principle 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Tata Coffee has a strong legacy of fair, transparent and ethical governance practices which is an integral part of our ongoing pursuit towards achieving excellence, growth and value creation.

Corporate Governance

At Tata Coffee, we have based our principles of Corporate Governance philosophy on transparency, accountability, values and ethics. We are committed to highest standards of Corporate Governance and disclosure practices and has adopted Governance Guidelines which encompasses all the aspects relating to the governance of the Company such as Composition and Role of the Board, Chairman and Directors, Board Diversity, Definition of Independence, Term of Directors, Retirement Age, Committees of the Board, Mandates of Board Committees etc.

We have constituted Board of Directors which has an optimum combination of Executive and Non-Executive Directors including a Woman Director. As on 31st March, 2018, the company had 10 Directors, of which 3 are Executive Directors and 7 are Non-Executive Directors, which includes 5 Independent Directors. The Chairman of the Board is a Non-Executive Director and more than one-half of the total number of Directors comprised of Non-Executive Directors.

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Company has Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, CSR Committee, Risk Management Committee, and Ethics & Compliance Committee in place.

Our strong governance mechanism ensures that the affairs of the Company are managed in the best interest of all stakeholders. The Company is in compliance with the requirements of Corporate Governance stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Risk Management

Tata Coffee has adopted a Risk Management Policy to ensure that there are sound Risk Management practices in place to address business risks and concerns. We have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) approving the Company's Risk Management Framework and (b) overseeing all the risks that the organization faces such as strategic, financial, liquidity, security, regulatory, legal, reputational and other risks that have been identified.

The Risk Management process covers risk identification, assessment, development of mitigation strategy, implementation of action plan, monitoring and reporting. A risk register listing the major risks to business including social and environment related risks such as climate change and health & safety is maintained by the Company and is periodically reviewed by the Board. The risks identified by the business and functions are systematically addressed through mitigating actions on continuing basis.

The Audit Committee has the additional oversight in the area of financial risks and controls.

Tata Code of Conduct

The Company has adopted the Tata Code of Conduct which is applicable to the Company and its employees, including the Managing and Executive Directors. Tata Code of Conduct serves as a guide on the standards of values, ethics and business principles to be followed in running the Company's affairs. The Code of Conduct is applicable to all our employees, customers, the communities and the environment in which we operate, value-chain partners, including suppliers and service providers, consultants, joint-venture partners or other business associates, financial stakeholders and our Group Companies.

The Audit Committee and Ethics & Compliance Committee has the Board level oversight and the primary responsibility of implementing the Code of Conduct rests with the Principal Ethics Officer. The responsibility is cascaded to the bottom through Location Ethics Counsellors and Estate Ethics Counsellors.

Tata Code of Conduct is translated into the regional languages and is regularly communicated to all stakeholders. Regular trainings and knowledge sharing sessions are conducted to enhance the understanding of the guidelines among stakeholders. A 24*7 multilinguistic Ethics Helpline is available for all stakeholders to



register their concerns and the concerns should be addressed by responsible persons in defined time period. In case, if it is not resolved within 90 days, it will be escalated to the Ethics & Compliance Committee.

The effectiveness of the Code of Conduct implementation is evaluated through Leadership Business Ethics Survey and Employee Engagement Survey which includes assessment of whether employees are satisfied with the ethical performance of the company or not.

TCOC concerns for FY 2017-18

	No. of stakeholder complaints received	No. of stakeholder complaints resolved	No. of stakeholder complaints pending as at end of the financial year
Complaints	22	20	2
related to TCOC			

We have also a Whistle Blower Policy to provide a formal mechanism to the Directors and Employees to report their concerns regarding unethical behaviour, actual or suspected fraud or violation of the company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the company has been denied access to the Chairman of the Audit Committee.

We also implement the Tata Business Excellence Model, which stresses on excellence in whatever the company does, while upholding highest levels of values and business ethics.

PRINCIPLE 2: PRODUCTS LIFECYCLE SUSTAINABILITY

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFECYCLE

A balance of numerous environmental and social factors are critical for the sustainable production of high-quality coffee and the changing climate is a threat to the production of coffee and thereby poses the question to the business continuity of Tata Coffee. As a business, we are cognizant of our susceptibility to climate change as well as changes in environment regulations and we make tremendous efforts to ensure that our operations are sustainable. We focus on water conservation, energy efficiency, use of renewable energy and waste management at all our plantations and processing facilities.

Sustainability at our Plantations

Sustainability is embedded into the agricultural practices followed at Tata Coffee. It is our constant endeavor to use eco-friendly technologies and to perpetually work towards enriching the soil, water and bio-diversity in and around our plantations. Our unique cultivation practices are based on scientific mapping of soil nutrition and cropping patterns coupled with an optimal usage of valuable natural resources. This enables us to sustain the ecological balance at our locations. Integrated pest and disease management are also a part of our standard operating procedures.

Sustainable Agriculture

At Tata Coffee, we continue to focus on advanced agronomy on plantations to ensure sustainability of crops to withstand changes caused by global warming. Some of the key sustainable cultivation practices are:

- Use of soil nutrient analysis and leaf diagnostic analysis and Soil Nutrient Index to maintain soil health. The results are used to optimize fertilizer recommendation and soil amendment.
- Intercropping growing coffee along with other crops like pepper, vanilla, oranges and arecanuts amid lush canopies of shade trees to promote bio-diversity and to ensure optimal usage of valuable natural resources. Our Estates are extensively inter-cropped with Pepper vines, producing about 1,000 MT of Pepper.
- Varietal Trial Experiment of Coffee, Pepper and Cardamom to identify location specific high yielding, pest, disease and drought tolerant selection for planting in our Estates.
- Agro Waste management and recycling through large-scale production of quality compost with improved technology incorporating in-house prepared beneficial microbial concoction to enhance the soil fertility status and to manage soil borne diseases.
- Culturing of beneficial fungus for integrated disease management.
- Irrigation Study Drip and basin Irrigation for Robusta.
- Apiculture and Pisciculture
- Shade management practices based on assessing light intensity that is critical to our agronomic practices. We have over one million shade trees in our Plantations.
- Collaborative Research to evolve less hazardous environment friendly Agro – Chemical and Pheromones for sustainable agriculture.
- Environmental preservation through Surface Water Analysis, Pesticide Residue Analysis, etc. and Water Conservation.

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

Statutory Reports

Water Management

Water is very critical for our business and our sustainable irrigation practices allow us to mitigate and partially manage the vagaries of weather and our rainwater harvesting assets enable us to serve a complete round of pre and post blossom irrigation requirements.

We have adopted water management programmes related to water conservation, waste water treatment and rain water harvesting, amongst others. Additionally, we have invested in water-efficient technologies to achieve these objectives. Our approach to water conservation includes awareness and capacity building programmes for all our stakeholders.

We have a capacity build up in the form of reservoirs / tanks in the catchment areas of the Plantations that are excavated / desilted or extended to meet the irrigational requirements and the present capacity is 33.34 lakh cubic metre, capable of covering our entire Robusta for its blossom and backing irrigation, along with Pepper vine watering. It is imperative not to use ground water for irrigation purposes and in the processing of Coffee / Pepper value add.

Our water conservation programmes are structured and quantum used is monitored and tracked through water flow meters.

Albeit, control operations constitute a miniscule portion of our total water use; we have adopted all possible measures to optimise water use during spraying of fertilisers, pesticides and weedicides. Not just the water used for spraying, we take all the measures as per stipulated guidelines of our certification standards for discharge of the waste water, ensuring that surface water sources around the estates are not contaminated.

Some of the other initiatives introduced to manage water efficiently are:

- Introduction of Global Positioning System to enhance operational efficiency of irrigation process.
- No discharge of pollutants to natural water bodies as a result of recycling and reuse of water through.
- Domestic water usage is tracked to learn the water usage pattern of the employees.
- All residential colonies are supplied with septic tanks to prevent negative impact on ground water. Waste water from washing of the machinery/ PPEs post usage of agro chemicals is collected separately.

Energy Efficiency and use of Renewable Energy

Sustenance of large green vegetative cover at plantations contributes to our negative carbon footprint of 1.71 lakh tonnes of CO_2 equivalent per annum, making it a source of huge carbon sink.

In the last financial year, we procured 2 lakh unit of wind power at Anamallais and we plan to scale it up to 4 lakh units in current financial year. Also, we are planning to install 200 kilowatt roof mounted Solar PVs at the estate. At Coorg, we have replaced diesel engines used to pump water with energy efficient motors.

We monitor electricity consumption on a monthly basis and exhibit the same to drive behavioural changes.

Use of least hazardous / organic fertilizers

We use any agrochemical on the WHO class category which is least hazardous and do not use any prohibited chemicals.

Knowledge Sharing

We conduct regular awareness sessions for the local communities on conservation of ecosystems, water conservation, flora and fauna, waste management aligned to Rain Forest Alliance certification. We also conduct trainings at neighbourhood schools on topics related to environment protection.

Trainings on awareness related to critical operations at plantations are conducted for estate personnel including migrant labour on a regular basis. We issue monthly Advisory Circulars to estates and also to our customers on updated current/new trends in cultivation practices, pest & disease management and post-harvest technology.

Sustainability at our facilities

Tata Coffee is committed to play a leading role in climate change by adopting environment friendly technologies. We follow multi-fold approach in our endeavour to offset the effect of climate change in our activities.

- Measuring our carbon foot print by being pioneers in Plantation Industry.
- Engaging actively in advocating and shaping climate change regulations.

At Tata Coffee, we have various initiatives directed towards environment protection and carbon reduction over short and long term to allocate the resources and bring focus. These include rainwater harvesting, use of renewable energy like wind and solar, solid waste management, etc. There are continuous improvement projects around the year to create an eco-friendly work environment like reduction in energy consumption, reduction in specific water consumption etc.

Our environment stewardship extends beyond our premises and we actively educate, support and encourage our vendors and partners to adopt environmentally sound and sustainability practices.

TATA COFFEE LIMITED



A systematic approach to environmental management requires a holistic view of the environmental arena in order to manage and continuously improve the same. We have institutionalized an Environmental Policy to articulate measurable targets for key environmental performance indicators – energy, emissions water and waste, etc.

Our integrated management systems adhere to international standards, combining quality assurance, environmental management and occupational health and safety into a common framework, enabling alignment across functional areas and operational aspects. Environmental aspects are governed by overarching ISO 14001:2015 standards.

Environmental Management in ICD

Our goal is to establish a culture of care, demonstrating leadership through performance improvements at our award winning manufacturing facilities in Toopran and Theni and we have demonstrated consistent improvement.

The manufacturing facilities are certified for Integrated Management System (IMS) which incorporates all systems and processes in one unified framework to drive excellence in sustainability. We have also implemented SuPM (Sustainability Performance Management) software which is designed to capture relevant data at source and translate them into dashboard in decision making at various levels in the organization.

Both the units of Instant Coffee Division at Theni and Toopran are certified with latest versions of Environmental Management System i.e., ISO 14001: 2015 complying the stringent norms of the same. Focussing on environmental sustainability initiatives, the units are certified with UTZ & RFA too.

Energy Efficiency & Renewable Energy

As a Tata Company & environmental friendly organisation, we are cognizant and recognize our role in combating climate change. We have been successful in improving the efficiency of our processes and reducing the specific consumption of resources for all of our product lines. We have aggressively promoted renewable energy at our manufacturing facilitates from solar and wind energy generation to biomass.

Renewable energy share constitutes to 64% of overall energy requirement of ICD-Operations. The share of wind power increased from 44.2% to 76% of the total power consumption of ICD, Theni i.e. from 2016-17 to 2017-18.

Energy Source	2016-17	2017-18
Wind	44.2%	76%
Solar	6.2%	6%
Diesel Generator	0.8%	2%
Third party	0%	0%

We adopt PDCA methodology for continuous improvement in the areas of embracing energy efficiency. Internal energy audits are regularly carried out to identify opportunities for energy efficiency improvements. We have implemented several energy conservation measures at our facilities, in both thermal and electrical sections such as installing of energy efficient motors, variable frequency drives for high capacity motors, capacitor bank modification to improve power factor, installing condensate recovery system, installing VAM chillers.

We received SEEM (Society of Energy Engineers and Managers) National Energy Management award for ICD-Theni during this fiscal.

Specific consumption at ICD - Theni	2015-16	2016-17	2017-18
Spray Dried Coffee			
Boiler Fuel kg/kg	2.85	2.79	2.71
Electricity Kwh/kg	1.24	1.16	1.20
Diesel lit/kg	0.11	0.11	0.11
LPG kg/kg	0.04	0.05	0.05
Water Lit/kg	50.7	44.54	39.8
Freeze Dried Coffee			
Boiler Fuel kg/kg	7.09	6.81	7.07
Electricity Kwh/kg	3.88	3.44	3.42
Diesel lit/kg	0.20	0.20	0.23
Water Lit/kg	111	108.6	107.2
Agglomerated Coffee			
Electricity Kwh/Kg	0.40	0.31	0.30
Boiler Fuel Kg/Kg	1.23	1.13	1.29
Specific consumption at ICD Toopran	2015-16	2016-17	2017-18
Spray Dried Coffee			
Boiler Fuel kg/kg	2.61	2.05	1.99
Electricity Kwh/kg	1.14	0.92	1.19
Diesel lit/kg	0.13	0.12	0.08
LPG kg/kg	0.01	0.04	0.04
Water Lit/kg	29.87	28.44	28.94
Agglomerated Coffee			
Electricity Kwh/Kg	0.4	0.4	0.51
Boiler Fuel Kg/Kg	1.74	1.65	1.90
CO ₂ emissions at ICD - Theni			
Year	2015-16	2016-17	2017-18
Spray dried coffee &	7.5	4.36	4.6
Agglomerated coffee			
FDC	15.1	14.31	15.3
CO ₂ emissions at ICD - Toopran			
Year	2015-16	2016-17	2017-18
Spray dried coffee &	1.0	1.24	1.33
Agglomerated coffee			

Managing Water and Waste

Effective water management is critical to the overall sustainability of our operations and we seek to progressively reduce the quantity of water consumption, expand water conservation measure at our facilities and replenish ground water levels at our communities.

Coffee processing is carried out using advanced Columbian and Brazilian pulping technologies which ensure minimum water usage thereby having direct impact on water consumption and pulping discharge. Low water consumption indigenous pulping units also have been commissioned with the aim being to reduce and recycle the treated water for irrigation.

Through measures to improve water conservation and efficient use, we have reduced our specific water consumption consistently.

Specific water consumption a	at ICD – Toopran		
Year	2015-16	2016-17	2017-18
IC (kg/kg)	29.87	28.44	28.94
Water consumption at ICD - T	heni		
Year	2015-16	2016-17	2017-18
FDC (kl/mt)	111	108.6	107.2
SDC (kl/mt)	50.7	44.54	39.8

An onsite Effluent Treatment Plant (ETP), and Reverse Osmosis (RO) system ensures that our waste water and liquid effluents are effectively treated appropriately following Reduce, Recycle and Reuse principle.

Our plant at Theni is a Zero-Liquid-Discharge (ZLD) facility and has systems in place to Reduce, Reuse and Recycle (3R principles) waste water generated. Around 26 kilo litres per day (KLD) of effluent water is treated and being reused in the Boiler and other utility equipment at Toopran.

Waste management practices are implemented across our operations, divisions and supply chain based on the 3R principles – Reduce, Reuse and Recycle. We continually seek opportunities to minimise waste and conserve resources. Our focus on waste management and minimization has led to a reduction in specific waste generated.

Specific waste per unit of production at ICD Theni			
Year	2015-16	2016-17	2017-18
IC (kg/kg)	48.9	44.13	37.69

Specific waste per unit of production at ICD Toopran					
Year 2015-16 2016-17 201					
IC (kg/kg)	11.05	10.28	11.08		

We have installed ESPs for our boiler operations to control and improve Boiler stack emissions, unique for this industry.

Sustainable Procurement

At Tata Coffee, we select our suppliers and service providers fairly and transparently and expect them to adopt ethical standards comparable to our own. Our value chain partners including suppliers, service providers and distributors are bound by our Tata Code of Conduct. We expect our suppliers to adhere to environmental & social standards as mentioned in the Tata Code of Conduct. We conduct vendor / supplier meet where we discuss on the expectations of the Code of Conduct. We also prefer to source products / services which are environmentally sustainable. For example, we procure energy efficient motors, other electrical accessories and appliances. All IT assets are sourced from companies complying with sustainability standards.

In line with our objective of promoting inclusive development, we promote local sourcing. Some of the products and services procured locally are:

- Agri Briquettes used as a primary fuel for our ICD factory in Toopran
- Agro chemicals
- Maintenance and civil works as well as procurement of material
- Transport of Green Coffee from Estates to KNW/Tea from Anamallais to Kochi

We also undertake business with small traders at our estates in remote areas. Manpower for security and other facility management services are also sourced locally.

PRINCIPLE 3: EMPLOYEES' WELL-BEING

BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

Tata Coffee aims to create a working environment which supports the holistic development of its employees. We have developed different programs to cater to the development needs of our employees.

A profile of our employees is given below.

Employee Category	<30 years	30-50 years	>50 years
Permanent employees	421	3441	2018
Retainers	0	0	124
Casual/Temporary	2478	3126	537
Contractual employees	5	8	4
Total	2904	6575	2683

Employee Well-being

Tata Coffee provides a host of benefits and services to its employees most of this is well beyond statutory requirements to meet the needs of different categories of employees. Tata Coffee also has a robust employee health and wellness initiatives which cuts across geographies and segments of work force.

For management employees, a holistic initiative - "Neev" has been implemented focusing on mind and body wellness which is a 100% onsite awareness and specialist interaction monthly / quarterly program. This program has initiatives like health talk, physical activities like Yoga, Zumba etc. For staff and workers, periodic health check-ups, De-addiction and Art of Living programs are conducted across locations.

TATA COFFEE LIMITED



Talent Development

Our Company focuses on welfare and improving the skills and knowledge of the employees by providing training and development. We study the training needs of our employees including nonmanagement staff at location and business levels and provide relevant training programs.

We train our employees on critical operations related matters as well as trainings on topics like ethics and values and Animal Conflict Management. It also includes organization level behavioural training identified in the beginning of the year e.g. FSSI training, Safety & Hygiene training etc. We also organize various trainings based on the feedback of employees as well as managers as part of the performance appraisal program. This includes technical, behavioural as well as functional trainings. We have introduced training on Plantation Law etc. in our training calendar to address the needs of the statutory changes that can affect our business.

Employee Engagement

Tata Coffee deploys robust processes fostering a culture reflecting open communication. Structured actions such as periodic management and HR connects, review meeting, conversations and exit interviews are implemented by HR in partnership with businesses. We regularly conduct engagement surveys to assess employee engagement and satisfaction levels. Based on the feedback from survey, programs are planned to improve the morale of the employees.

We celebrate CSR week in TATA where all employees proactively participate in the CSR initiatives. We celebrate major festivals with all the employee participating in the same.

The Company focuses on building 'Best in Class Reward and Recognition' practices and has deployed a Rewards & Recognition portal "Blending Excellence" in order to encourage and foster Employee Engagement. Monetary as well as Non-Monetary rewards are provided to the employees as part of this program.

Diversity & Inclusion

We provide equal opportunities to all our employees and do not promote any unfair practices on any ground, including race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability or any other category protected by applicable law. Our Policies provide clear terms of employment, training, development and performance management. When recruiting, developing and promoting our employees, our decisions are based solely on performance, merit, competence and potential.

In the fiscal year 17-18, we have on boarded one differently abled employee and our policy specifies the presence of one differently abled representative in the talent management team.

Occupational Health & Safety

Our Company has the objective of minimizing or eliminating workers' occupational risks. We have a dedicated occupational health and safety committee and assigned training program to educate workers on how to carry out their work correctly and safely with a special focus on handling of machinery and agrochemicals. We are the only Coffee Plantation Company to be certified for Social Accountability 8000 to invigorate our commitment to the wellbeing of our workforce.

We conduct regular risk assessment and mitigate risks (HIRA) Safety Training, Systematic training based on OCP, Mock drills, First Aid trainings, regular medical check. All major hazards including working at height, Human Elephant conflict, and irrigation & fire hazards are identified and we have proper mitigation plan for the same. Chemical storage areas and areas where agrochemicals are mixed and distributed are equipped with eye-wash facilities to wash eyes in case of any emergency. All workers that apply, handle, transport or come into contact with agrochemicals or other chemical substances are trained.

Some of the key activities undertaken during the fiscal year includes:

- 292 Lakh capital has been spent for solar fencing to mitigate Human Elephant Conflict. The Company has been awarded 'Excellence in work place safety' for our Human Elephant conflict mitigation presentation organized by Cll
- A pilot project on Shade lopping has been proposed as a part of risk management program
- External professional agency carried out safety audit as a sustainability safety initiative
- 179 Lakh capital invested for PPE's, 35 feet FRP ladders & other safety initiatives
- Introduced 100% usage of safety helmets by the employees across the estates during this year
- Conducted demo training on 35 feet ladder while harvesting Pepper at Coorg and Hassan Divisions
- Awareness program on snake bite & general safety conducted at ICD: Theni Unit
- Formation of "Code Red" team by CMO, responding to medical emergency at workplace – Anamallais division

As a result of our systematic interventions, there is 60% reduction in total incidents occurred compared to the previous year & 10% reduction in Loss Time Injury (LTI). Details on key performance indicators are given below.

Statutory Reports

Financial Statements

No. of Unsafe Situations (Behaviours, Conditions & Near	11946
Misses) observed	
No. of Unsafe Situations Rectified	10028
No. of Health Awareness Sessions Conducted	502
No. of Fatalities	4
No. of Major Fires	2
No. of LTIs	94
No. of HIPO (High Potential) Incidents	2

Details of employee training hours on safety is given below:

Employee Category	Number of hours of training	Total number of employees	Percentage of total workforce
Permanent	18132	4281	27%
employees			
Permanent Women	20127	4752	30%
employees			
Casual/ temporary/	28062	6625	42%
contractual			
employees			
Employees with	-	-	-
disabilities			

PRINCIPLE 4: STAKEHOLDER ENGAGEMENT

BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

At Tata Coffee, we believe in being responsible and sensitive to all our stakeholders. We strive to be caring, respectful, compassionate and humane to all our employees and customers around the world, and always work for the benefit of the communities we serve. Our objective is to ensure that what comes from the people goes back to the people many times over in the countries, communities and environments in which we work.

Depending on factors such as whether we impact or we are impacted, whether we can influence or our business is being influenced by and whether there is an element of proximity or relevance, we have identified the following stakeholder groups for engagement.

- Customers
- Employees
- Investors
- Suppliers and other value chain partners
- Local communities, especially disadvantaged and vulnerable
- NGO partners

In the course of running our business, we consider the interests and concerns of all our stakeholders. We have different mechanisms through which we engage with them and understand their concerns. Details of mode of engagements and stakeholder concerns are discussed below.

Stakeholders	Mode of engagement	Frequency	Outcomes
Shareholders	Annual Reports, website, AGM's, Analyst meet	As and when required	Feedback on improvements
Customers	Customer meet	Scheduled	Feedback and suggestions on improvements,
	Broker meet	Quarterly	industry and market trends ,competitors
Suppliers & Partners	Vendors and Suppliers meet	Annual meet	Feedback and suggestions on improvements,
			industry and market trends ,competitors
Government	Meeting with govt.,	Annual and as required	Actions/feedback
	ministers/officials		
Employees	AGM round table, town hall	Quarterly	Feedback on improvements, Performance
			improvements required
	Staff meet, Family day, sports meet	Scheduled and informal	Well informed and engaged workforce
	Performance review meeting	Half yearly	Resource requirements, understanding constraints
			in implementation of plans
SBU heads, Dept.	Blossom	Half yearly/Quarterly	Information sharing
heads, Div. heads	Muster meets at the workplace	Daily	Work, Grievances, welfare and other related issues
	Video clips and other communication	Periodically	Knowledge sharing
	cascades		
Community/	Coorg Foundation meet and RIHP, DARE	Quarterly	Information action plan
Society	school, Akshara Vidyashram, ESD		
<u> </u>	School, Allshard Maydollidill, ESD		

We have developed organization wide processes to ensure that the stakeholder interests are being attended to and concerns are being addressed. We regularly communicate our policies and processes to stakeholders and have provided avenues to raise concerns or queries in good faith, or report instances of actual or perceived violations of our Code.

TATA COFFEE LIMITED



We have also developed targeted programs to contribute to the wellbeing of our stakeholders.

PRINCIPLE 5: HUMAN RIGHTS

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Tata Coffee respects human rights and adhere to highest principles of human rights.

Child Labour & Forced Labour

At Tata Coffee, Child Labour is strictly prohibited. We actively work towards putting children back in schools.

We do not use Forced Labour in any form. We encourage our suppliers, vendors, contractors and other business partners associated with the company to follow the principles laid out in the Tata Code of Conduct.

Once in a two year period, we conduct welfare audits by external agencies to assess the welfare index of the estates. These audits cover aspects like Child Labour and Forced or Bonded Labour.

Freedom of Association & Collective Bargaining

We recognise the right of employees in joining associations or involving themselves in civic or public affairs in their personal capacities, provided such activities do not create an actual or potential conflict with the interests of our Company. We expect our employees to notify and seek prior approval for any such activity as per the 'Conflicts of Interest' clause of Tata Code of Conduct and in accordance with applicable Company Policies and Law. 90% of our employees are part of Recognized Union.

Prevention of Sexual Harassment

We, at Tata Coffee, have zero tolerance for sexual harassment at workplace and have adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace. The policy aims to provide protection to employees at the workplace and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. We have also constituted an Internal Complaints Committee, known as the Prevention of Sexual Harassment (POSH) Committee, to enquire into complaints of sexual harassment and recommend appropriate action.

During the Financial Year 2017-18, the Company received 4 complaints on sexual harassment, which have been disposed of and appropriate actions were taken.

PRINCIPLE 6: ENVIRONMENT BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

Our environment stewardship extends beyond our premises and as an organization, we take due cognizance of the ecosystem in which we operate. We operate in the biodiversity hot spot zone of the Western Ghats and therefore it is of prime importance for us to protect the rich heritage of the region. We identify, protect and restore existing natural ecosystems, both inside and outside our estates.

Forest and Wildlife Conservation

Tata Coffee's estates, along with neighbouring areas are home to about 3,049 native species of Flora and 496 species of Wildlife. The Company is committed to help protect the area's rich Biodiversity.

As standard practice, we do not harvest threatened or endangered plants or tree species. We have established a buffer zone by planting permanent native vegetation (Acalypha) bushes in order to promote biodiversity, minimize any negative visual impacts, and reduce the drift of agrochemicals, dust and other substances emanating from our agricultural or processing steps. We conduct annual surface water analysis to check the drift and erosion of chemicals to water bodies.

We maintain an inventory of wildlife and wildlife habitats found on our estates through a wild life sighting register. Hunting, capturing, extracting and trafficking wild animals is strictly prohibited on the estates. Registers are maintained to record wildlife sightings and our dedicated 'Wildlife Cells' help mitigate the potential human-elephant conflict and also help create feeding sites for the animals in reserve forests.

The Company has been awarded the 'Excellence in Work Place Safety' trophy for its elephant conservation project, in the Confederation of Indian Industry IQ National Safety Competition.

Water Conservation

We have also undertaken projects on Water Conservation as part of our CSR program. We partner with 'Water Literacy Project' for rejuvenating lakes and thereby maintaining hydrological balance at selected areas.

PRINCIPLE 7: POLICY ADVOCACY

BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

Our Company's approach to advocacy is guided by the Tata Code of Conduct. The Code provides that any contact by the Company or its business associates with government, legislators, regulators or NGOs must be done with ethics, fairness, transparency and in compliance with applicable laws. Only authorized and appropriately trained individuals can interact with these organizations. Prior internal approval is required for initiating any contact between the Company, its representatives and officials, aimed at influencing regulation or legislation.

Tata Coffee has been actively participating from time to time in various forums relevant to the industry and line of business in areas that are relevant to the Company and its stakeholders. We are associated with the following industry bodies.

- United Planters' Association of Southern India
- Karnataka Planters' Association and Kodagu Planters' Association

Tata Coffee is a member of The Confederation of Indian Industry (CII) that works to create and sustain an environment conducive to the growth of industry in India, partnering industry and government alike through advisory and consultative processes. Being a member of such prestigious industrial development wing, Tata Coffee demonstrated the best practices of effective environmental management and bagged CII SR EHS 4 STAR AWARD in 2017-18.

We are also associated with Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI) and have actively participated extensively in the industrial improvement activities organized by the Federation.

PRINCIPLE 8: INCLUSIVE GROWTH

BUSINESS SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

At Tata Coffee, we believe in inclusive growth and thus community care and development is an integral part of our Company's agenda. We are committed to make lasting difference through our Corporate Social Responsibility initiatives.

We promote inclusive growth and equitable development by working on ensuring the socio-economic and environmental well-being of the communities in which we operate. We focus on a multitude of areas such as education, health care, ecosystem restoration and skills development.

Our Approach

Our community programs are aligned to the critical needs of the communities where we operate in. All the programs are implemented on the ground through partnerships in different capacities with credible NGOs in the space.

We have spent a total amount of 2.21 Crores for the Financial Year 2017-18.

CSR Programs & Initiatives

Tata Coffee has identified Restoration of Hydrological Balance and Skill Development for Women as two key focus areas for the Company wide CSR program in line with the Tata Group's CSR focus areas.

Restoration of Hydrological Balance

One aspect of Tata Coffee's core value of 'Responsibility' is restoration of hydrological balance. We work in restoring lakes using an innovative lake in lake method and we are supported by our NGO partner - Water Literacy Foundation. The objective of the program is to eradicate water shortage faced by the communities in the selected geographies and to ensure water security. This prevents migration of local communities due to water stress and mitigates the risk of labour shortage to business.

We have undertaken restoration of two lakes and 2 ponds (tanks) using the lake in lake method at Coorg and Hassan. We also set up direct pipelines to individual households for Water Supply. Some major impacts created are:

- Total beneficiaries 4418 people from local communities including tribals
- Estimated run off harnessed 3.21 million KL per annum
- Average increase in capacity of lake 4800 to 5800 cu m

Skill Development for Women

Tata STRIVE - the first Tata Group CSR programme is an initiative of Tata Community Initiatives Trust intended to address the pressing need of skilling India's youth for employment, entrepreneurship and community enterprise. The program develops skills of people from financially challenged backgrounds and acclimatises them with the changing work environment.

In association with Tata Strive, we work towards Women Empowerment by providing them skills for increased employability that will have a positive impact on the community. This financial year, we have provided automobile sale consultant training to women from the local community in Coorg.

Site specific programs

Tata Coffee has implemented several community initiatives at different geographies where our Plantations and Factories are located in. Details of the programs at these geographies are given below.

Coorg

Coorg Foundation

'Coorg Foundation' established in 1994, is our separate and independent social wing to give more shape and scale to our community initiatives at Coorg. The foundation promotes the welfare of the local community through a host of economic, environmental and social initiatives.

Swastha

"Swastha" Centre for Special Education caters to the needs of the differently abled in the District of Kodagu'. The school imparts special education and vocational training to the differently abled children in the age group of 6 to 18. Students are trained in tailoring, book binding, paper bag making and paper cup making and are provided with placements. The community based rehabilitation programme under Swastha looks into the inclusion and main streaming of the differently abled by providing them services in the areas of health and education.

TATA COFFEE LIMITED

• Rural India Health Project (RIHP) Hospital at Ammathi Rural India Health Project (RIHP) Hospital situated in Ammathi Village of Kodagu District was established in 1964. Owned by a Charitable Trust, it is presently managed by Tata Coffee Ltd., Pollibetta, Kodagu. The vision of the hospital is "to provide the best possible health care facilities and advice round the clock at an affordable cost to the local community by extending the emergency investigations and treatments".

This hospital is a 57 bedded hospital well-equipped with ultramodern equipment and facilities, 5 in house Doctors and 23 Medical and Para-medical staff members. In 2017-18, Health Awareness, Health/Nutrition and general health check-up programs were conducted for various schools in and around Ammathi Village. Free off-site medical camps for the general public and public awareness programs on first aid for common accidents and protocol for shifting patients were also part of last year's program.

Toopran

We undertook several initiatives at Toopran in 2017-18. Some of them are:

- Alcohol De-addiction Awareness Program using through folk song or street play as medium was organized at Toopran.
- Energy conservation program by setting up LED Lamps with external cover Box.
- Launching of Multi Grade Multi Level conceptual education project for overall development of students on various subject matters.
- Providing scholarships to 5 Govt. schools students of class X based on merit.

Swacha Gramam

Swacha Gramam is a cleanliness initiative that forms a part of our CSR Project which focuses on improving the hygiene and environment of Brahmanpally Panchayat (covering the villages of Venkatapur, Brahmanpally & Padalapally) in Toopran. Brahmanpally Grama Panchayat act as the governing body that oversees the sanitation of the villages including cleaning of drain lines, sludge removal, dustbins as well as other unhygienic areas and Tata Coffee Limited provides financial support upon verification of the sanitation facilities provided by the panchayat.

Theni

In Theni, we have organized the following programs.

- Organizing diabetes health camp, providing medicine, retinopathy checkup and general health camp for elderly people.
- Providing nutritious supplement and FE medicine for 560 adolescent Girl Children.

• Providing amenities and tailoring machines to the Women Group.

Anamallais

DARE Project

DARE "Developmental Activities for Rehabilitative Education" was started in 1996, to work towards well-being of children with special needs from among the workers' population. The school now has 24 children and 4 well qualified teachers apart from 3 support staff. The various activities that take place at the centre include meditation, exercises, physiotherapy (for the children who need it), arts & crafts, stitching, embroidery, candle making, making washing powder, office covers and basket weaving apart from games and supervised activity. Proceeds from sale of products are deposited into the post office accounts of the respective children.

Uralikal Central Hospital

Uralikal Central Hospital, is a 50 bedded hospital run by the Company in Anamallais which provides free medical aid to over 6000 strong work-force of the Company. It has 3 resident doctors and 20 support staff. The hospital also extends free medical aid to the tribal population in the settlements on the periphery of our estates and also holds medical camps at the settlements. Medical aid is also extended to outsiders, at subsidized rates. This is the main referral hospital for the 6 Estate Hospitals located in our estates, in the Anamallais.

Akshara Vidyasharam

A Primary School opened its doors to the children of Anamallais in 2007, with the aim of providing quality education at an affordable cost. The school is run on a 'not-for-profit' basis, by Tata Coffee Wives' Association. The school has 141 children and 14 teachers. It caters to children from Lower Kindergarten to Class 5. The school adopts the CBSE Syllabus and has smartclass facilities. In addition to this, the school has a computer lab as well apart from art, yoga and music classes.

Hassan

In Hassan, we have undertaken initiatives to supply drinking water to the local community. A hospital and a school were provided with water purifiers whereas a new pump set and pipeline was installed at a village panchayat.

Valparai

We have conducted Medical camp for tribal community and eye care camp for public in Valparai. We have also sponsored 10 students belonging to SC/ST Community in and around our Estates to undergo training at Unnati Centre. Support has been provided to school students from the community.



Group level community welfare initiatives

Tata Engage

Tata Engage is a group level volunteering programme with the objective to sensitize Tata employees to social causes, encourage them to get involved in the community, and provide them with the opportunity to contribute to community. As part of this program, Tata Coffee employees have contributed 4146 hours to 69 activities. We remain one of the members in the Tata Group with highest recorded hours spent on volunteering activities across all the sites.

Affirmative Action

Tata Coffee abides by the Tata Group Affirmative Action Policy and commits to the belief in social equity, equal opportunity, irrespective of caste, whether in recruitment or career advancement within the organization. The Company is also committed to directly conducting or supporting initiatives to ensure an equal footing for socially and economically disadvantaged sections in the country at large, and specifically the Scheduled Caste and Scheduled Tribe communities.

Towards the ultimate goal of enhancing their employability and entrepreneurship abilities, Tata Coffee works on creating and promoting access to quality education and technical skills and competencies. Further, to speedily enable these communities overcome the social discrimination that has prevented them from realizing their potential as productive members of society, Tata Coffee will assist members from these communities in finding employment opportunities as business associates, provided everything else (merit for employment; cost and quality for business associates) is equal.

As part of this program, on behalf of Tata Coffee, Tata Institute of Social Sciences (TISS) undertook a sample study of 42 villages within a catchment area of 421 villages in Kodagu, Chikamagalur, Hassan and Valparai. 900 households were surveyed and 42 Focused Group discussions were held. The objectives of the study were to understand (1) Socio-economic and demographic characteristics; (2) education, occupation and skill-related capabilities; (3) Employability and entrepreneurship requirements and (4) ethnicity and cultural practices. TISS, on the conclusion of the study, have presented their recommendations to Tata Coffee. The recommendations are under further study for their feasibility and will be rolled out into area specific projects subsequently.

Other community welfare activities

The senior leadership of the company is involved in different community activities. We are associated with Little Sisters of the Poor, Karnataka Association for the Blind and Karunashraya Bangalore Hospital Trust and our leaders volunteer at these three organizations. We also support these organizations financially.

PRINCIPLE 9: CUSTOMER VALUE

BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

Customer centricity is one of the core pillars of our business and as a principal value of organization, the same is cascaded to each and every Tata Coffee employee. The elaborate system which we have put in place to listen to and anticipate customer need has resulted in new, improved and customized products based on our customer requirement.

We have different customer relationship building mechanisms and we continuously engage with our Customers to understand their concerns and be more responsive to their needs. Key mechanisms to capture Customer inputs are Customer Meets and the Customer Satisfaction Survey.

Our Company has a robust system for tracking customer grievances and complaints called Complaint Management System. The objective of the system is to manage customer feedback effectively so as to convert dissatisfied customers into delighted customers. The Complaint Management Process is composed of a detailed protocol involving registration of complaints, carrying out a root-cause analysis by the concerned department, direct engagement with the customer via multiple stake-holders if necessary and a consequent closure with feedback of the customer.

For our Instant Coffee Division, the number of customer complaints received in the FY 2017-18 were 47, out of which 4 complaints are pending to be resolved as on end of the financial year. For our green coffee division, we received 6 complaints in FY 2017-18 and one complaint is pending resolution. Through our customer centric approach and quality management focus, we have achieved a continuous reduction of customer complaints year on year.

Our focus on innovation is demonstrated by the large number of new products commercialized in the last financial year. A total of 13 absolutely new products and 45 products with modifications to existing products were developed by the NPD department of our Instant Coffee Division.

Driving Operational Excellence through Excellence in QMS

At Tata Coffee, we have a system driven approach towards quality and our certifications covering functional aspects such as quality management, environmental management, food safety, social accountability and health & safety strengthens trust among our customers. We have a well-resourced Quality Assurance (QA) department that ensures the highest standards of product safety and assurance with reputed National Accreditation Board for Testing and Calibration Laboratories (NABL) certificate.

TATA COFFEE LIMITED



We have implemented best practices across our facilities and operations and are certified against international standards such as:

Theni	BRC, IFS, ISO 9001:2015, ISO 22000- 2005, HACCP,
	ISO 14001:2015, HALAL, KOSHER, FSSAI, OHSAS
	18001:2007, SA 8000:2014 ,GMP,RFA,UTZ & NABL
Toopran	ISO 9001:2015, ISO 22000:2005, ISO 14001:2015, ISO
	18001:2007, GMP, HALAL, KOSHER, BIS, FSSAI,SA
	8000:2014 & FSSC Ver 4.1,RFA & UTZ

Tata Coffee sites have been recognized for best practices in quality management at Toopran and Theni and some of the accolades we received in this financial year are:

- CII- EHS Excellence Awards 2017
- Excellence in Industrial productivity by FTAPCCI
- Legasis excellent performer award 2017
- Qualified for Innovista 2018 finals at Toopran
- SEEM (Society of Energy Engineers and Managers) National Energy Management award

We have also received four awards from MPEZ for high productivity and highest Net foreign exchange earnings for our Theni facility.

Independent Auditor's Report

to the members of Tata Coffee Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Tata Coffee Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by Section 143(3) of the Act, based on our audit we report to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.



- e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants (Firm's Registration No. 117366W/W-100018)

V. Balaji

Place: Bengaluru Date: 7th May, 2018 Partner (Membership No. 203685)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Tata Coffee Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls

Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants (Firm's Registration No. 117366W/W-100018)

Place: Bengaluru Date: 7th May, 2018

(i)

V. Balaji Partner (Membership No. 203685)

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company/amalgamated companies as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the



Companies Act, 2013, in respect of which:

- The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
- b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- c) There is no overdue amount remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for manufacturing of coffee and tea. We have broadly

reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.

- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Incometax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ lakhs)	Amount Unpaid (₹ lakhs)
Income Tax Act, 1961	Income Tax	ACIT	AY 2003-04	245.98	8.34
			AY 2004-05	465.99	1.91
Andhra Pradesh VAT & CST Acts	Sales Tax	Appellate Tribunal	FY 2004-05	8.31	4.15
		Appellate	FY 2005-06	2.82	1.40
Central Excise Act, 1944	Excise Duty	CESTAT	FY 2006-07 to FY	142.59	52.36
			2010-11		

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have dues to financial institutions, government and to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for

all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or subsidiary company or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants (Firm's Registration No. 117366W/W-100018)

Place: Bengaluru Date: 7th May, 2018

V. Balaji Partner (Membership No. 203685)



Balance Sheet

as at March 31, 2018

			₹ in Lakhs
Particulars	Note No.	2018	2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	1	36371.26	33353.55
Capital Work-in-progress	1	3683.74	2016.46
Investment Property	2	4967.00	6798.15
Intangible Assets	3	167.39	239.54
Financial Assets			
Investments	4	19035.35	15066.43
Loans	5	58.10	65.75
Other Financial Assets	6	1722.84	1660.14
Non-Current Tax Assets	17	1360.49	1144.99
Other Non-current Assets	7	199.86	503.94
		67566.03	60848.95
Current assets			
Inventories including Biological Assets	8	24412.54	24222.50
Financial Assets			
Investments	4	3155.45	9863.83
Trade Receivables	9	10652.60	9447.49
Cash and Cash Equivalents/Bank Balances	10	2777.72	351.10
Loans	5	5804.04	6048.58
Other Financial Assets	6	3043.00	3649.97
Other Current Assets	7	2150.01	2627.37
		51995.36	56210.84
Non Current Assets held for sale	11	246.09	60.34
Total Assets		119807.48	117120.13
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	1867.70	1867.70
Other Equity		90148.72	87859.49
Total Equity		92016.42	89727.19
Liabilities			
Non-current liabilities			
Financial Liabilities			
Other Financial Liabilities	15	291.40	349.30
Provisions	16	3103.74	3244.77
Deferred Tax Liabilities (Net)	17	2273.02	2874.04
		5668.16	6468.11
Current liabilities			
Financial Liabilities			
Borrowings	14	9595.57	7299.88
Trade Payables	18	4586.96	3985.69
Other Financial Liabilities	15	6096.11	6227.35
Provisions	16	961.70	1320.91
Current Tax Liabilities	17		1466.25
Other Current Liabilities	19	882.56	624.75
		22122.90	20924.83
Total Equity and Liabilities		119807.48	117120.13

The accompanying significant accounting policies and notes form an integral part of the standalone financial statements.

For DELOITTE HASKINS & SELLS LLP Chartered Accountants

V. BALAJI Partner Membership No. 203685 R. HARISH BHAT Chairman

> K. VENKATARAMANAN Executive Director - Finance & CFO

SANJIV SARIN Managing Director & CEO

S. SANTHANAKRISHNAN Director

N. ANANTHA MURTHY Company Secretary

Place: Bengaluru Date: 7th May, 2018

Statement of Profit and Loss

for the year ended March 31, 2018

			₹ in Lakhs
Particulars	Note No.	2018	2017
INCOME			
Revenue from operations	20	70543.14	77882.51
Other Income	21	5622.75	6948.49
Total Income		76165.89	84831.00
EXPENSES			
Cost of materials consumed	22 (a)	25098.55	23629.90
Purchases of Stock-in-trade	22 (b)	5428.43	4506.00
Changes in Inventories of finished goods, work-in-progress, Stock-in-trade and	22 (c)	(478.43)	(343.16)
Biological Assets			
Employee benefits expense	23	17731.92	17186.01
Finance costs	24	744.17	848.79
Depreciation and amortisation expense		2235.67	2241.20
Other expenses	25	17325.08	18333.23
Total Expenses		68085.39	66401.97
Profit before exceptional items and tax		8080.50	18429.03
Exceptional Items	26	-	(231.23)
Profit before tax		8080.50	18197.80
Tax Expense			
Current tax		2416.05	4067.60
Excess Tax Provision written back		(179.83)	-
Deferred tax		(432.10)	207.21
Total tax expense		1804.12	4274.81
Profit for the year		6276.38	13922.99
Other Comprehensive Income		(205.05)	(27.17)
Items that will not be reclassified to profit/ (loss)		181.18	(230.69)
Remeasurements of the defined benefit plans		79.37	(721.63)
Equity instruments through other comprehensive income		137.29	365.86
Income tax relating to items that will not be reclassified to profit or loss		(35.48)	125.08
Items that will be reclassified to profit/ (loss)		(386.23)	203.52
Effective portion of Gains/(Loss) in cash flow hedges		(590.63)	286.14
Income tax on items that will be reclassified to profit or loss		204.40	(82.62)
Total Comprehensive Income for the year		6071.33	13895.82
Earnings per equity share			
Basic & Diluted (₹)	34	3.36	7.45

The accompanying significant accounting policies and notes form an integral part of the standalone financial statements.

For DELOITTE HASKINS & SELLS LLP Chartered Accountants

V. BALAJI Partner Membership No. 203685

Place: Bengaluru Date: 7th May, 2018 R. HARISH BHAT Chairman

> K. VENKATARAMANAN Executive Director - Finance & CFO

SANJIV SARIN Managing Director & CEO

S. SANTHANAKRISHNAN Director

N. ANANTHA MURTHY Company Secretary



Statement of Changes in Equity

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as at March 31, 2018

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	Equity	۲ ۱			Reserves and Surplus	od Surplus	Ouner Equity		Items of Other Comprehensive Income	mprehensiv	e Income	
	Number of Shares	Equity Share Capital	Capital Redemption Reserve	Securities Premium Reserve	General Reserves I	General Reserves II	Amalg	jamation Retained Reserves Earnings	Equity instruments through Other Comprehensive	Effective portion of Cash Flow Hedges	Actuarial Gain/ (Loss)	Total Equity
Balance as at Anril 1, 2016	186770370	1867 70	1041	14474 77	10.41 14424.27 1539530	8861.79	83753	837 53 36440 98	182.21	173.26	(769.07) 77918.88	7918.85
Profit for the vear					-			13977.99	1		- 1	3977.99
Other Comprehensive	1		1		'	'			365.86	203.52	(596.55)	(27.17)
Income for the year, net of												
Income Tax												
Total Comprehensive	I	1	I	I	I	1	1	- 13922.99	365.86	203.52	(596.55) 13895.82	3895.82
Dividends/Tax on Dividend	ľ							105 2000) -		ľ	5	, <u>05 CCDC) -</u>
Reversal of Dividend	1							83479			-	83479
Distribution Tax												
Transfer from Retained	1		1		1400.00	810.00		(2210.00)	1		1	
Earnings												
Balance as at April 1, 2017	186770370	1867.70	10.41	14424.27	16795.30	9671.29	832.53	832.53 46066.46	548.07	376.78	(865.62) 89727.19	9727.19
Profit for the year	1	1	Т	I	I	1	1	6276.38	1	T	I	6276.38
Other Comprehensive	1	1	1	1		1	1		137.29	(386.23)	43.89	(205.05)
Income for the year, net of												
Income Tax												
Transfer to Retained	1	1	1	1	1	1	1	26.12	(26.12)	1	1	
Earnings												
Total Comprehensive	1	1	I	1	I	I	1	6302.50	111.17	(386.23)	43.89 6071.33	5071.33
Income for the year												
Dividends/Tax on Dividend	1	1	1	1	1			(3933.87)		1	- (3	- (3933.87)
Reversal of Dividend	1	1	1	1	1	1		151.77		I	T	151.77
Distribution Tax												
Transfer from Retained	1	1	1	1	1	651.00		(651.00)	1	1		
Earnings												
Balance as at March 31, 2018	186770370	1867.70	10.41	14424.27	10.41 14424.27 16795.30 1032229	10322.29	832.53	832.53 47935.86	659.24	(9.45)	(821.73) 92016.42	2016.42
The accompanying significant accounting policies and notes form an integral part of the standalone financial statements	ant accounti	na policie	is and notes fo	arm an inte	adral part o	of the star	idalone financi	al stateme	ints.			

The accompanying significant accounting policies and notes form an integral part of the standalone financial statements.

For DELOITTE HASKINS & SELLS LLP Chartered Accountants

Membership No. 203685 V. BALAJI Partner

Place: Bengaluru Date: 7th May, 2018

Managing Director & CEO S. SANTHANAKRISHNAN Director

K. VENKATARAMANAN Executive Director - Finance & CFO

SANJIV SARIN

R. HARISH BHAT Chairman N. ANANTHA MURTHY Company Secretary

Cash Flow Statement

for the year ended March 31, 2018

Particulars	2018	₹ in Lakhs 2017
Cash flows from operating activities	2018	2017
Profit Before Tax for the year	8080.50	18197.80
Adjustments for:		10107.00
Depreciation and amortisation	2235.67	2241.20
Provision for doubtful advances		60.75
Interest Income	(694.34)	(834.93)
Dividend Income from Investments in Subsidiary	(3419.75)	(4669.78)
Dividend income from Other Non Current Investments	(17.59)	(16.11)
Net gain on Sale of Non-Current Investments	-	(1.85)
Net gain on Sale of Current Investments	(238.35)	(221.72)
Gain on investments carried at fair value through profit or loss	(103.27)	(242.12)
Rental Income from Investment Property	(226.32)	(102.47)
Finance Costs	744.17	848.79
Unrealised foreign exchange (gain)/loss	(167.74)	109.27
(Profit)/loss on sale of Investment Property	(205.83)	-
(Profit)/loss on sale of Property, Plant and Equipment	(13.05)	24.61
Profit on Sale of Biological Assets - Timber (Net)	(650.77)	(806.35)
Sub-Total	(2757.17)	(3610.71)
Operating Profit Before Working Capital Changes:	5323.33	14587.09
Movements in working capital:		
Trade Receivables	(1061.85)	(1.62)
Other Financial Assets	535.54	(316.51)
Loans	(47.78)	88.91
Other Current and Non-Current Assets	(430.74)	(1356.81)
Inventories including Biological Assets	(190.03)	(1996.88)
Trade Payables	625.74	398.13
Other Financial Liabilities	(67.13)	1695.90
Other Current Liabilities	257.81	318.98
Provisions	300.74	62.06
Changes in Working Capital	(77.70)	(1107.84)
Cash Generated from Operations	5245.63	13479.25
Income taxes paid	(3917.98)	(4248.64)
Net Cash Flows from/ (used in) Operating Activities (A)	1327.65	9230.61

TATA COFFEE LIMITED



		₹ in Lakhs
Particulars	2018	2017
Cash flows from investing activities		
Interest received	703.07	867.20
Dividends received from Subsidiary	3419.75	4669.78
Other dividends received	17.59	16.11
Payments for property, plant and equipment and Intangibles	(6636.52)	(4497.53)
Rental Income from Investment Property	226.32	98.48
Proceeds from Sale of property, plant and equipment	89.84	86.63
Profit on Sale of Biological Assets - Timber (Net)	650.77	806.35
Inter Corporate Deposits Placed (Net)	300.00	2200.00
Net cash (outflow)/inflow on Purchase/Sale of Mutual Funds	7050.00	(9399.99)
Sale of Investment Property	1895.38	-
Sale of Non-Current Investments	46.80	2.26
Purchase of Non-Current Investments	(4162.16)	-
Net Cash Flows from/ (used in) Investing Activities (B)	3600.84	(5150.71)
Cash flows from financing activities		
Proceeds from / (repayment of) Current Borrowings (Net)	2295.69	(1660.73)
Proceeds from / (repayment of) Non-Current Borrowings	(402.86)	(1681.37)
Dividend/Dividend Tax	(3933.87)	(2581.31)
Finance Cost paid	(470.37)	(610.06)
Net Cash used in Financing Activities (C)	(2511.41)	(6533.47)
Net Increase /(Decrease) In Cash and Cash Equivalents (A+B+C)	2417.08	(2453.57)
Cash and cash equivalents at the beginning of the year	143.00	2596.57
Cash and cash equivalents at the end of the year	2560.08	143.00

The accompanying significant accounting policies and notes form an integral part of the standalone financial statements.

For DELOITTE HASKINS & SELLS LLP Chartered Accountants

V. BALAJI Partner Membership No. 203685

Place: Bengaluru Date: 7th May, 2018 R. HARISH BHAT Chairman

K. VENKATARAMANAN Executive Director - Finance & CFO SANJIV SARIN Managing Director & CEO

S. SANTHANAKRISHNAN Director

N. ANANTHA MURTHY Company Secretary

Notes to the Standalone Financial Statements

1. General Information

Tata Coffee Limited ("the Company") and its subsidiaries (together "the Group") are engaged in the production, trading and distribution of Coffee, Tea and Allied products. The Group has business operations mainly in India, USA and CIS countries, Europe, Africa and Vietnam.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Pollibetta, Kodagu, Karnataka, India. The Company has its listings on BSE Limited and National Stock Exchange of India Limited.

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements for the year ended March 31, 2018 were approved for issue by Company's Board of Directors on May 7, 2018.

2. Preparation and Presentation of Financial Statements

2.1 Basis of preparation and measurement

a) Basis of preparation

The financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read along with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

b) Basis of measurement

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realisation/settlement within twelve months period from the balance sheet date.

c) Key accounting judgement, estimates and assumptions

The preparation of the financial statements required the Management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

The areas involving critical estimates or judgements are:

i. Depreciation and amortisation

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the depreciation and amortisation charges.

ii. Employee Benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using various assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. Any changes in these assumptions will impact the carrying amount of obligations. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

iii. Fair valuation

All financial instruments are required to be fair valued as at the balance sheet date, as provided in Ind AS 109 and 113. Being a critical estimate, judgement is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc., as applicable.

Notes

to the Standalone Financial Statements

iv. Goodwill and Intangibles

The Company records all intangible assets acquired as part of a business combination at fair value. Goodwill is assigned an indefinite useful life whilst intangible assets are assigned an indefinite or finite useful life. Goodwill and intangible assets that are assigned to indefinite useful lives are subjected to annual tests of impairment.

v. Valuation of Agricultural Produce Valuations of agricultural produce are derived based on the market rates published by the industrial body for various grades.

2.2 Significant Accounting Policies:

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Property, Plant and Equipment

- Recognition and measurement: Property, i) plant and equipment including bearer biological assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment loss, if any. Historical cost includes expenditure directly attributable to the acquisition of the items. Subsequent expenditure related to an item of fixed asset are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All repairs and maintenance are charged to the statement of Profit and Loss during the financial year in which they are incurred.
- ii) Depreciation: Depreciation is provided on assets to get the initial cost down to the residual value. Land is not depreciated. Depreciation of other items of property, plant and equipment are provided on a straight line basis over the estimated useful life of the asset or as prescribed in Schedule II to the Companies Act, 2013 or based on a technical evaluation of the asset. Cost incurred on assets under development are disclosed under

capital work in progress and not depreciated till asset is ready to use. Estimated useful life of items of Property, Plant and Equipment are as

Type of Asset	Estimated Useful Life
Leasehold Land	Perpetual Lease
Buildings including Water supply System	28-58 Years
Roads/Carpeted/Non-Carpeted	10 Years
Irrigation Systems	10-20 Years
Electrical Installations-	20
Plant & Machinery-Continuous Process	18
Other Plant & Machinery	20
Furniture & Fittings	15
Computers	6
Motor Vehicles	10
Office Equipments	5

follows:

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company assesses at each balance sheet date, whether there is objective evidence that an asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or fair value less cost to sell.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised in the statement of profit and loss.

(b) Biological Assets

Biological assets are classified as Bearer biological assets and Consumable biological assets. Bearer Biological Assets which are held to bear agricultural produce are classified as Bearer plants. Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets.

Bearer plants are recognised under Property, Plant and Equipment on fulfilment of the following conditions.



Notes to the Standalone Financial Statements

- 1. Is used in the production or supply of agricultural produce;
- 2. Is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales

Tea bushes, Coffee bushes, Pepper vines, Cardamom tiller and Shade trees are recognised as Bearer biological assets. These are classified as mature Bearer Plants and Immature Bearer Plants. Mature Bearer Plants are those that have attained harvestable stage. Cost incurred for new plantations and immature areas are capitalised. Cost includes cost of land preparation, new planting and maintenance till maturity. The cost of areas coming into bearing is transferred to mature plantations and depreciated over their estimated useful lives.

Bearer plants relating to Coffee and Tea bushes, Pepper vines and minor produces attain a harvestable stage in about 3-5 years.

Bearer biological assets are carried at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure on bearer assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Mature bearer plants are depreciated over their estimated useful life. Immature bearer plants are tested for impairment / obsolescence. The estimated useful life of mature bearer plants are as follows:

Type of Bearer Biological Assets	Estimated Useful Life
Arabica Coffee Plants	30 Years
Robusta Coffee Plants	58 Years
Tea Bushes	58 Years
Pepper Vines & Cardamom Tillers	35 Years
Silver oak and Shade Management Trees	35 Years

(c) Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used in the production of goods and services or for the administrative purposes is classified as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to investment properties are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Investment property held as Building is depreciated using the straight line method over the estimated useful life. The Holding Company's investment property has a useful life of 50 years.

(d) Intangible Assets- Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Computer software development costs recognised as assets are amortised over their estimated useful life of 5 years.

(e) Impairment of tangible and intangible assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest possible levels for which there are independent cash inflows (cash-generating units). Prior impairment of non-financial assets (other than goodwill) are reviewed for possible reversal of impairment losses at each reporting date. Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment.

Notes

to the Standalone Financial Statements

(f) Non-current assets held for sale

Non-current assets held for sale are presented separately in the balance sheet when the following criteria are met:

- the Company is committed to selling the asset;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- sale is expected to be completed within 12 months.

Assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

(g) Financial Instruments Financial assets

The Company classifies its financial assets in the following categories:

 Financial assets at amortised cost- Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

> These are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as noncurrent assets. Financial assets are measured initially at fair value which usually represents cost plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss if any.

> Financial assets at amortised cost are represented by trade receivables, security and other deposits, cash and cash equivalent, employee and other advances.

ii) **Equity investments** - Investment in subsidiaries are stated at cost. All other equity investments are measured at fair value, except for certain unquoted equity investments

which are carried at cost where the fair value of these investments cannot be reliably measured.

- Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)
 For investments which are not held for trading purposes and where the Company has exercised the option to classify the investment as at FVTOCI, all fair value changes on the investment are recognised in OCI. The accumulated gains or losses on such investments are not recycled to the Statement of Profit and Loss even on sale of such investment.
- Financial assets at Fair Value through Profit and loss (FVTPL) - Financial assets other than the equity investments and investment classified as FVTOCI are measured at FVTPL. These include surplus funds invested in mutual funds etc.
- v) Impairment of financial assets The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Financial liabilities Initial recognition and measurement

Financial liabilities are measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity.

Notes to the Standalone Financial Statements

Derivative financial instruments and hedging activities

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company enters into derivative contracts to hedge the risks associated with currency, and commodity fluctuations relating to firm commitments and highly probable transactions. The Company also enters into Interest rate swap to manage exposures to changes in interest rates. The Company does not use derivative instruments for speculative purposes.

The Company documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other comprehensive Income. The ineffective portion of changes in the fair value of the derivative is recognised in the Statement of Profit and Loss.

Amounts accumulated in equity are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss.

Movements in the hedging reserve are accounted in Other Comprehensive Income and shown within the statement of changes in equity. The full fair value of a hedging derivative is classified as a current/ non-current asset or liability based on the remaining maturity of the hedged item.

When a hedging instrument expires, swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in statement of changes in equity is recognised in the Statement of Profit and Loss.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because the beneficiary fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company are measured at their applicable fair values.

Fair value measurement

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

- i) The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.
- ii) The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.
- iii) The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

Notes

to the Standalone Financial Statements

(h) Inventories including Agricultural Produce

Produce growing on Bearer plant is Biological asset and are fair valued based on the biological transformation, except where on initial recognition quoted market prices are not available and alternate fair value measures are clearly unreliable in which case biological asset is measured at cost less any accumulated depreciation and impairment loss.

Tea, Coffee, Pepper and minor crops at the point of harvest are designated as agricultural produce as per Ind AS 41 and are measured at their fair value less cost to sell as at each reporting date. Any changes in fair value are recognised in the Statement of Profit and Loss in the year in which they arise. The fair valuation so arrived at becomes the cost of Inventory under Ind AS-2.

Inventories are valued at cost or net realizable value whichever is lower, cost being determined on weighted average method. Raw Materials and Stores are valued at weighted average cost.

(i) Employee Benefits

The Company operates various postemployment schemes, including both defined benefit and defined contribution plans.

Contribution to defined contribution schemes like Provident Fund (PF) and Superannuation Schemes are accounted for on accrual basis by the Company. With regard to PF contribution made by the Company to a Self-Administered Trust, Company is liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contribution and shortfall, if any, as an expense in the year incurred.

Post retirement defined benefits including gratuity, pension and medical benefits (for qualifying executives/whole time directors) as provided by the Company are determined through independent actuarial valuation, using projected unit credit method, at year end and charge recognised in the Statement of Profit and Loss. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Other

Comprehensive Income. Such accumulated re-measurement balances are never reclassified into the Statement of Profit and Loss subsequently.

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent actuarial valuation at year end and charge is recognised in the Statement of Profit and Loss. Short-Term Employee Benefits are recognised on an undiscounted basis whereas Long-Term Employee Benefits are recognised on a discounted basis.

Net Interest on defined benefit obligations are accounted as Finance cost.

(j) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an



Notes to the Standalone Financial Statements

outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent Assets are not recognised till the realisation of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is probable.

(k) Income Tax

i) Current Income Tax:

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with local laws of various jurisdiction where the Company operates.

ii) Deferred Tax:

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date.

Current and Deferred Tax are recognised in the Statement of Profit and Loss except to items recognised directly in Other Comprehensive income or equity in which case the deferred tax is recognised in Other Comprehensive Income and equity respectively.

iii) Minimum Alternate Tax: According to section 115JAA of the Income Tax Act, 1961, Minimum Alternative Tax ('MAT') paid over and above the normal income tax in a subject year is eligible for carry forward for fifteen succeeding assessment years for set-off against normal income tax liability. The MAT credit asset is assessed against the entity's normal income tax during the specified period.

(I) Foreign currency transaction

Foreign currency transactions are translated at the exchange rate that approximates the prevalent exchange rate on the transaction date. Monetary assets and liabilities in foreign currencies are translated at the year-end rate. Any resultant exchange differences are taken to the Statement of Profit and Loss, except

- a) When deferred, in Other Comprehensive Income as qualifying cash flow hedges; and
- b) Exchange difference arising from translation of external commercial borrowing is capitalized in terms of para D13AA of Ind AS 101.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

(m) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below.

i) Sale of goods and services

Sales are recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer as per terms of contract. Income and fees from services are accounted as per terms of relevant contractual agreements /arrangements.

Notes

to the Standalone Financial Statements

ii) Interest income

Interest income is recognised on accrual basis as per the terms of relevant contracts or by using the effective interest method, where applicable.

iii) Dividend and investment income Dividend income is recognised when the right to receive payment is established. Incomes from investments are accounted on an accrual basis.

(n) Government Grant

Government grants including any non-monetary grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, are recognised as expenses.

Government grants related to property, plant and equipment are presented at fair value and grants are recognised as deferred income.

(o) Leases

As a lessee

Lease of assets, where the Company, as a lessee, has substantially assumed all the risks and rewards of ownership are classified as finance leases. Assets acquired on finance lease are capitalised and depreciated as per Company's policy on Property, Plant and Equipment. Finance lease are measured at the lease's inception at the lower of fair value of the leased property and the present value of the minimum lease payments. The corresponding lease rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the

Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straightline basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in the statement of profit and loss on a straight- line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

(p) Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

The costs incurred for obtaining financing are deferred and amortized to interest expense using the effective interest method over the life of the related financing agreements.

(q) Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

(r) Earnings per share

The Company presents Basic and Diluted earnings per share data for its equity shares. Basic and Diluted earnings per share is calculated by dividing the profit or loss attributable to owners of the equity



Notes

to the Standalone Financial Statements

shares of the Company by the weighted average number of equity shares outstanding during the year.

(s) Segment Reporting

Operating results are regularly reviewed by the Chief Operating Decision Maker ('CODM') who makes decisions about resources to be allocated to the segment and assess its performance.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

(t) Cash and cash equivalents:

Cash and cash equivalents for the purpose of presentation in the statement of cash flows comprises of cash at bank and in hand, bank overdraft and short term highly liquid investments/ bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(u) Offsetting instruments

Assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(v) Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

(w) Changes in Accounting Standard and recent accounting pronouncements

IndAS115, Revenue from Contract with Customers: On March28, 2018, Ministry of Corporate Affairs has notified the IndAS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company will adopt the standard on April 1, 2018 and the effect on adoption of Ind AS 115 is expected to be insignificant.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to IndAS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

TATA COFFEE LIMITED



Notes

to the Standalone Financial Statements

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	Bearer Plants	
	Office Motor	
	Equi	
	Computers	
	Furniture & Fixtures	
	Plant & Machinerv	
	Water and Electrical Plant & Furniture Computers Sanitary Installations Machinery & Fixtures	
	Water and Sanitary	Installations
pment	Buildings	
and Equi	Freehold Leasehold Buildings V Land and Land and	svelopment Development
Note No. 1-Property, Plant and Equipme	Freehold Land and	Development
Note No. 1-	Particulars	

Particulars	Freehold Land and Development	Leasehold Land and Development	Buildings	Water and Sanitary Installations	Electrical Plant & Furniture Installations Machinery & Fixtures	Plant & Machinery	Furniture & Fixtures	Plant & Furniture Computers chinery & Fixtures	Office Equipment	Motor Vehicles	Bearer Plants	Total Property, Plant and	Capital Work in Progress	Bearer Plants in Progress	Total Capital Work in
Gross Carrying Value as at April 1, 2016	6907.82	829.99	6384.87	717.70		1294.82 16568.10	196.97	177.11	90.46	976.11		34143.95	81.09	553.00	634.09
Additions	1	1	755.83	228.01	133.25	1599.52	55.92	37.83	29.03	219.66	35.56	3094.61	223.50	1194.43	1417.93
Disposals	(1.05)		(9.10)		(22.65)		(15.53)	(11.72)	(7.42)	(170.54)	1	(867.39)	1	1	
Transfers/ Adiustments	1	1		1	1	1		1	1		I.	1		(35.56)	(35.56)
Gross Carrying Value as at April 1, 2017	6906.77	829.99	7131.60	944.77	1405.42	1405.42 17539.18	237.36	203.22	112.07	112.07 1025.23	35.56	36371.17	304.59	1711.87	2016.46
Additions	I	1	1100.32	515.23	497.56	2662.39	53.94	57.92	108.60	185.47	67.76	5249.19	253.42	1481.62	1735.04
Disposals	1	1	(0.28)		(5.28)		(3.41)		(0.51)	(119.95)	1	(149.72)	1	1	
Transfers/ Adjuctments	(150.12)	I	(42.35)					T				(192.47)		(67.76)	(67.76)
Gross Carrying	6756.65	829.99	8189.30	1459.69	1897.70	1897.70 20181.59	287.89	261.14	220.16	220.16 1090.75 103.32	103.32	41278.18	558.01	3125.73	3683.74
value as at iviarch 31, 2018															
Accumulated Depreciation	Freehold Land and Development	Leasehold Land and Development	Buildings	Water and Sanitary Installations		Electrical Plant & Installations Equipment	Furniture & Fixtures	Computers	Office Equipment	Motor Vehicles	Bearer Plants	Total Property, Plant and Equipment	Capital Work in Progress	Bearer Plants in Progress	Total Capital Work in Progress
Accumulated	1	•	255.19	27.10	78.28	1304.60	30.63	33.67	7.02	112.17	'	1848.66	•	'	5
Depreciation as at April 1, 2016															
Depreciation		1	248.35	35.01	83.92	1348.55	21.20	40.05	25.35	121.50	1.18	1925.11	1	1	'
expenses			10.7				140.041	101 101	Į.	(0 - L)					
Iransters/ Adiustments		1	(4.27)	(77.0)	(11771)	(02/.47)	(13.91)	(80.11)	(ς7./)	(/4.19)		(<1.0ć/)	I	I	1
Accumulated		'	499.27	61.84	145.09	2025.68	37.92	62.04	25.12	159.48	1.18	3017.62	'	'	'
Depreciation as at Anril 1. 2017															
Depreciation		1	259.58	41.67	99.20	1362.78	31.35	43.91	30.30	117.75	3.44	1989.98	1	1	
expenses															
Deductions/ Adjustments	I	I	(27.81)	(0.47)	(3.32)	(18.57)	(3.30)	0.02	(0.50)	(46.73)	I	(100.68)	1		,
Accumulated			731.04	103.04	240.97	3369.89	65.97	105.97	54.92	230.50	4.62	4906.92	1	1	
Depreciation as at March 31, 2018															

Net Carrying Value	Freehold Land and Development	d Leasehold d Land and t Development		Buildings Water and Electrical Plant & Fumiture Computers Sanitary Installations Equipment & Fixtures Installations	Electrical Plant & Furniture Installations Equipment & Fixtures	Plant & Equipment	Furniture & Fixtures	Computers	Equ	Office Motor ipment Vehicles	Bearer Plants	Total Property, Plant and Equipment	Capital Work in Progress	Bearer Plants in Progress	Total Capital Work in Progress
Net Carrying Value as at April 1, 2016	6907.82	829.99	829.99 6129.68		690.60 1216.54 15263.50 166.34 143.44	15263.50	166.34	143.44		83.44 863.94		- 32295.29 81.09	81.09	553.00	634.09
Net Carrying Value as at April 1, 2017	6906.77	829.99	6632.33	882.93	1260.33	1260.33 15513.50	199.44	141.18	86.95	865.75 34.38	34.38	33353.55	304.59	304.59 1711.87 2016.46	2016.46
Net Carrying Value as at March 31, 2018	6756.65	829.99	7458.26	1356.65	1656.73	1656.73 16811.70 221.92	221.92	155.17	165.24	860.25	98.70	165.24 860.25 98.70 36371.26 558.01 3125.73 3683.74	558.01	3125.73	3683.74
a) Additions/Adjustments (-) include 7 (-) 0.42 Lakhs (PV 7 2.73 Lakhs) towards Buildings and 7 (-) 2.06 Lakhs (7 13.34 Lakhs) towards Plant & Equipment on account of exchange differences on Long	ants (-) include	₹ (-) 0.42 Lakhs	(PY ₹ 2.73 L	-akhs) towards	s Buildings an	d ₹ (-) 2.06 L	akhs (₹ 13.:	34 Lakhs) tow	ards Plant & .	Equipmer	it on acco	ount of excha	ange differ	ences on l	buo

n 2 C h 5 Term Foreign Currency Loans (as permitted by Para D13AA of Ind AS 101)

						year
intly owned/held with the Holding Company :-	₹103.78 Lakhs (Previous Year - ₹103.78 Lakhs)	₹ 56.78 Lakhs (Previous Year - ₹ 56.78 Lakhs)	₹ 8.15 Lakhs (Previous Year - ₹ 8.15 Lakhs)	₹ 22.07 Lakhs (Previous Year - ₹ 22.07 Lakhs)	nd of a Coffee Estate has been hypothecated for financing part of the Working Capital facilities.	ants represents capitalisation of Coffee plants which have attained maturity during the year
b) The following assets are jointly owned/held	Freehold Land and Development	Buildings	Water and Sanitary Installations	Electrical installations	c) Title Deeds of Freehold land of a Coffee Estate	d) The Additions in Bearer Plants represents c

Corporate Overview

Notes

to the Standalone Financial Statements



₹ in Lakhs

Notes

to the Standalone Financial Statements

Note No. 2-Investment Property

Particulars	Land	Buildings	Total
Gross Carrying Value as at April 1, 2016		7080.30	7080.30
Additions	1.05	-	1.05
Gross Carrying Value as at April 1, 2017	1.05	7080.30	7081.35
Disposal		(1797.08)	(1797.08)
Gross Carrying Value as at March 31, 2018	1.05	5283.22	5284.27
Accumulated Depreciation as at April 1, 2016		141.60	141.60
Depreciation	-	141.60	141.60
Accumulated Depreciation as at April 1, 2017	-	283.20	283.20
Depreciation	-	141.60	141.60
Disposal	-	(107.53)	(107.53)
Accumulated Depreciation as at March 31, 2018	-	317.27	317.27
Net Carrying Value as at April 1, 2016		6938.70	6938.70
Net Carrying Value as at April 1, 2017	1.05	6797.10	6798.15
Net Carrying Value as at March 31, 2018	1.05	4965.95	4967.00

The amount recognised in the Statement of Profit and Loss for investment property:

The amount recognised in the statement of Profit and Loss for investment property.		
		₹ in Lakhs
	2018	2017
Rental Income	226.32	102.47
Direct Operating Expenses	54.20	89.21
Profit from investment property before depreciation	172.12	13.26
Depreciation for the year	141.60	141.60
Profit (Loss) from investment property	30.52	(128.34)
(a) As at March 31, 2018, the fair value of the Land was at ₹ 19000 Lakhs. (PY ₹ 19000 Lakhs).		
(b) As at March 31, 2018, the fair value of the Building was at ₹ 5686 Lakhs. (PY ₹ 6455 Lakhs).		
(c) These fair values are based on independent valuations.		
Operating Lease:-		
The Company has leased out part of its investment property for minimum periods upto three years.		
Minimum lease receipts under Non-cancellable Operating Lease:		T · · · · ·
		₹ in Lakhs
	2018	2017
Within one year	186.47	226.39
Later than one year and not later than three years	86.08	269.32
Note No. 3-Intangible Assets		₹ in Lakhs

Note No. 3-Intangible Assets	V III LAKIIS
Particulars	Capitalized Software
Gross Carrying Value as at April 1, 2016	551.59
Additions	35.58
Gross Carrying Value as at April 1, 2017	587.17
Additions	31.94
Gross Carrying Value as at March 31, 2018	619.11
Accumulated Depreciation as at April 1, 2016	173.14
Amortisation	174.49
Accumulated Depreciation as at April 1, 2017	347.63
Amortisation	104.09
Accumulated Depreciation as at March 31, 2018	451.72
Net Carrying Value as at April 1, 2016	378.45
Net Carrying Value as at April 1, 2017	239.54
Net Carrying Value as at March 31, 2018	167.39

Notes to the Standalone Financial Statements

Note No. 4 - Investments						₹ in Lakh
Particulars		Number of	201	-	20	
	of Each (₹)	Shares	Current	Non-Current	Current	Non-Curren
A. Investments Carried at Cost						
Unquoted Investments (all fully paid)						
Investments in Equity Instruments-Subsidiaries	1100 0.01					
Consolidated Coffee Inc.	USD 0.01	300	-	14065.36	-	14065.36
Tata Coffee Vietnam Company Limited ^	-	-	-	3876.74	-	
Aggregate Amount of Unquoted Investments-Subsidiaries		-	-	17942.10	-	14065.36
B. Investments Carried at Fair Value through OCI						
Investments in Quoted Equity Instruments						
Tata Chemicals Limited	10.00	160000	-	1083.44	-	958.00
Joonktolle Tea & Industries Limited #	10.00	12602	-	-	-	21.89
IDBI Bank Limited #	10.00	16160	-		-	12.14
Wartyhully Estates Limited #	10.00	24748	-	-	-	0.92
Aggregate Amount of Quoted Investments			-	1083.44	-	992.95
Total cost of Quoted Investments ₹ 424.21 lakhs (PY ₹ 444.88 Lakhs)						
Investments in Unquoted Equity Instruments						
Southern Scribe Instruments Private Limited *	100.00	7280	-	7.28	-	7.28
Armstrong Power Private Limited *	100.00	600	-	0.61	-	0.38
Armstrong Power Systems Private Limited *	100.00	900	-	0.90	-	0.46
K.T.V. Oil Mills Private Limited *	100.00	1035	-	1.02	-	
Coorg Orange Growers Co-Operative Society Ltd. **	100.00	4	-	-	-	
Tata Coffee Co-operative Stores Limited **	5.00	20	-	-	-	
Coorg Cardamom Co-operative Marketing Society Limited **	100.00	1	-	-	-	
Aggregate Amount of Unquoted Investments			-	9.81	-	8.12
C. Investments designated as Fair Value Through Profit and Loss						
Investments in Mutual Funds			3155.45	-	9863.83	
Cost of Investments in Mutual Funds ₹ 3052.18 Lakhs (PY ₹ 9621.71						
Lakhs)						
Aggregate Amount of Quoted Investments			3155.45		9863.83	
			3155.45	19035.35	9863.83	15066.43
^ During the year, the Company has made an Equity investment of which is a single member limited liability Company.	Vietnamese	Dong (VND)	135 Billion ir	n Tata Coffee Vi	etnam Com	oany Limited

Sold during the year

* Relating to Power Purchase Agreement entered by the Company **Represent Amount less than ₹ 1000

Note No. 5 - Loans

Note No. 5 - Loans						₹ in Lakhs
Profession .		2018			2017	
Particulars	Current	Non-Current	Total	Current	Non-Current	Total
Unsecured Considered Good						
Employee Loans and Advances	304.04	58.10	362.14	248.58	65.75	314.33
Inter Corporate Deposits to related parties	5500.00	-	5500.00	5500.00	-	5500.00
Inter Corporate Deposits to Others	-	-	-	300.00	-	300.00
	5804.04	58.10	5862.14	6048.58	65.75	6114.33



Notes

to the Standalone Financial Statements

Note No.6- Other Financial Assets

Note No.6- Other Financial Assets						₹ in Lakhs
Particulars		2018			2017	
	Current	Non-Current	Total	Current	Non-Current	Total
Security Deposits						
- Secured, considered good	-	72.70	72.70	-	10.00	10.00
		72.70	72.70	-	10.00	10.00
Other Deposits						
- Unsecured, considered good	471.29	1650.14	2121.43	480.86	1650.14	2131.00
- Doubtful	38.00	3.84	41.84	38.00	3.84	41.84
Less: Provision for Doubtful Deposits	(38.00)	(3.84)	(41.84)	(38.00)	(3.84)	(41.84)
	471.29	1650.14	2121.43	480.86	1650.14	2131.00
Interest Accrued (includes from Related Parties ₹ 59.42	151.32	-	151.32	160.05	-	160.05
Lakhs (PY ₹ 59.92 Lakhs)						
Export Incentive Receivables	1536.46	-	1536.46	1644.93	-	1644.93
Advances to Related Parties	193.09	-	193.09	1002.78	-	1002.78
Other Financial Assets	690.84	-	690.84	361.35	-	361.35
	3043.00	1722.84	4765.84	3649.97	1660.14	5310.11

Movements in Provision for Other Financial Assets	₹ in Lakhs
As at April 1, 2016	41.84
Provision during the year	-
As at April 1, 2017	41.84
Provision during the year	-
As at March 31, 2018	41.84

Note No. 7- Other Non-Current and Current Assets

Note No. 7- Other Non-Current and Current Assets						₹ in Lakhs
Particulars		2018			2017	
Particulars	Current	Non-Current	Total	Current	Non-Current	Total
Capital Advances	-	175.87	175.87	-	490.24	490.24
Advances to suppliers						
Secured, considered good						
Unsecured, considered good	533.49	-	533.49	997.93	-	997.93
Doubtful	60.75	2.99	63.74	60.75	2.99	63.74
Less: Provision for Doubtful Deposits	(60.75)	(2.99)	(63.74)	(60.75)	(2.99)	(63.74)
Other Receivables	1391.83	-	1391.83	1380.49	-	1380.49
Advances to Related Parties	15.91	-	15.91	-	-	-
Prepayments	208.78	23.99	232.77	248.95	13.70	262.65
	2150.01	199.86	2349.87	2627.37	503.94	3131.31

Movements in Provision for Other Non-Current and Current Assets

	₹ in Lakhs
As at April 1, 2016	2.99
Provision for Doubtful Advances	60.75
As at April 1, 2017	63.74
Provision for Doubtful Advances	-
As at March 31, 2018	63.74

₹ in Lakhs

Notes

to the Standalone Financial Statements

Note No. 8 - Inventories including Biological Assets

Particulars 2018	2017
Current	Current
Stores and spares 1700.18	1550.40
Raw materials 2467.49	3835.87
Raw materials in Transit 1653.40	723.19
Finished Goods 15952.09	16420.94
Work-in-progress including Growing Produce of ₹ 575.38 Lakhs (PY ₹ 180.21 Lakhs) 594.74	180.21
Stock-in-trade 2044.64	1511.89
24412.54	24222.50

The mode of valuation of Inventories has been stated in Note No. 2.2(h) of Significant Accounting Policies. Inventories hypothecated as Security for part of the Working Capital facilities.

Note No. 9 - Trade Receivables		₹ in Lakhs
Particulars	2018 Current	2017 Current
Trade Receivables	Current	current
Secured, considered good	1593.61	1308.50
Unsecured, considered good	8136.04	6416.40
Trade Receivables from Related Parties	922.95	1722.59
	10652.60	9447.49

Trade Receivables hypothecated as Security for part of the Working Capital facilities.

The credit worthiness of trade debtors and the credit terms set are determined on a case to case basis. Adequate insurance cover has been taken on export debts. Based on the above, there is a low credit risk on Trade Receivables.

The fair values of trade receivables are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when they become overdue.

Note No. 10 - Cash and Cash Equivalents/Bank Balances		₹ in Lakhs
Particulars	2018	2017
Unrestricted Balances with banks		
in current accounts	140.50	138.94
in deposit accounts with original maturity less than 3 months	2415.70	-
Cash in hand	3.86	4.04
Remittances in Transit	0.02	0.02
Unpaid Dividend/Debenture/Debenture Interest	217.64	208.10
	2777.72	351.10
Cash and Cash Equivalents include the following for the purpose of Cash Flows:		₹ in Lakhs
	2018	2017
Cash and Cash Equivalents/Bank Balances	2777.72	351.10
Less: Unpaid Dividend/Debenture/Debenture Interest	217.64	208.10
Cash and Cash Equivalents/Bank Balances	2560.08	143.00



₹ in Lakhs

Total

75.36 169.72 (184.74) 60.34 335.37 (149.62) 246.09

Notes

to the Standalone Financial Statements

Note No. 11 - Non Current Assets Held for Sale		
Particulars	Timber	Property, Plant & Equipment
As at April 1, 2016	75.36	-
Additions	169.72	-
Disposals	(184.74)	-
As at April 1, 2017	60.34	-
Additions	170.66	164.71
Disposals	(149.62)	-
As at March 31, 2018	81.38	164.71

The Company intends to dispose off certain Non-Current assets, it no longer utilises in the next 12 months. No impairment loss was recognised on reclassification of the assets as held for sale, as the Company expects that the fair value less costs to sell is higher than the carrying amount.

Note No. 12 - Equity Share Capital Particulars	2018	₹ in Lakhs 2017
Authorised:	2010	2017
250000000 (PY 250000000) Equity shares of ₹ 1 each with voting rights	2500.00	2500.00
Issued, Subscribed and Fully Paid:		
186770370 (PY 186770370) Equity shares of ₹ 1 each with voting rights	1867.70	1867.70
	1867.70	1867.70
A. Details of Shares held by Parent Company/Subsidiaries/Associates:		
	2018	2017
Name of Share holder	No of Shares	No of Shares
	% of Holding	% of Holding
Tata Global Beverages Limited - Parent Company	107359820	107359820
	57.48%	57.48%
B. Details of Shareholders holding more than 5% shares:		
Nama af Chana haldan	2018 No of Shares	2017
Name of Share holder	No of Shares % of Holding	No of Shares % of Holding
Tata Global Beverages Limited - Parent Company	107359820	107359820
	57.48%	57.48%
C. Reconciliation of number of shares: Particulars	2018	2017
Number of shares as at 1st April	186770370	186770370
Add: Shares issued during the year	180770370	100770370
Number of shares as at 31st March	186770370	186770370
	100//05/0	100770370
D. Dividends Paid:		2017
Particulars	2018 3268.48	2017 2428.01
Dividends Paid		
Dividend Per Share (₹)	1.75	1.30

E. Rights, Preferences and restrictions of Equity Shares:

The Company has one class of equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

The Board of Directors, in its meeting on 7th May, 2018, have recommended a dividend of ₹ 1.50 per share (face value of ₹ 1/- each) for the year ended 31st March, 2018. The proposal is subject to the approval of shareholders at the Annual General Meeting.

Notes to the Standalone Financial Statements

Note No. 13 - Nature and purpose of Reserves

Capital Redemption Reserve

A statutory reserve created to the extent of sum equal to the nominal value of the share capital extinguished on buyback of Company's own shares pursuant to Section 69 of the Companies Act, 2013.

Securities Premium Reserve

Securities Premium Reserve has been created consequent to issue of shares at premium. These reserves can be utilised in accordance with Section 52 of the Companies Act, 2013.

General Reserves II

Capital profits on sale value of own timber are transferred to General Reserve II through the Retained Earnings.

Amalgamation Reserves

Amalgamation Reserves pertains to the scheme of amalgamation of the Company with erstwhile Asian Coffee Limited, Coffee Lands Limited and SIFCO Limited.

Note No. 14 - Borrowings		₹ in Lakhs
Particulars	2018	2017
	Current	Current
Secured Borrowings:		
Term Loans		
From Banks:		
Working Capital Facilities	4500.00	4299.88
Unsecured Borrowings:		
Loans from Banks	5095.57	3000.00
	9595.57	7299.88

1. Working Capital Facilities are secured by hypothecation of Coffee crop, inventories, finished/semi-finished goods/ receivables of the company. Part of the working capital facilities is also secured by deposit of title deeds of a coffee estate. The Working Capital is repayable on demand. The coupon rate is linked to Marginal Cost Fund based lending rates (MCLR).

2. Unsecured Loans from Banks are towards Working Capital facilities and are repayable on demand. The coupon rate is based on MCLR linked rates.



₹ in Lakhs

Notes

to the Standalone Financial Statements

Note No. 15 - Other Financial Liabilities

						C III Editio
Particulars		2018			2017	
T d t t t d d d d d d d d d d d d d d d	Current	Non-Current	Total	Current	Non-Current	Total
Deposits received	-	141.41	141.41	-	166.27	166.27
Current maturities of long-term debt	-	-	-	405.34	-	405.34
Unpaid Dividends/Debenture/Debenture Interest	217.64	-	217.64	208.10	-	208.10
Interest Accrued but not due	9.25	-	9.25	5.55	-	5.55
Employee Benefits	2370.76	-	2370.76	2476.06	-	2476.06
Other Payables	3498.46	149.99	3648.45	3132.30	183.03	3315.33
	6096.11	291.40	6387.51	6227.35	349.30	6576.65
Note No. 16 - Provisions						₹ in Lakhs
Particulars		2018			2017	
Faiticulais	Current	Non-Current	Total	Current	Non-Current	Total
Provision for employee benefits	961.70	3103.74	4065.44	1320.91	3244.77	4565.68
	961.70	3103.74	4065.44	1320.91	3244.77	4565.68
				_		₹ in Lakhs
				Current	Non-Current	Total
Details of Movement in Provisions:				Employee Benefits	Employee Benefits	Employee Benefits
Palance at Annil 1, 2016				957.07	2024.02	2702.00
Balance at April 1, 2016				857.97 462.94	2924.03 320.74	3782.00 783.68
Additions/utilised (net)						
Balance at April 1, 2017				(250.21)	3244.77	4565.68
Additions/utilised (net)				(359.21)	(141.04)	(500.25)
Balance at March 31, 2018				961.70	3103.74	4065.44

- to Other Comprehensive Income As at March 31, 2018

to the Standalone Financial Statements

Note No. 17 - Tax Provision						₹ in Lakhs
 Tax charge in the Statement of Profit an Particulars 	d Loss :				2018	2017
Current tax					2018	2017
Current year					2416.05	4067.60
Less : Tax reversal of earlier years					(179.83)	-
Deferred tax					(177100)	
Income Tax expense for the year					(432.10)	207.21
meente lak expense for the year					1804.12	4274.81
b) Reconciliation of effective tax rate						₹ in Lakhs
					2018	2017
Profit before Tax		2.4.60.00()			8080.50	18197.80
Tax using Domestic tax rate (Current year : 34.	508% and Previous year	r 34.608%)			2796.50	6298.33
Tax effect of :					(660.24)	(1000.15)
Income tax @ different rate					(668.21)	(1033.15)
Non-deductible tax expenses					233.63	224.42
Tax-exempt income					(377.97)	(1214.79)
Tax reversal of earlier years					(179.83)	4074.01
					1804.12	4274.81
c) Current/Non-Current Tax Assets/Liabilti	es					₹ in Lakhs
					2018	2017
Current Tax Liabilities					-	1466.25
Non-Current Tax Assets					1360.49	1144.99
d) The analysis of Deferred Tax Assets and	Deferred Tax Liabilitie	s is as follows				₹ in Lakhs
-,					2018	2017
Deferred Tax Asset					840.18	386.42
Deferred Tax Liabilities					3113.20	3260.46
Net Deferred Tax Liabilities					2273.02	2874.04
e) The movement in deferred income tax a	assets and (liabilities) d	luring the year i	s as follows			₹ in Lakhs
			Provision for	Employee	01	
Particulars	Depreciation	Other Liability	Doubtful Debts	Benefits	Other Assets	Total
As at April 1, 2016	(3112.00)	104.60	-	298.11	-	(2709.29)
(Charged) / credited						
- to Statement of Profit and Loss	(72.41)	(134.36)	21.03	54.58	(76.05)	(207.21)
- to Other Comprehensive Income	-	42.46	-	-	-	42.46
As at April 1, 2017	(3184.41)	12.70	21.03	352.69	(76.05)	(2874.04)
(Charged) / credited						
- to Statement of Profit and Loss	213.44	64.94	0.32	219.58	(66.18)	432.10
to Other Comprehensive Income		160 00				160 00

168.92

246.56

(2970.97)

(142.23)

572.27

21.35

168.92

(2273.02)



Notes to the Standalone Financial Statements

Note No. 18 - Trade Pavables

Note No. 18 - Trade Payables		₹ in Lakhs
Particulars	2018	2017
	Current	Current
Trade payables for goods & services		
Due to Micro & Small Enterprises (\$)	57.96	79.91
Others	4394.47	3648.56
Trade Payable to Related Parties	134.53	257.22
	4586.96	3985.69

\$ includes amounts due beyond the applicable period of ₹ Nil (₹ Nil) and no interest is paid or payable.

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note No. 19 - Other Current Liabilities

Note No. 19 - Other Current Liabilities		₹ in Lakhs
Particulars	2018	2017
Particulars	Current	Current
Advances from Customers	882.56	624.75
	882.56	624.75

Note No. 20 - Revenue from Operations		₹ in Lakhs
Particulars	2018	2017
Sale of goods	61056.68	69419.17
Sale of Traded Goods	5384.07	4207.53
Rendering of services	581.46	505.47
Sale of Scrap/waste	215.71	202.88
Export Incentives	1940.49	2222.30
Exchange Fluctuation (Net)	1018.09	754.73
Miscellaneous Income	346.64	570.43
	70543.14	77882.51

Note No. 21 - Other Income		₹ in Lakhs
Particulars	2018	2017
Interest Income		
On Advances and Deposits	694.34	834.93
Dividend Income		
Dividend Income from Investments in Subsidiary	3419.75	4669.78
Dividend income from Other Non Current Investments	17.59	16.11
Net Gain on sale of investments		
On sale of Non-Current investments	-	1.85
On sale of Current investments	238.35	221.72
Gain on investments carried at fair value through profit or loss	103.27	242.12
Profit on Sale of Biological Assets - Timber (Net)	650.77	806.35
Rental income from Investment property	226.32	102.47
Operating lease rental income	53.48	53.16
Profit on sale of Property, Plant and Equipment/Investment Property (net)	218.88	-
	5622.75	6948.49

to the Standalone Financial Statements

Note No. 22 (a) - Cost of materials consumed		₹ in Lakh
Particulars	2018	201
Coffee	18926.75	17983.12
Tea	674.22	568.80
Others	1278.53	955.1
Packing Materials	4219.05	4122.8
	25098.55	23629.9
Note No. 22 (b) - Purchase of Traded Goods		₹ in Lakh
Particulars	2018	201
Coffee	2243.68	1546.8
Others	3184.75	2959.2
	5428.43	4506.0
Note No. 22 (c) - Changes in Inventories of finished goods, work-in-progre Assets Particulars	ess, Stock-in-trade and Biological	₹ in Lakh 201 :
Opening Inventories as at April 1	2010	201
Finished Goods	16420.94	16755.8
Work in Progress	180.21	277.7
Stock in Trade	1511.89	736.3
	18113.04	17769.8
Closing Inventories as at March 31		1770710
Finished Goods	15952.09	16420.9
Work in Progress	594.74	180.2
Stock in Trade	2044.64	1511.8
	18591.47	18113.0
	(478.43)	(343.16
	2018	
Particulars	2018 14938.16	201
Particulars Salaries and wages, including bonus		201 14586.0
Particulars Salaries and wages, including bonus Contribution to provident and other funds	14938.16	201 14586.0 1787.1
Particulars Salaries and wages, including bonus Contribution to provident and other funds	14938.16 1878.92	201 14586.0 1787.1 812.8
Note No. 23 - Employee Benefits Expense Particulars Salaries and wages, including bonus Contribution to provident and other funds Workmen and Staff Welfare Note No. 24 - Finance Costs	14938.16 1878.92 914.84	201 14586.0 1787.1 812.8 17186.0
Particulars Salaries and wages, including bonus Contribution to provident and other funds Workmen and Staff Welfare	14938.16 1878.92 914.84	201 14586.0 1787.1 812.8 17186.0
Particulars Salaries and wages, including bonus Contribution to provident and other funds Workmen and Staff Welfare Note No. 24 - Finance Costs Particulars Interest Expense	14938.16 1878.92 914.84 17731.92	201 14586.0 1787.1 812.8 17186.0
Particulars Salaries and wages, including bonus Contribution to provident and other funds Workmen and Staff Welfare Note No. 24 - Finance Costs Particulars	14938.16 1878.92 914.84 177731.92 2018 3.01	201 14586.0 1787.1 812.8 17186.0 ₹ in Lakh 201
Particulars Salaries and wages, including bonus Contribution to provident and other funds Workmen and Staff Welfare Note No. 24 - Finance Costs Particulars Interest Expense On Fixed Loans On Other Loans	14938.16 1878.92 914.84 177731.92 2018	201 14586.0 1787.1 812.8 17186.0 ₹ in Lakh 201 48.3
Particulars Salaries and wages, including bonus Contribution to provident and other funds Workmen and Staff Welfare Note No. 24 - Finance Costs Particulars Interest Expense On Fixed Loans On Other Loans Interest on Defined Benefit Plans	14938.16 1878.92 914.84 177731.92 2018 3.01	201 14586.0 1787.1 812.8 17186.0 ₹ in Lakh 201 48.3 477.7
Particulars Salaries and wages, including bonus Contribution to provident and other funds Workmen and Staff Welfare Note No. 24 - Finance Costs Particulars Interest Expense On Fixed Loans On Other Loans	14938.16 1878.92 914.84 17731.92 2018 <u>3.01</u> <u>395.05</u>	₹ in Lakh 201 14586.0 1787.1 812.8 17186.0 ₹ in Lakh 201 48.3 477.7 238.4 84.2



to the Standalone Financial Statements

Note No. 25 - Other Expenses

Note No. 25 - Other Expenses		₹ in Lakhs
Particulars	2018	2017
Contract/Processing Charges	2094.19	1894.31
Consumption of Stores and Spare Parts	2841.25	2905.73
Power and Fuel	5038.19	4661.53
Repairs and Maintenance	1508.04	1536.73
Rent including Lease Rentals	133.01	73.33
Rates and Taxes	327.38	466.72
Advertisement and Sale Charges	511.74	693.54
Selling Expenses	1139.07	1188.38
Freight	1011.08	1108.90
Insurance	266.05	215.63
Provision for Doubtful Debts and Advances	-	60.75
Expenditure on Corporate Social Responsibility	220.99	221.29
Payment to Statutory Auditors	100.69	109.74
Professional Charges	538.36	988.20
Miscellaneous Expenses	1595.04	2183.84
Loss on sale of Property, Plant and Equipment	-	24.61
	17325.08	18333.23
Note No. 26 - Exceptional Items		₹ in Lakhs
Particulars	2018	2017
Expenses		
Expenditure on Long Term Initiatives	-	231.23
	the second se	231.23

to the Standalone Financial Statements

Note No. 27 - Estimated amounts of Contracts remaining to be executed:		₹ in Lakhs
	2018	2017
Estimated amounts of contracts remaining to be executed on capital account and not provided for	826.73	1319.26
Note No. 28 - Contingent Liabilities:		
Claims under adjudication not acknowledged as debts:		
i) Demands raised by Income Tax, Excise & Sales Tax Authorities	1217.55	1004.79
ii) Labour disputes under adjudication	94.00	94.00
iii) Claims by Customers/ Suppliers	67.14	106.63
Note No. 29 - The Company has provided corporate guarantees to lending banks on behalf of its overseas wholly owned subsidiary. As on Balance Sheet date, the subsidiary has drawn an amount of `24960 Lakhs from the lending Banks.	42914.45	-
Note No. 30 - Litigations		
There is a dispute on account of stamp duty claim on a transfer of property where the stamp duty amounts a	are indeterminate.	
Note No. 31 - R & D Expenditure		₹ in Lakhs
-	2018	2017
Capital Expenditure	38.68	27.75
Revenue Expenditure	83.30	69.13
Total	121.98	96.88
Total R & D Expenditure as a % of Revenue	0.17%	0.12%
Note No. 32 - Payments to Statutory Auditors		₹ in Lakhs
	2018	2017
Audit Fees	40.00	37.51
Tax Audit Fees	12.00	10.00
Other Services \$\$	48.00	58.13
For reimbursement of expenses	0.69	4.10
Total	100.69	4.10 109.74
Iotai	100.09	109.74

\$\$ Other services includes Quarterly and Half yearly Audit attestation, Taxation & Other matters



to the Standalone Financial Statements

Note No. 33 - Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 ('Act), a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are Healthcare including Preventive healthcare, providing Safe drinking water, sanitation facility, promoting education, Old Age Home maintenance, Environmental sustainability and promotion and development of traditional art and handicrafts. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

- a) Gross amount required to be spent by the company during the year is ₹ 219.14 Lakhs. (PY 217.83 Lakhs)
- b) Amount spent during the year on: ₹ 220.99 Lakhs (PY ₹ 221.29 Lakhs)

	2018	₹ Lakhs 2017
The amounts expended are as follows:		
(i) Construction/acquisition of any asset	43.90	32.11
(ii) For purposes other than (i) above	177.09	189.18

Note No. 34 - Basic and Diluted Earnings per share		
Particulars	2018	2017
Profit for the year attributable to owners of the Company (₹ in Lakhs)	6276.38	13922.99
Weighted average number of equity shares	186770370	186770370
Nominal Value per equity share (₹)	1.00	1.00
Earnings per share from continuing operations - Basic and Diluted (₹)	3.36	7.45

to the Standalone Financial Statements

Note No. 35: Financial Instruments-Accounting Classification and fair values

A. Financial Instruments

A. Accounting Classification and Fair Values

2									₹ in Lakhs	
	_		Carrying	Amount			Fair Value			
March 31, 2018		FVTPL	FVTOCI	Cost/ Amortised Cost	Total	Level 1	Level 2	Level 3	Total	
Financial Assets:										
Quoted Equity Investments	Non-Current	-	1083.44	-	1083.44	1083.44	-	-	1083.44	
Unguoted Equity Investments-Subsidiaries	Non-Current	-	-	17942.10	17942.10	-	-	-	-	
Unquoted Equity Investments-Others	Non-Current	-	9.81	-	9.81	-	9.81	-	9.81	
Loans	Non-Current	-	-	58.10	58.10	-	-	-	-	
Other Financial Assets	Non-Current	-	-	1722.84	1722.84	-	-	-	-	
Investment in Mutual Funds	Current	3155.45	-	-	3155.45	3155.45	-	-	3155.45	
Trade Receivables	Current	-	-	10652.60	10652.60	-	-	-	-	
Cash and Cash Equivalents	Current	-	-	2777.72	2777.72	-	-	-	-	
Loans	Current	-	-	5804.04	5804.04	-	-	-	-	
Other Financial Assets	Current	-	-	3043.00	3043.00	-	-	-	-	
Total Financial Assets		3155.45	1093.25	42000.40	46249.10	4238.89	9.81		4248.70	

									₹ in Lakhs
			Carrying	g Amount			Fair Va		
March 31, 2018		FVTPL	Cost/ FVTOCI Amortised Cost			Level 1	Level 2 Level 3		Total
Financial Liabilities:									
Borrowings	Non-Current	-	-	-	-	-	-	-	-
Other Financial Liabilities	Non-Current	-	-	291.40	291.40	-	-	-	-
Borrowings	Current	-	-	9595.57	9595.57	-	-	-	-
Trade payables	Current	-	-	4586.96	4586.96	-	-	-	-
Other Financial Liabilities	Current	-	-	6096.11	6096.11	-	-	-	-
Total Financial Liabilities		-	-	20570.04	20570.04	-	-	-	-

			Carrying	Amount			Fair Va	lue	₹ in Lakhs
March 31, 2017		FVTPL	FVTOCI	Cost/ Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets:									
Quoted Equity Investments	Non-Current	-	992.95	-	992.95	992.95	-	-	992.95
Unquoted Equity Investments-Subsidiaries	Non-Current	-	-	14065.36	14065.36	-	-	-	-
Unquoted Equity Investments-Others	Non-Current	-	8.12	-	8.12	-	8.12	-	8.12
Loans	Non-Current	-	-	65.75	65.75	-	-	-	-
Other Financial Assets	Non-Current	-	-	1660.14	1660.14	-	-	-	-
Investment in Mutual Funds	Current	9863.83	-	-	9863.83	9863.83	-	-	9863.83
Trade Receivables	Current	-	-	9447.49	9447.49	-	-	-	_
Cash and Cash Equivalents	Current	-	-	351.10	351.10	-	-	-	_
Loans	Current	-	-	6048.58	6048.58	-	-	-	_
Other Financial Assets	Current	-	-	3649.97	3649.97	-	-	-	-
Total Financial Assets		9863.83	1001.07	35288.39	46153.29	10856.78	8.12	-	10864.90



Notes to the Standalone Financial Statements

									₹ in Lakhs
			Carrying	Amount			Fair Va	ue	
				Cost/	_				
March 31, 2017		FVTPL	FVTOC	Amortised	Total	Level 1	Level 2	Level 3	Total
				Cost					
Financial Liabilities:									
Borrowings	Non-Current	-	-	-	-	-	-	-	-
Other Financial Liabilities	Non-Current	-	-	349.30	349.30	-	-	-	-
Borrowings	Current	-	-	7299.88	7299.88	-	-	-	-
Trade payables	Current	-	-	3985.69	3985.69	-	-	-	-
Other Financial Liabilities	Current			6227.35	6227.35	-			-
Total Financial Liabilities		-	-	17862.22	17862.22	-	-	-	-

B. Measurement of fair values

The basis of measurement in respect to each class of financial asset, financial liability is disclosed in Note No. 2.2 (g) of Significant Accounting Policies.

Note No. 36 - Financial Risk Management

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit which regularly reviews risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has exposure to Credit, Liquidity and Market risks arising from financial instruments:

A. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for Creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer and reviewed periodically.

As at March 31, 2018, the ageing of Trade Receivables and the maximum exposure to credit risk by geographic region was as follows:

		₹ in Lakhs
Ageing of Trade Receivables	2018	2017
Not Overdue	8908.43	8456.66
Past due upto 3 months	1166.04	713.16
Past due more than 3 Months but less than 6 Months	233.06	0.30
ast due more than 6 months	345.07	277.37
	10652.60	9447.49

Notes to the Standalone Financial Statements

	₹ in Lakhs
Segregation by Geography 201	8 2017
CIS Countries 1756.2	9 2954.51
Rest of the World 6036.7	4134.70
India 2859.5	9 2358.28
Total Trade Receivables 10652.6	0 9447.49

At the end of the reporting period, there are no significant concentrations of credit risk. The carrying amount reflected above represents the maximum exposure to credit risk.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 2560.08 Lakhs at March 31, 2018 (March 31, 2017: ₹143.00 Lakhs).

B. LIQUIDITY RISKS:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Maturities of Financial Liabilities:										₹ in Lakhs
		201	8			2017				
	Within 1 year	Due from 1 to 2 years	Due from 2 to 5 years	After 5 years	Total	Within 1 year	Due from 1 to 2 years	Due from 2 to 5 years	After 5 years	Total
Borrowings	9595.57	-	-	-	9595.57	7705.22	-	-	-	7705.22
Trade Payables	4586.96	-	-	-	4586.96	3985.69	-	-	-	3985.69
Deposits	-	141.41	-	-	141.41	-	166.27	-	-	166.27
Unpaid Dividend/Debenture/	217.64	-	-	-	217.64	208.10	-	-	-	208.10
Debenture Interest										
Interest Accrued	9.25	-	-	-	9.25	5.55	-	-	-	5.55
Employee Benefits	2370.76	-	-	-	2370.76	2476.06	-	-	-	2476.06
Other Payables	3498.46	56.59	93.40	-	3648.45	3132.30	183.03	-	-	3315.33
Total	20278.64	198.00	93.40	-	20570.04	17512.92	349.30	-	-	17862.23

С. MARKET RISKS:

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables.

The Plantation Industry is dependent on nature, making it susceptible to climate vagaries. The major weather factors that influence coffee yield are rainfall, temperature, light intensity and relative humidity. To mitigate the risk of drought conditions, the Company has invested significantly on augmentation of irrigation capacities rain water harvesting to improve the water table and enhance the water storage capacity. With regard to Plantation Operations, borer infestation is a continuous threat being faced . The Company, in addition to regular tracing and chemical control, has taken rigorous initiatives to curb pest incidence. It is also working closely with various R&D cells for developing effective measures in this regard.

Commodity Price Risk

Tata Coffee exposure to Market risk for commodity prices can result in changes to realisation for its Plantation products and Cost of Production for its value added products. The risk associated is actively monitored for mitigation actions. The other mitigants includes



₹ in Lakhs

Notes to the Standalone Financial Statements

strict implementation of Board mandated Commodity policy and also the natural hedge arising on export of Plantation produce vis a vis import of Coffee for value added segment.

Currency Risk

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, mostly with a maturity of less than one year from the reporting date. The Company does not use derivative financial instruments for trading or speculative purposes. Following is the derivative financial instruments to hedge the foreign exchange rate risk as of March 31, 2018:

	_		2018		2017			
Type of Derivative	Currency Pair	No. of Contracts	Amount Hedged USD Mm	Fair Value ₹ Lakhs	No. of Contracts	Amount Hedged USD Mm	Fair Value ₹ Lakhs	
Forward exchange contracts	USD INR	94	31.05	(63.70)	81	20.65	830.72	
Forward exchange contracts	EUR INR	6	0.77	1.29	2	0.21	12.33	

The carrying amount of the company's foreign currency denominated monetary Assets and Liabilities at the end of reporting period is as below Amount in Mm

Currency	Moneta	Monetary Liabilities		
	2018	2017	2018	2017
USD	11.62	11.92	1.22	1.29
FUR	0.18	0.11	_	0.03

Following Table summarises approximate gain/(loss) on the Company's Profit before tax and pre-tax equity on account of appreciation/ depreciation of underlying foreign currencies of the above table.

Details	Effect on Profit	Effect on Profit before tax			
Detalls	2018	2017			
Average USD rate	64.45	67.10			
Average EUR rate	75.42	73.81			
5% appreciation	342	151			
5% depreciation	(342)	(151)			

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

			2018	2017				
Type of Derivative	Currency Pair	No. of	Amount Hedged	Fair Value	Amount Hedged	Fair Value		
	Currency Pair	Contracts	USD Mm	₹ Lakhs	USD Mm	₹ Lakhs		
Interest Rate Swap	USD INR	1	-	-	0.625	(0.02)		

Exposure to Interest Rate Risk

Company's interest rate risk arises from borrowings.

The following Table demonstrates the sensitivity on the Company's profit before tax, to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant:

		₹ in Lakhs
	2018	2017
Details	Effect on Profit	Effect on Profit
	Before Tax	Before Tax
50 basis Points increase	(42.24)	(40.65)
50 basis Points decrease	42.24	40.65

Notes to the Standalone Financial Statements

Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirement are met through equity, borrowings and operating cash flows.

The Company's Debt Equity ratio is as follows

		₹ in Lakhs
	2018	2017
Total Debt	9595.57	7705.22
Total Equity	92016.42	89727.19
Debt Equity Ratio	0.10:1	0.09:1

Note No. 37- Employee Benefits Obligation

(i) Defined Contributions

Amount of ₹ 1470.39 Lakhs (PY ₹1444.08 Lakhs) is recognised as an expense and included in employee benefit expense to the following defined contribution plans:

		₹ in Lakhs
	2018	2017
Provident Fund	633.20	588.68
Superannuation Fund	132.39	140.42
Pension Fund	704.81	714.98
	1470.40	1444.08

(ii) Defined Benefits:

Gratuity, Post Retiral Medical Benefits and Pension :

The Company operates defined benefit schemes like retirement gratuity, defined superannuation benefits and post retirement medical benefits. There are superannuation benefits and medical benefits restricted to certain categories of employees/directors in the form medical and pension, The defined benefit schemes offer specified benefits to the employees on retirement. The gratuity benefit provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 / 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service.

Changes in the Defined Benefit obligation

	Gratuity		Medical		Gratuity Medical		Pensior	n
	2018	2017	2018	2017	2018	2017		
Opening Defined Benefit Obligation	5950.13	5060.27	1108.27	1288.01	1873.67	1469.89		
Current Service Cost	383.13	317.71	49.10	79.57	-	-		
Past Service cost	2.17	-	-	-	-	-		
Interest on Defined Benefit Obligation	53.26	27.78	81.27	99.87	135.49	110.82		
Interest on Plan assets	408.91	355.65	-	-	-	-		
Actuarial changes arising from changes in	248.91	(45.96)	11.74	(384.47)	3.02	29.55		
Experience								
Actuarial changes arising from changes in	(219.71)	671.72	(59.75)	59.34	(63.58)	391.45		
Financial assumption								
Benefits Paid	(327.43)	(437.04)	(34.30)	(34.05)	(123.09)	(128.04)		
Closing Defined Benefit Obligation	6499.37	5950.13	1156.33	1108.27	1825.51	1873.67		

Changes in the Fair Value of Plan assets during the Year

	Gratui	Gratuity	
	2018	2017	
Opening Fair value of Plan Assets	4989.94	4558.54	
Employers Contribution	1008.38	512.80	
Interest on Plan Assets	376.45	350.69	
Actual return on Plan Assets less interest on Plan Assets	32.47	4.95	
Benefits paid	(327.43)	(437.04)	
Closing Fair Value of Plan Assets	6079.81	4989.94	

₹ in Lakhs

₹ in Lakhs



₹ in Lakhs

Notes to the Standalone Financial Statements

Net Asset/(Liability) recognised in Balance Sheet

	Gratuity		Medical		Pension	
-	2018	2017	2018	2017	2018	201
Present Value of Funded Defined Benefit Obligation at the year end	6499.37	5950.13	-	-	-	
Fair Value of Plan Assets at the end of the year	6079.81	4989.94	-	-	-	
	419.56	960.19	-	-	-	
Present Value of Unfunded Defined Benefit Obligation at the year end	-	-	1156.33	1108.27	1825.51	1873.6
Amount recognised in Balance Sheet	419.56	960.19	1156.33	1108.27	1825.51	1873.6
Expense recognised in the Statement of Profit and Loss for the ye	ar:					₹ in Lakh
	Gratu	ty	Medie	al	Pensi	on
	2018	2017	2018	2017	2018	201
Current Service Cost	383.13	317.71	49.10	79.57	-	
	52.26	27.78	81.27	99.87	135.49	110.8
Interest Cost on Defined Benefit Obligation (net)	53.26					
Interest Cost on Defined Benefit Obligation (net) Past Service Cost	2.17		-	-	-	
		345.49	- 130.37	179.44	135.49	110.8
Past Service Cost	2.17 438.56	345.49				₹ in Lakł
Past Service Cost Total recognised in the Statement of Profit and Loss	2.17	345.49	- 130.37 Media 2018		Pensi	₹ in Lakł on
Past Service Cost Total recognised in the Statement of Profit and Loss Amount recognised in Other Comprehensive for the year:	2.17 438.56 Gratu	345.49	Medie	al		₹ in Lakł on 201
Past Service Cost Total recognised in the Statement of Profit and Loss Amount recognised in Other Comprehensive for the year: - Actuarial changes arising from changes in financial assumption	2.17 438.56 Gratu 2018	345.49 ity 2017	Medie 2018	cal	Pensi 2018	₹ in Lakł on 201 391.4
Past Service Cost Total recognised in the Statement of Profit and Loss Amount recognised in Other Comprehensive for the year:	2.17 438.56 Gratu 2018 (219.71)	345.49 ity 2017 671.72	Media 2018 (59.75)	cal 2017 59.34	Pensio 2018 (63.58)	110.8 ₹ in Lakh 0 201 391.4 29.5 421.0
Past Service Cost Total recognised in the Statement of Profit and Loss Amount recognised in Other Comprehensive for the year: Actuarial changes arising from changes in financial assumption Actuarial changes arising from changes in experience assumption Adjustment to recognise the effect of asset ceiling	2.17 438.56 Gratui 2018 (219.71) 248.91	345.49 2017 671.72 (45.96)	Media 2018 (59.75) 11.74	cal	Pensio 2018 (63.58) 3.02 (60.56)	₹ in Lakł on 391.4 29.5 421.0
Past Service Cost Total recognised in the Statement of Profit and Loss Amount recognised in Other Comprehensive for the year: Actuarial changes arising from changes in financial assumption Actuarial changes arising from changes in experience assumption	2.17 438.56 Gratui 2018 (219.71) 248.91	345.49 2017 671.72 (45.96) 625.76	Media 2018 (59.75) 11.74	2017 59.34 (384.47) (325.13)	Pensio 2018 (63.58) 3.02 (60.56)	₹ in Lakh on 391.4 29.5 421.0 ₹ in Lakh
Past Service Cost Total recognised in the Statement of Profit and Loss Amount recognised in Other Comprehensive for the year: Actuarial changes arising from changes in financial assumption Actuarial changes arising from changes in experience assumption Adjustment to recognise the effect of asset ceiling	2.17 438.56 Gratui 2018 (219.71) 248.91 29.20	345.49 2017 671.72 (45.96) 625.76	Media 2018 (59.75) 11.74 (48.01)	2017 59.34 (384.47) (325.13)	Pensio 2018 (63.58) 3.02 (60.56)	₹ in Lakh 201 391.4 29.5 421.0 ₹ in Lakh on
Past Service Cost Total recognised in the Statement of Profit and Loss Amount recognised in Other Comprehensive for the year: Actuarial changes arising from changes in financial assumption Actuarial changes arising from changes in experience assumption Adjustment to recognise the effect of asset ceiling	2.17 438.56 Gratui 2018 (219.71) 248.91 29.20 Gratui	345.49 2017 671.72 (45.96) 625.76	Media 2018 (59.75) 11.74 (48.01) Media	cal 2017 59.34 (384.47) (325.13)	Pensio 2018 (63.58) 3.02 (60.56) Pensio	₹ in Lakt 201 391.4 29.5 421.0 ₹ in Lakt on 201
Past Service Cost Total recognised in the Statement of Profit and Loss Amount recognised in Other Comprehensive for the year: Actuarial changes arising from changes in financial assumption Actuarial changes arising from changes in experience assumption Adjustment to recognise the effect of asset ceiling Maturity Profile of Defined Benefit Obligation: Within next 12 months	2.17 438.56 Gratui 2018 (219.71) 248.91 29.20 Gratui 2018	ity 2017 671.72 (45.96) 625.76 ity 2017	Media 2018 (59.75) 11.74 (48.01) Media 2018	cal 2017 59.34 (384.47) (325.13) cal 2017	Pensio 2018 (63.58) 3.02 (60.56) Pensio 2018	₹ in Lakt on 391.4 29.5 421.0 ₹ in Lakt on 201 134.0
Past Service Cost Total recognised in the Statement of Profit and Loss Amount recognised in Other Comprehensive for the year: Actuarial changes arising from changes in financial assumption Actuarial changes arising from changes in experience assumption Adjustment to recognise the effect of asset ceiling Maturity Profile of Defined Benefit Obligation:	2.17 438.56 Gratui 2018 (219.71) 248.91 29.20 Gratui 2018 772.45	345.49 345.49 671.72 (45.96) 625.76 ity 2017 441.17	Media 2018 (59.75) 11.74 (48.01) Media 2018 65.08	cal 2017 59.34 (384.47) (325.13) cal 2017 49.13	Pension 2018 (63.58) 3.02 (60.56) Pension 2018 142.18	₹ in Lakh on 391.4 29.5 421.0 ₹ in Lakh

Principal Actuarial assumptions used:

· · · · · · · · · · · · · · · · · · ·		₹ in Lakhs
	2018	2017
Discount Rate	7.90%	7.50%
Salary escalation rate	8.00%	8.00%
Pension escalation rate (SRB)	18% after every 3rd	18% after every 3rd
	year	year
Annual increase in Health Costs	8.00%	8.00%

Quantitative sensitivity analysis for significant assumptions is as below:

			₹ in Lakhs
	Gratuity	Medical	Pension
Impact on Defined Benefit Obligation	2018	2018	2018
Impact of increase in 50 basis point in discount rate	(258)	(68)	(74)
Impact of decrease in 50 basis point in discount rate	277	76	80
Impact of increase in 50 basis point in salary escalation	275	-	-
Impact of decrease in 50 basis point in salary escalation	(259)	-	-
Impact of increase in 100 basis point in health care cost	-	113	-
Impact of decrease in 100 basis point in health care cost	-	(89)	-
Impact of increase in 100 basis point in pension rate	-	-	57
Impact of decrease in 100 basis point in pension rate	-	-	(55)

Sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. In presenting the above sensitivity analysis, the present value of the defined benefit obligations has

₹ in Lakhs

Notes to the Standalone Financial Statements

been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Major Categories of Plan Assets:

major categories of har Assets.		(III Ealth)
	Gratuit	iy
	2018	2017
Govt. of India Securities	-	-
PSU bonds	-	-
Insurance managed Funds	6079.81	4989.94
Others	-	-
Total	6079.81	4989.94
	0077101	1202121

The Company contributes all its ascertained liabilities towards gratuity to the Trust set up for the same. Trustees administer the contributions made to the trust. As at March 31, 2018 and March 31, 2017, the plan assets have been primarily invested in insurance managed funds.

Expected contribution over the next financial year:

The Company is expected to contribute ₹ 420 Lakhs to defined benefit obligations funds for the year ending March 31, 2018.

(iii) Provident Fund

The Company operates Provident Fund Schemes and the contributions are made to recognised funds maintained by the Company and for certain categories contributions are made to State Plans. The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered rates on an annual basis. The Actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumption there is no shortfall as on March 31, 2018 and March 31, 2017.

The details of fund and plan asset position are given below:

	₹	
	Provident Fund	
	2018	2017
Plan Assets as at period end	6588	5666
Present Value of Funded Obligations at period end	6588	5666
Amount Recognised in the Balance Sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	Provident Fund	
	2018	2017
Guaranteed Rate of Return	8.55%	8.65%
Discount Rate for remaining term to Maturity of Investment	7.50%	7.70%
Expected Rate of Return on Investment	8.82%	9.01%



Notes to the Standalone Financial Statements

Note No. 38 - Fair Value Measurement

A. Fair Value Measurement-Agricultural Produce

Agricultural produce is the harvested produce of the entity's Biological Assets (Bearer Plants) at the point of Harvest. Green Bean in Fruit form, Green Pepper and Green Tea at the point of plucking falls within the definition of Agricultural Produce at the point of Harvest.

The Company uses a Valuation technique that is appropriate in the circumstances and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs. Accordingly, the Company follows a Market Approach as permitted under Indian Accounting Standard Ind AS-113- 'Fair Value Measurement'

Particulars	Fair value hierarchy	Valuation technique(s) and key input(s)
1) Arabica	Level 2 input	Market Approach
2) Robusta	Level 2 input	Market Approach
3) Pepper	Level 2 input	Market Approach
4) Tea	Level 2 input	Market Approach

(i) Fair Valuation of Coffee

The Coffee on reporting dates are available in (a) Fruit Form (b) Dried Uncured form and (c) at Cured Coffee level.

There is no active quoted market for Green Bean in Fruit Form. Hence, Level 1 inputs (unadjusted quoted prices in active markets for identical assets or liabilities) are not available for valuation.

The Coffee Board publishes Daily Market Prices of Arabica Parchment, Arabica Cherry, Robusta Parchment and Robusta Cherry at Dried Uncured Coffee level.

Based on the well established conversion norms and the Coffee Board prices, the cured equivalent of fair valuation of Fruit Coffee are arrived at based on Level 2 observable inputs.

The Valuation is carried out at the Fruit Coffee Level, while the the quoted prices are available at the Dried Coffee level. Hence, the fair value measurement is satisfying the conditions for applying Level 2 of the Fair Value hierarchy.

Suitable adjustments based on conversion norms applicable for the dried uncured Coffee and Cured Coffee are carried out to arrive at the corresponding Fair Value at these stages.

(ii) Fair Valuation of Pepper:-

The Spices Board of India publishes the average market rates for Pepper MG1 Grade. Since the Company produces and markets Pepper in various grades, apart from MG1, the quoted Prices for MG1 are considered as Level 2 inputs being quoted prices of Various Grades. The MG1 rate is applied to the Company's estimated grade % for black pepper production and the composite weighted average fair value is arrived at and after making adjustments for subsequent processes.

The fair value so arrived at becomes the Ind AS 2 Inventory rate /value and thereafter regular inventory accounting process is followed.

(iii) Fair Valuation of Tea:-

The tea leaves at the point of plucking are designated as Agricultural Produce at the point of harvest. The fair valuations are based on the auction prices of Made Tea and are suitably adjusted based on conversion norms to arrive at the fair valuation of green leaves.

B. Fair Value of Equity

The Fair value of equity investments except investments in subsidiaries are based on Quoted prices available on last reporting rate which is a Level 1 input.

Note No. 39 - Disclosure under Section 186 of the Companies Act, 2013

Particulars of Loans and Deposits as at the year end

					₹ in Lakhs
SI. No.	Name of the Entity	2018	2017	Nature of Loans/Deposits	Purpose for which Loan, Guarantee is proposed to be utilised by recipient
1	Tata Housing Development Corporation	5500	5500	Inter Corporate Loan	Short Term Working Capital
2	Nelco Limited	-	300	Inter Corporate Loan	Short Term Working Capital
		5500	5800		

Notes to the Standalone Financial Statements

	Note No. 40 -Related Party Transactions In accordance with Ind AS 24, the disclosures required are given below:	rty Transactions 4, the disclosures r	actior osures	15 : require	ed are g	iven be	:wo										₹ in	₹ in Lakhs
			Promoter		Parent Company	npany	Subsidiaries		Key Management Personnel/ Independent Director	gement inel/ ident tor	Fellow Subsidiaries/JVs		Subsidiaries/JVs of Promoter		Post Employment Benefit Plans	yment Vans	Total	
SI.	Nature of transaction	۳ ۳	For the	For the	For the	For the	For the	For the	For the	For the	For the	For the	For the	For the	For the	For the	For the	For the
- OAI		Q	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended
		2	31st March	31st March	31st March	31st March	31st March	31st March	31st March	31st March	31st March	31st March	31st March	31st March	31st March	31st March	31st March	31st March
		2	arcıı, 2018	2017 2017	2018 2018	2017 2017	2018 2018	2017 2017	2018 2018	2017 2017	2018 2018	2017 2017	Marcn, 2018	2017 2017	2018 2018	2017 2017	marcn, 2018	2017 2017
<i>—</i>	Sale of Goods		a.	1	363.03	2651.57	1	1	1	1	1693.95	4947.72	1	0.59	1	یں ا	5056.98 7	7599.88
\sim	Rendering of Services		1		1	1	1	1	1	1	1	1	29.85	28.99	1	1	29.85	28.99
m	Purchase of Goods		1	1	65.99	66.02	1	1	1	1	1	ľ	1973.75	1	1	- 2	2039.74	66.02
4	Director Remuneration*		1		1		1	1	714.13	818.30	1				1		714.13	818.30
<u>ا</u>	Receiving of Services		34.18	158.38	468.69	760.31	1	1	1	1	1	1	129.97	65.80	1		732.84	984.49
9	Reimbursement of		a.	-	(125.22) (140.69)	(140.69)		1	1	1		11.01	1	1	1	-	(125.22) ((129.68)
	expenses / (income) - Net																	
~	Dividend Paid		1	'	878.72	1395.62	1	1			1	1			1	1	1878.72 1	1395.62
œ	Dividend received		1	1	1	1	3419.75 4669.78	4669.78	1	T	1	1	1	I	i.	۲	3419.75 4669.78	669.78
	(Inclusive of TDS)																	
9	Advances Paid		1		1	Ţ	1	570.32	1	1	1	1	1		1		1	570.32
10	Contribution to Post		ł.	ı	1	I	1	1	1	'	1	I	1	'	I 304.29	783.88 1304.29		783.88
	Retirement Benefit Plans																	
=	Guarantee given		i.		1	7 -	42914:45	1	1	1	1	'	1		1	- 42	- 42914.45	1
12	Inter Corporate Deposits		i.	,	1	'	1	1		1		1	5500.00 5	5500.00	1	- 5	5500.00 5	5500.00
13	Interest Received/Accrued		i.	ı	1	I	1	ľ	1	ľ	1	ı	470.59	668.28	1	ı	470.59	668.28
	on Inter Corporate Loans																	
14	Investment in Wholly		ł	'	1	1	3876.74	'	1	'	1	ľ	1	'	1	· ·	3876.74	1
	Owned Subsidiary																	
15	Outstanding at the year	Credit 11	114.93	158.38	15.76	257.22	1	'	1	'	1	11.01	3.84	3.71	1	'	134.53	430.32
	end																	
		Debit		1	806.57	267.44	1	570.32		1	115.71	1455.15 5769.09 5992.38	5769.09	5992.38	×.	9	6691.37 8	8285.29

The above information is excluding taxes and duties except Outstanding Balances at the year end.

* Includes contribution towards Provident Fund and Superannuation Fund

TATA COFFEE LIMITED



Names of related parties and description of relationship

1.	Promoter Company	Tata Sons Limited
2.	Parent Company	Tata Global Beverages Limited
3.	Subsidiaries	Consolidated Coffee Inc.,
		Eight O'Clock Holdings Inc.
		Eight O'Clock Coffee Company
		Tata Coffee Vietnam Company Limited
4.	Key Management Personnel	Mr Sanjiv Sarin, Managing Director & CEO
	, ,	Mr Chacko Purackal Thomas, Executive Director and Deputy CEO
		Mr K Venkataramanan, Executive Director - Finance & CFO
		Mr T Radhakrishnan, Executive Director (upto 7th November, 2017).
5.	Fellow Subsidiaries/JVs	OOO Sunty LLC (Ceased to be a related party with effect from 4th November, 2017)
		Tata Global Beverages GB Ltd.
		Tata Starbucks Private Limited
		Tata Global Beverages Australia Pty. Ltd.
		Earth Rules Pty.Ltd.
		Amalgamated Plantations Private Limited
5.	Subsidiaries/JVs of Promoter	Tata Consultancy Services Limited
		Tata Housing Development Company Limited
		Tata Teleservices Limited
		Taj Air Limited
		Tata SIA Airlines Limited
		Tata Uganda Limited
		Tata Communications Limited
7.	Post Retirement Benefit Plans	Tata Coffee Staff Provident Fund Trust
		Tata Coffee Superannuation Scheme
		Tata Coffee Employees Gratuity Fund

R. HARISH BHAT Chairman

K. VENKATARAMANAN Executive Director - Finance & CFO SANJIV SARIN Managing Director & CEO

S. SANTHANAKRISHNAN Director

N. ANANTHA MURTHY Company Secretary

Place: Bengaluru Date: 7th May, 2018

Independent Auditor's Report

to the members of Tata Coffee Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Tata Coffee Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards

require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

We did not audit the financial information of four subsidiaries included in the consolidated financial statements, whose financial information reflect total assets of Rs. 189,135 lakhs as at March 31, 2018, total revenues of Rs. 86,189 lakhs, total net profit after tax of Rs. 15,844 lakhs, total comprehensive income of Rs. 15,788 lakhs and net cash inflows amounting to Rs. 1,433 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditors whose reports have been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.



Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on March 31, 2018 taken on record by the Board of Directors of the Parent, none of the directors of the parent is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to

the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
- Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants (Firm's Registration No. 117366W/W-100018)

Place: Bengaluru Date: 7th May, 2018 **V. Balaji** Partner (Membership No. 203685)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Tata Coffee Limited (hereinafter referred to as "Parent"), which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent, which is incorporated in India, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, which is incorporated in India, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants (Firm's Registration No. 117366W/W-100018)

V. Balaji Partner

Place: Bengaluru Date: 7th May, 2018

Annual Report 2017-18 163

(Membership No. 203685)



Consolidated Balance Sheet

as at March 31, 2018

			₹ in Lakhs
Particulars	Note No.	2018	2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	1	47622.01	44468.55
Capital Work-in-progress	1	11041.95	3726.17
Investment Property	2	4967.00	6798.15
Goodwill	3	112820.99	112273.09
Other Intangible Assets	3	14797.61	16351.45
Financial Assets			
Investments	4	1093.25	1001.07
Loans	5	58.10	65.75
Other Financial Assets	6	1814.74	1660.33
Non-Current Tax Assets	17	1360.49	1144.99
Other Non-current Assets	7	18664.94	503.94
		214241.08	187993.49
Current assets			
Inventories including Biological Assets	8	32334.01	30852.62
Financial Assets			
Investments	4	3155.45	9863.83
Trade Receivables	9	19423.82	15995.58
Cash and Cash Equivalents/Bank Balances		8278.74	4424.89
l oans	5	5804.04	6048.58
Other Financial Assets	6	4773.13	6056.49
Other Current Assets	7	2744.00	2926.97
Other Current Assets	/	76513.19	76168.96
Non Current Assets held for sale	11	246.09	60.34
Total Assets		246.09 291000.36	264222.79
EQUITY AND LIABILITIES		291000.50	204222./9
Equity		1067.70	10(7.70
Equity Share Capital	12	1867.70	1867.70
Other Equity	12	110375.87	103843.43
Equity of Owners of the Holding Company		112243.57	105711.13
Non-controlling interests		34696.48	29948.73
Total Equity		146940.05	135659.86
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	14	85148.34	63493.91
Other Financial Liabilities	15	637.43	671.60
Provisions	16	3103.74	3244.77
Deferred Tax Liabilities (Net)	17	12010.64	19441.61
		100900.15	86851.89
Current liabilities			
Financial Liabilities			
Borrowings	14	12692.22	12975.43
Trade Payables	18	11820.24	10399.22
Other Financial Liabilities	15	16462.62	14822.58
Provisions	16	961.70	1320.91
Current Tax Liabilities	17	340.82	1567.40
Other Current Liabilities	19	882.56	625.50
		43160.16	41711.04
Total Equity and Liabilities		291000.36	264222.79

The accompanying significant accounting policies and notes form an integral part of the consolidated financial statements.

For DELOITTE HASKINS & SELLS LLP Chartered Accountants

V. BALAJI

Partner Membership No. 203685

Place: Bengaluru Date: 7th May, 2018 R. HARISH BHAT Chairman

K. VENKATARAMANAN Executive Director - Finance & CFO SANJIV SARIN Managing Director & CEO

S. SANTHANAKRISHNAN Director

N. ANANTHA MURTHY Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

			₹ in Lakhs
Particulars	Note No.	2018	2017
INCOME			
Revenue from operations	20	156732.35	160600.18
Other Income	21	2203.00	2278.71
Total Income		158935.35	162878.89
EXPENSES			
Cost of materials consumed	22 (a)	60743.05	57329.34
Purchases of Stock-in-trade	22 (b)	14241.50	4713.16
Changes in Inventories of finished goods, work-in-progress, Stock-in-trade and Biological Assets	22 (c)	(2116.78)	(74.53)
Employee benefits expense	23	30364.53	30573.79
Finance costs	24	3459.89	3698.52
Depreciation and amortisation expense		5491.30	5653.50
Other expenses	25	27076.68	28964.15
Total Expenses		139260.17	130857.93
Profit before exceptional items and tax		19675.18	32020.96
Exceptional Items	26	(1081.30)	(231.23)
Profit before tax		18593.88	31789.73
Tax Expense			
Current tax		6127.18	9223.00
Excess Tax Provision written back		(179.83)	-
Deferred tax		(6053.34)	1611.08
Total tax expense		(105.99)	10834.08
Profit for the year		18699.87	20955.65
Attributable to:			
Owners of the Holding Company		10663.36	15115.09
Non-controlling interests		8036.51	5840.56
Net Profit for the year		18699.87	20955.65
Other Comprehensive Income		(261.12)	(859.85)
Items that will not be reclassified to profit/ (loss)		181.18	(230.69)
Remeasurements of the defined benefit plans		79.37	(721.63)
Equity instruments through other comprehensive income		137.29	365.86
Income tax relating to items that will not be reclassified to profit or loss		(35.48)	125.08
Items that will be reclassified to profit/ (loss)		(442.30)	(629.16)
Exchange differences on translation of foreign operations		1338.55	(1309.54)
Effective portion of Gains/(Loss) in cash flow hedges		(1985.25)	763.00
Income tax on items that will be reclassified to profit or loss		204.40	(82.62)
Total Comprehensive Income for the year		18438.75	20095.80
Total comprehensive income for the year attributable to:			
Owners of the Holding Company		10298.57	14670.28
		8140.18	5425.52
	34	5.71	8.09
Owners of the Holding Company Non-controlling interests Earnings per equity share Basic & Diluted (₹)	34	8140.18	5425

The accompanying significant accounting policies and notes form an integral part of the consolidated financial statements.

For DELOITTE HASKINS & SELLS LLP Chartered Accountants

V. BALAJI Partner Membership No. 203685

Place: Bengaluru Date: 7th May, 2018 R. HARISH BHAT Chairman K. VENKATARAMANAN

Executive Director - Finance & CFO

SANJIV SARIN Managing Director & CEO

S. SANTHANAKRISHNAN Director

N. ANANTHA MURTHY Company Secretary



Consolidated Statement of Changes in Equity

as at March 31, 2018

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	Equity	v			Reserves and Surplus	nd Surplus			Items of o	ther Compre	Items of other Comprehensive Income	ne	
	Number of Shares	Equity Share Capital	Capital Redemption Reserve	Securities General Premium Reserves I Reserve		General Reserves	Amalgamation Reserves	Retained Earnings	Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Foreign Currency Translation Reserve	Actuarial Gain/ (Loss)	Tota Owners Equity
Balance as at April 1,	186770370	1867.70	10.41	10.41 14424.27	22427.79	8861.29	832.53	43056.64	182.21	121.77	1623.83	(269.07)	93139.37
2016													
Profit for the year		1	1	1	1	1		90.41141	'		1		20.61161
Other Comprehensive Income for the year, net	-	1	'	I.	I	I		I	365.86	442.33	(667.94)	(596.55)	(456.30)
of Income Tax													
Total Comprehensive		1		1	1	ı.	'	15115.09	365.86	442.33	(667.94)	(596.55)	14658.79
Dividends/Tax on	1	ľ		1	ľ	ľ	1	(2922.30)		ľ	ľ	ľ	(2922.30)
Dividend													
Reversal of Dividend		1	1	1	1	1		835.27	1	1		1	835.27
Distribution Tax													
Transfer from Retained	'	I	I	1	1400.00	810.00	'	(2210.00)	1	'	'	'	
Earnings			22 G 2			00 1000	01 000				00 ==0	- 11	a sames
Balance as at April 1, 2017	186770370	1867.70	10.41	10.41 14424.27 23827.79 9671.29	23827.79	9671.29	832.53	832.53 53874.70	548.07	564.10	955.89	(865.62) 105711.13	05711.1
Profit for the vear	1	ľ	1	1	1	1	1	10663.36	1	1		ľ	10663.36
Other Comprehensive	1	1	1	1	1	1			137.29	(1231.67)	246.69	43.89	(803.80)
Income for the year, net of Income Tay	t												
Transfer to Retained	1	1	1	1	1	'		26.12	(26.12)	1	1	1	
Earnings													
Total Comprehensive	1	1		1		1	1	- 10689.48	111.17	111.17 (1231.67)	246.69	43.89	9859.56
Income for the year													
Dividends/Tax on		I	I	1	1	I	'	(3933.87)	1	1	'	1	(3933.87
Dividend								1 1 1 77					1 1
Neversal of Ulvideria Distribution Tav		I	I	I	1	I		//.101	I	1	1	1	//.101
Transfer from Retained	1	1	1	1	1	651.00		(651.00)	1	1		1	
Earnings													
Deferred Tax								454.98					454.98
Balance as at March 31, 2018	186770370	1867.70	10.41	10.41 14424.27 23827.79 1032229	23827.79	1032229	832.53	60	659.24	(667.57)	1202.58	(821.73) 112243.57	12243.5
The accompanying significant accounting policies and notes form an integral part of the consolidated financial statements. For DELOITTE HASKINS & SELLS LLP Chartered Accountants	significant accou INS & SELLS LLP nts	ounting _F	oolicies and r	notes form	ı an integ	iral part c R. H. Chai	art of the consolid R. HARISH BHAT Chairman	ated finan	cial statements S M	ts. SANJIV SARIN Manadind Dire	ts. SANJIV SARIN Manacing Director & CEO	ç	
									: (:	
V. BALAJI Partner Membership No. 203685	3685					K. VE Exec	K. VENKATARAMANAN Executive Director - Finance & CFO	NAN - Finance		5. SANTHAN Director	s. santhanakkishnan Director	z	
Place: Bengaluru Date: 7 th May, 2018									ZU	N. ANANTHA MURT Company Secretary	N. ANANTHA MURTHY Company Secretary		

Consolidated Cash Flow Statement

for the year ended March 31, 2018

Particulars	2018	₹ in Lakhs 2017
Cash flows from operating activities	2018	2017
Profit Before Tax for the year	18593.88	31789.73
Adjustments for:	10575.00	51705.75
Depreciation and amortisation	5491.30	5653.50
Provision for doubtful debts/advances		60.75
Interest Income	(694.34)	(834.93)
Dividend income from Other Non Current Investments	(17.59)	(16.11)
Net gain on Sale of Non-Current Investments	-	(1.85)
Net gain on Sale of Current Investments	(238.35)	(221.72)
Gain on investments carried at fair value through profit or loss	(103.27)	(242.12)
Rental Income from Investment Property	(226.32)	(102.47)
Finance Costs	3459.89	3698.52
Unrealised foreign exchange loss/(gain)	(167.74)	109.27
(Profit)/loss on sale of Investment Property	(205.83)	-
(Profit)/loss on sale of Property, Plant and Equipment	(13.05)	24.61
Profit on Sale of Biological Assets - Timber (Net)	(650.77)	(806.35)
Sub-Total	6633.93	7321.10
Operating Profit Before Working Capital Changes:	25227.81	39110.83
Movements in working capital:		
Trade Receivables	(3175.08)	417.48
Other Financial Assets	1242.70	(1027.06)
Loans	(47.78)	88.91
Other Current and Non-Current Assets	(3141.01)	(1328.56)
Inventories including Biological Assets	(1418.19)	(2050.99)
Trade Payables	1364.72	1316.21
Other Financial Liabilities	(784.06)	4985.69
Other Current Liabilities	257.81	318.98
Provisions	300.74	62.06
Changes in Working Capital	(5400.15)	2782.72
Cash Generated from Operations	19827.66	41893.55
Income taxes paid	(7395.27)	(9167.74)
Net Cash Flows from/ (used in) Operating Activities (A)	12432.39	32725.81

TATA COFFEE LIMITED



Particulars	2018	₹ in Lakhs 2017
Cash flows from investing activities		
Interest received	703.07	867.20
Other dividends received	17.59	16.11
Payments for property, plant and equipment and Intangibles	(29474.68)	(7342.43)
Rental Income from Investment Property	226.32	98.48
Proceeds from Sale of property, plant and equipment	89.84	86.63
Profit on Sale of Biological Assets - Timber (Net)	650.77	806.35
Inter Corporate Deposits Placed (Net)	300.00	2200.00
Net cash (outflow)/inflow on Purchase/Sale of Mutual Funds	7050.00	(9399.99)
Sale of Investment Property	1895.38	-
Sale of Non-Current Investments	46.80	2.26
Purchase of Non-Current Investments	(285.43)	-
Net Cash Flows from/ (used in) Investing Activities (B)	(18780.34)	(12665.39)
Cash flows from financing activities		
Proceeds from / (repayment of) Current Borrowings (Net)	(434.58)	(2323.23)
Proceeds from / (repayment of) Non-Current Borrowings (Net)	20959.95	(7877.38)
Dividend/Dividend Tax	(7288.73)	(7348.60)
Finance Cost paid	(3038.74)	(3464.56)
Net Cash used in Financing Activities (C)	10197.90	(21013.77)
Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C)	3849.95	(953.35)
Cash and cash equivalents at the beginning of the year	4216.79	5236.62
Effects of exchange rate changes on the balance of cash held in foreign currencies	(5.64)	(66.48)
Cash and cash equivalents at the end of the year	8061.10	4216.79

The accompanying significant accounting policies and notes form an integral part of the consolidated financial statements.

For DELOITTE HASKINS & SELLS LLP Chartered Accountants

V. BALAJI Partner Membership No. 203685

Place: Bengaluru Date: 7th May, 2018

R. HARISH BHAT Chairman

K. VENKATARAMANAN

Executive Director - Finance & CFO

SANJIV SARIN Managing Director & CEO

S. SANTHANAKRISHNAN Director

N. ANANTHA MURTHY Company Secretary

Notes to the Consolidated Financial Statements

1. General Information

Tata Coffee Limited ("the Holding Company") and its subsidiaries (together "the Group") are engaged in the production, trading and distribution of Coffee, Tea and Allied products. The Group has business operations mainly in India, USA and CIS countries, Europe, Africa and Vietnam.

The Holding Company is a public limited company incorporated and domiciled in India and has its registered office at Pollibetta, Kodagu, Karnataka, India. The Holding Company has its listings on BSE Limited and National Stock Exchange of India Limited.

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements for the year ended March 31, 2018 were approved for issue by Company's Board of Directors on May 7, 2018.

2. Preparation and Presentation of Consolidated Financial Statements

2.1 Basis of preparation and measurement

a) Basis of preparation

The consolidated financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read along with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The presentation of the Consolidated Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

b) Basis of measurement

The consolidated financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realisation/settlement within twelve months period from the balance sheet date.

c) Basis of Consolidation

The consolidated financial statements have been prepared on the following basis:

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and ceases when the Group loses control of the subsidiary. Fully consolidated means recognition of like items of assets, liabilities, equity, income and expense. Thereafter the portion of net profit and equity is segregated between the Group's share and share of non-controlling stake holders.

The financial statements of group companies are consolidated on line by line basis and Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

Unrealised losses are also eliminated if there is a profit on ultimate sale of goods. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Subsidiaries included in Consolidation

Name of the Enterpriset	Country of Incorporation	Nature of Business	Shareholding/ Controlling interest
Consolidated Coffee	USA	Investment	50.08%
Inc.			
Eight O'Clock Holdings	S USA	Investment	50.08%
Inc.			
Eight O'Clock Coffee	USA	Roasted Coffee	50.08%
Company		Beans and R&G	
		Powder	
Tata Coffee Vietnam	Vietnam	Instant Coffee	100%
Company Limited			

d) Key accounting judgement, estimates and assumptions

The preparation of the consolidated financial statements required the Group management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and

Notes to the Consolidated Financial Statements

underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

The areas involving critical estimates or judgements are:

i. Depreciation and amortisation

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the depreciation and amortisation charges.

ii. Employee Benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using various assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. Any changes in these assumptions will impact the carrying amount of obligations. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

iii. Fair valuation

All financial instruments are required to be fair valued as at the balance sheet date, as provided in Ind AS 109 and 113. Being a critical estimate, judgement is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc., as applicable.

Fair valuations of agricultural produce are



derived based on the market rates published by the industrial body for various grades.

iv. Goodwill and Intangibles

The Group records all intangible assets acquired as part of a business combination at fair value. Goodwill is assigned an indefinite useful life whilst intangible assets are assigned an indefinite or finite useful life. Goodwill and intangible assets that are assigned to indefinite useful lives are subjected to annual tests of impairment.

v. Valuation of Agricultural Produce

Valuations of agricultural produce are derived based on the market rates published by the industrial body for various grades.

2.2 Significant Accounting Policies:

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) **Business Combination**

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises of,

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group and
- fair value of any asset or liability resulting from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the fair value of consideration over the identifiable net asset acquired is recorded as goodwill. If the consideration is lower, the gain is recognised directly in equity as capital reserve. In case, business acquisition is classified as bargain purchase, the aforementioned

Notes to the Consolidated Financial Statements

gain is recognised in the Other Comprehensive Income and accumulated in equity as capital reserve. The Group recognises any non-controlling interest in the acquiree on an acquisition-byacquisition basis at fair value.

Changes in ownership that do not result in a change of control are accounted for as equity transactions and therefore do not have any impact on goodwill. The difference between consideration and the non-controlling share of net assets acquired is recognised within equity.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss or Other Comprehensive Income, as appropriate.

If the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the business combination is accounted for using provisional amounts. Adjustments to provisional amounts, and the recognition of newly identified asset and liabilities, must be made within the 'measurement period' where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date. The measurement period cannot exceed one year from the acquisition date and no adjustments are permitted after one year except to correct an error.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the statement of profit and loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

(b) Property, Plant and Equipment

- Recognition and measurement: Property, i) plant and equipment including bearer biological assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment loss, if any. Historical cost includes expenditure directly attributable to the acquisition of the items. Subsequent expenditure related to an item of fixed asset are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All repairs and maintenance are charged to the statement of Profit and Loss during the financial year in which they are incurred.
- ii) Depreciation: Depreciation is provided on assets to get the initial cost down to the residual value. Land is not depreciated. Depreciation of other items of property, plant and equipment are provided on a straight line basis over the estimated useful life of the asset or as prescribed in Schedule II to the Companies Act, 2013 or based on a technical evaluation of the asset. Cost incurred on assets under development are disclosed under capital work in progress and not depreciated till asset is ready to use. Estimated useful life of items of Property, Plant and Equipment are as follows:

Type of Asset	Estimated Useful Life
Leasehold Land	Perpetual Lease
Buildings including Water supply System	28-58 Years
Roads/Carpeted/Non-Carpeted	10 Years
Irrigation Systems	10-20 Years
Electrical Installations	20
Plant & Machinery-Continuous Process	18
Other Plant & Machinery	20
Furniture & Fittings	15
Computers	6
Motor Vehicles	10
Office Equipments	5

to the Consolidated Financial Statements

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Group assesses at each balance sheet date, whether there is objective evidence that an asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or exchange.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised in the statement of profit and loss.

(c) Biological Assets

Biological assets are classified as Bearer biological assets and Consumable biological assets. Bearer Biological Assets which are held to bear agricultural produce are classified as Bearer plants. Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets.

Bearer plants are recognised under Property, Plant and Equipment on fulfilment of the following conditions.

- Is used in the production or supply of agricultural produce;
- Is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales

Tea bushes, Coffee bushes, Pepper vines, Cardamom tiller and Shade trees are recognised as Bearer biological assets. These are classified as mature Bearer Plants and Immature Bearer Plants. Mature Bearer Plants are those that have attained harvestable stage. Cost incurred for new plantations and immature areas are capitalised. Cost includes cost of land preparation, new planting and maintenance till maturity. The cost of areas coming into bearing is transferred to mature plantations and depreciated over their estimated useful lives.



Bearer plants relating to Coffee and Tea bushes, Pepper vines and minor produces attain a harvestable stage in about 3-5 years.

Bearer biological assets are carried at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure on bearer assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Mature bearer plants are depreciated over their estimated useful life. Immature bearer plants are tested for impairment /obsolescence. The estimated useful life of mature bearer plants are as follows:

Type of Bearer Biological Assets	Estimated Useful Life
Arabica Coffee Plants	30 Years
Robusta Coffee Plants	58 Years
Tea Bushes	58 Years
Pepper Vines & Cardamom Tillers	35 Years
Silver oak and Shade Management Trees	35 Years

(d) Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used in the production of goods and services or for the administrative purposes is classified as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to investment properties are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Investment property held as Building is depreciated using the straight line method over the estimated useful life. The Holding Company's investment property has a useful life of 50 years.

(e) Intangible Assets (i) Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the fair value of consideration over the identifiable

Notes to the Consolidated Financial Statements

net asset acquired. Fair value of consideration represents the aggregate of the consideration transferred, a reliable estimate of contingent consideration payable, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree on the acquisition date. Net assets acquired represents the fair value of the identifiable assets acquired and liability assumed.

Goodwill is not amortised but is tested for impairment. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the Cash Generating Unit containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed. Goodwill is subsequently measured at cost less amounts provided for impairment.

(ii) Brands and Trademarks

Brands/trademarks acquired as part of a business combination is recognised outside goodwill, at deemed cost on transition date.

Amortisation is charged on a straight-line basis over a period of 20-35 years. The carrying values of brands/trademarks are reviewed annually or more frequently for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

(iii) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Computer software development costs recognised as assets are amortised over their estimated useful life of 5 years.

(f) Impairment of tangible and intangible assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in

circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest possible levels for which there are independent cash inflows (cash-generating units). Prior impairment of non-financial assets (other than goodwill) are reviewed for possible reversal of impairment losses at each reporting date. Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment.

(g) Non-current assets held for sale

Non-current assets held for sale are presented separately in the balance sheet when the following criteria are met:

- the Group is committed to selling the asset;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- sale is expected to be completed within 12 months.

Assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

(h) Financial Instruments Financial assets

The Group classifies its financial assets in the following categories:

 Financial assets at amortised cost-Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

These are presented as current assets, except for those maturing later than 12 months after

Notes to the Consolidated Financial Statements

the reporting date which are presented as noncurrent assets. Financial assets are measured initially at fair value which usually represents cost plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss if any.

Financial assets at amortised cost are represented by trade receivables, security and other deposits, cash and cash equivalent, employee and other advances.

- ii) Equity investments Investment in subsidiaries are stated at cost. All other equity investments are measured at fair value, except for certain unquoted equity investments which are carried at cost where the fair value of these investments cannot be reliably measured.
- iii) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI) -For investments which are not held for trading purposes and where the Group has exercised the option to classify the investment as at FVTOCI, all fair value changes on the investment are recognised in OCI. The accumulated gains or losses on such investments are not recycled to the Statement of Profit and Loss even on sale of such investment.
- iv) Financial assets at Fair Value through Profit and loss (FVTPL) - Financial assets other than the equity investments and investment classified as FVTOCI are measured at FVTPL. These include surplus funds invested in mutual funds etc.
- v) Impairment of financial assets The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future



cash flows of the financial asset or group of financial assets that can be reliably estimated.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity.

Derivative financial instruments and hedging activities

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The group enters into derivative contracts to hedge the risks associated with currency, and commodity fluctuations relating to firm commitments and highly probable transactions. The group also enters into Interest rate swap to manage exposures to changes in interest rates. The Group does not use derivative instruments for speculative purposes.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income. The ineffective portion of changes in the

Notes to the Consolidated Financial Statements

fair value of the derivative is recognised in the Statement of Profit and Loss.

Amounts accumulated in equity are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss.

Movements in the hedging reserve are accounted in Other Comprehensive Income and shown within the statement of changes in equity. The full fair value of a hedging derivative is classified as a current/non-current asset or liability based on the remaining maturity of the hedged item.

When a hedging instrument expires, swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in statement of changes in equity is recognised in the Statement of Profit and Loss.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because the beneficiary fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company are measured at their applicable fair values.

Fair value measurement

The Group classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

- i) The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.
- ii) The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for

similar instruments and use of comparable arm's length transactions.

iii) The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Group carries such instruments at cost less impairment, if applicable.

(i) Inventories including Agricultural Produce

Produce growing on Bearer plant is Biological asset and are fair valued based on the biological transformation, except where on initial recognition quoted market prices are not available and alternate fair value measures are clearly unreliable in which case biological asset is measured at cost less any accumulated depreciation and impairment loss.

Tea, Coffee, Pepper and minor crops at the point of harvest are designated as agricultural produce as per Ind AS 41 and are measured at their fair value less cost to sell as at each reporting date. Any changes in fair value are recognised in the Statement of Profit and Loss in the year in which they arise. The fair valuation so arrived at becomes the cost of Inventory under Ind AS-2.

Inventories are valued at cost or net realizable value whichever is lower, cost being determined on weighted average method. Raw Materials and Stores are valued at weighted average cost.

(j) Employee Benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution plans.

Contribution to defined contribution schemes like Provident Fund (PF) and Superannuation Schemes are accounted for on accrual basis by the Group. With regard to PF contribution made by the Holding Company to a Self-Administered Trust, Company is liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contribution and shortfall, if any, as an expense in the year incurred.

Notes to the Consolidated Financial Statements

Post retirement defined benefits including gratuity, pension and medical benefits (for qualifying executives/whole time directors) as provided by the Group are determined through independent actuarial valuation, using projected unit credit method, at year end and charge recognised in the Statement of Profit and Loss. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Other Comprehensive Income. Such accumulated remeasurement balances are never reclassified into the Statement of Profit and Loss subsequently.

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent actuarial valuation at year end and charge is recognised in the Statement of Profit and Loss. Short-Term Employee Benefits are recognised on an undiscounted basis whereas Long-Term Employee Benefits are recognised on a discounted basis.

Net Interest on defined benefit obligations are accounted as Finance cost.

(k) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent Assets are not recognised till the realisation of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is possible.

(I) Income Tax

i) Current Income Tax:

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with local laws of various jurisdiction where the Group operates.

ii) Deferred Tax:

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date.

Current and Deferred Tax are recognised in the Statement of Profit and Loss except to items

Notes to the Consolidated Financial Statements

recognised directly in Other Comprehensive Income or equity in which case the deferred tax is recognised in Other Comprehensive Income and equity respectively.

iii) Minimum Alternate Tax:

According to section 115JAA of the Income Tax Act, 1961, Minimum Alternative Tax ('MAT') paid over and above the normal income tax in a subject year is eligible for carry forward for fifteen succeeding assessment years for set-off against normal income tax liability. The MAT credit asset is assessed against the relevant entities' normal income tax during the specified period.

(m) Foreign currency transaction

Foreign currency transactions are translated at the exchange rate that approximates the prevalent exchange rate on the transaction date. Monetary assets and liabilities in foreign currencies are translated at the year-end rate. Any resultant exchange differences are taken to the Statement of Profit and Loss, except

- a) when deferred, in Other Comprehensive Income as qualifying cash flow hedges; and
- b) exchange difference arising from translation of external commercial borrowing is capitalized in terms of para D13AA of Ind AS 101.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Group entities

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

- income and expenses for each Statement of Profit and Loss are translated at monthly exchange rates and
- all resulting exchange differences are recognized in Foreign Currency Translation Reserve

On disposal of a foreign operation, the associated exchange differences are reclassified to the Statement of Profit and Loss, as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in Other Comprehensive Income

(n) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

- i) Sale of goods and services Sales are recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer as per terms of contract. Income and fees from services are accounted as per terms of relevant contractual agreements/arrangements.
- Interest income Interest income is recognised on accrual basis as per the terms of relevant contracts or by using the effective interest method, where applicable.
- iii) Dividend and investment income Dividend income is recognised when the right to receive payment is established. Incomes from investments are accounted on an accrual basis.

to the Consolidated Financial Statements

(o) Government Grant

Government grants including any non-monetary grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, are recognised as expenses.

Government grants related to property, plant and equipment are presented at fair value and grants are recognised as deferred income.

(p) Leases

As a lessee

Lease of assets, where the Group, as a lessee, has substantially assumed all the risks and rewards of ownership are classified as finance leases. Assets acquired on finance lease are capitalised and depreciated as per Group's policy on Property, Plant and Equipment. Finance lease are measured at the lease's inception at the lower of fair value of the leased property and the present value of the minimum lease payments. The corresponding lease rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straightline basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in the statement of



profit and loss on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

(q) Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Group incurs in connection with the borrowing of funds and interest relating to other financial liabilities.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

The costs incurred for obtaining financing are deferred and amortized to interest expense using the effective interest method over the life of the related financing agreements.

(r) Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

(s) Earnings per share

The Group presents Basic and Diluted earnings per share data for its equity shares. Basic and Diluted earnings per share is calculated by dividing the profit or loss attributable to owners of the equity shares of the Holding Company by the weighted average number of equity shares outstanding during the year.

(t) Segment Reporting

Operating results are regularly reviewed by the Group Chief Operating Decision Maker ('CODM') who makes decisions about resources to be allocated to the segment and assess its performance.

Segment results that are reported to the CODM include items directly attributable to a segment as

Notes to the Consolidated Financial Statements

well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

(u) Cash and cash equivalents

Cash and cash equivalents for the purpose of presentation in the statement of cash flows comprises of cash at bank and in hand, bank overdraft and short term highly liquid investments/ bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(v) Offsetting instruments

Assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(w) Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

(x) Changes in Accounting Standard and recent accounting pronouncements

IndAS 115, Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs has notified the IndAS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group will adopt the standard on April 1, 2018 and the effect on adoption of Ind AS 115 is expected to be insignificant.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to IndAS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018. The Group has evaluated the effect of this on the consolidated financial statements and the impact is not material.

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Notes

to the Consolidated Financial Statements

₹ in Lakhs

. 1-Property	ty, Plant a	nt and Equipment	ment	har weter	not support			Committee		Office Mason Doney	10100
Ë	enola	redsenoid D	ola pullaings	water and	Elecurical	FIGHL &	rurniture	riant & rurniture computers		MOLOF	Dedrer
an.	dand	Land and		Sanitary Install	Installations	lations Machinery & F	& Fixtures		Equipment	Vehicles Plants	Plants

Particulars	Freehold Land and Development D	Leasehold Land and Development	Buildings	Water and Sanitary Installations	ater and Electrical Plant & Furniture Sanitary Installations Machinery & Fixtures allations	Plant & Machinery		Computers	Office Motor Equipment Vehicles		Bearer Plants		Capital Work in Progress	Bearer Plants in Progress	Total Capital Work in
Gross Carrying Value as at April 1, 2016	6907.82	829.99	8519.24	717.70	1294.82	27663.88	486.84	232.13	190.44	980.50	'	47823.36	320.25	553.00	873.25
Additions	'		839.00	228.01	133.25	2531.57	75.92	113.00	29.03	219.66	35.56	4205.00	1694.05	1194.43	2888.48
Disposals	(1.05)		(86.00)	(0.94)	(22.65)	(1108.82)	(31.00)	(27.00)	(13.00)	(170.54)	1	(1461.00)	1	(35.56)	(35.56)
Gross Carrying Value as at April 1. 2017	6906.77	829.99	9272.24	944.77	1405.42	29086.63	531.76	318.13	206.47	1029.62	35.56	50567.36	2014.30	1711.87	3726.17
Additions			1189.75	515.23	497.56	4316.88	53.94	95.07	108.60	185.47	67.76	7030.26	5901.92	1413.86	7315.78
Disposals	(150.12)		(0.28)	(0.31)	(5.28)	(19.98)	(3.41)	1	(59.94)	(119.95)	1	(359.27)	1		1
Transfers/ Adiustments		1	(24.74)			125.83	3.17	3.09	0.16	0.03	1	107.54	1	1	
Gross Carrying Value as at March 31, 2018	6756.65	829.99	829.99 10436.97	1459.69	1897.70	33509.36	585.46	416.29	255.29	255.29 1095.17 103.32	103.32	57345.89 7916.22		3125.73 11041.95	1041.95
Accumulated Depreciation	Freehold Land and Development	Leasehold Land and Development	Buildings	Water and Sanitary Installations	Electrical Plant& Installations Equipment		Furniture & Fixtures	Computers	Office Equipment	Motor Vehicles	Bearer Plants	Total Property, Plant and Equipment	Capital Work in Progress	Bearer Plants in Progress	Total Capital Work in Progress
Accumulated Depreciation as at April 1. 2016			607.19	27.10	78.28	2470.08	86.63	55.16	36.02	112.17		3472.63			
Depreciation expenses		1	645.35	35.01	83.92	2649.60	82.20	62.05	55.00	122.59	1.18	3736.90	1		1
Deduction/ Adjustments	1	I	(52.95)	(0.27)	(17.11)	(905.36)	(24.91)	(23.68)	(12.25)	(74.19)		(1110.72)	1	1	
Accumulated Depreciation as at April 1, 2017		1	1199.59	61.84	145.09	4214.32	143.92	93.53	78.77	160.57	1.18	6098.81		1	
Depreciation expenses	1	I	674.59	41.67	99.20	2531.73	86.76	79.36	51.57	119.03	3.44	3687.35	1	1	
Deductions/ Adjustments	1	I	(13.10)	(0.48)	(3.32)	52.47	(0.42)	3.12	(53.21)	(47.34)		(62.28)	T	T	1
Accumulated Depreciation as at March 31, 2018	•		1861.08	103.03	240.97	6798.52	230.26	176.01	77.13	232.26	4.62	9723.88			

Statutory Reports

Notes to the Consolidated Financial Statements

Noté	e No. 1-Prop	Note No. 1-Property, Plant and Equipment (contd.)	and Equi	pment (contd.)										₹ i∩	₹ in Lakhs
Net Ci	Net Carrying Value	Freehold Land and Development Do	Leasehold Buildings Land and Development	Buildings	Water and Sanitary Installations	later and Electrical Plant & Furniture Sanitary Installations Equipment & Fixtures tallations	Plant & Equipment	Furniture & Fixtures	Plant & Furmiture Computers Jipment & Fixtures	Office Motor Equipment Vehicles	Motor Vehicles	Bearer Plants	Total Property, Plant and	Capital Work in Progress	Bearer Plants in Progress	Total Capital Work in
Net C as at	Net Carrying Value as at April 1, 2016	6907.82	829.99	829.99 7912.05	690.60	1216.54	1216.54 25193.80 400.21	400.21	176.97	154.42 868.33	868.33		44350.73	320.25	553.00	873.25
Net C as at	Net Carrying Value as at April 1, 2017	6906.77	829.99	829.99 8072.65	882.93	1260.33	1260.33 24872.31	387.84	224.60	127.70	869.05	34.38	127.70 869.05 34.38 44468.55 2014.30 1711.87 3726.17	2014.30	1711.87	726.17
Net C as at l 2018	Net Carrying Value as at March 31, 2018	6756.65	829.99	829.99 8575.89	1356.66	1656.73	1656.73 26710.84 355.20	355.20	240.28	178.16	862.91	98.70	178.16 862.91 98.70 47622.01 7916.22 3125.73 11041.95	7916.22	3125.73 11	041.95
(e	Additions/Adju	Additions/Adjustments (-) include 7 (-) 0.42 Lakhs (PY 72.73 Lakhs) towards Buildings and 7 (-) 2.06 Lakhs (7 13.34 Lakhs) towards Plant & Equipment on account of exchange differences on Long	le ₹ (-) 0.42 L	akhs (PY ₹ 2	73 Lakhs) tow	ards Building	s and ₹ (-) 2.	06 Lakhs (₹	13.34 Lakhs) towards Pla	nt & Equip	ment on	account of (exchange d	ifferences c	n Long
=	Term Foreign C	Term Foreign Currency Loans (as permitted by Para D13AA of Ind AS 101)	permitted b	y Para D13/	AA of Ind AS 1	01)										
(q	Freehold Land	The following assets are jointly owned/held with the Holding Company :- Freehold Land and Development	wned/held v t	vith the Ho 103.78 Lak	with the Holding Company :- ₹103.78 Lakhs (Previous Year - ₹103.78 Lakhs)	ıy :- ear - ₹103.78	Lakhs)									
	Buildings Water and Sanitary Installati	tary Installations	n~ nv	56.78 Lakh		ar - 7 56.78 Lá - 7 8 15 Lakhe	akhs)									
	Electrical installations			22.07 Lakh	₹222.07 Lakhs (Previous Year - ₹22.07 Lakhs)	ar - ₹22.07 Lal	(hs)									
0 (j	Title Deeds of Freehold land The Additions in Bearer Plant		Coffee Estat	e has been italisation c	of a Coffee Estate has been hypothecated for financing part of the Working Capital facili: s represents capitalisation of Coffee plants which have attained maturity during the year.	I for financing s which have	g part of the attained ma	Working G	apital facilitie of the year.	S.						



Notes

to the Consolidated Financial Statements

Note No. 2 - Investment Property

Note No. 2 - Investment Property			
Particulars	Land	Buildings	Total
Gross Carrying Value as at April 1, 2016	-	7080.30	7080.30
Additions	1.05	-	1.05
Gross Carrying Value as at April 1, 2017	1.05	7080.30	7081.35
Disposal	-	(1797.08)	(1797.08)
Gross Carrying Value as at March 31, 2018	1.05	5283.22	5284.27
Accumulated Depreciation as at April 1, 2016	-	141.60	141.60
Depreciation	-	141.60	141.60
Accumulated Depreciation as at April 1, 2017	-	283.20	283.20
Depreciation	-	141.60	141.60
Disposal	-	(107.53)	(107.53)
Accumulated Depreciation as at March 31, 2018	-	317.27	317.27
Net Carrying Value as at April 1, 2016	-	6938.70	6938.70
Net Carrying Value as at April 1, 2017	1.05	6797.10	6798.15
Net Carrying Value as at March 31, 2018	1.05	4965.95	4967.00

The amount recognised in the Consolidated Statement of Profit and Loss for investment property:

	₹ in Lakhs
2018	2017
226.32	102.47
54.20	89.21
172.12	13.26
141.60	141.60
30.52	(128.34)
	₹ in Lakhs
2018	2017
186.47	226.39
86.08	269.32
	226.32 54.20 172.12 141.60 30.52

Notes to the Consolidated Financial Statements

Note No. 3 - Goodwill and Other Intangible Assets

Particulars	Goodwill	Brands/ Trademarks	Capitalized Software	Total
Gross Carrying Value as at April 1, 2016	114699.38	17298.71	2574.14	19872.85
Additions	-	-	274.00	274.00
Deductions/Adjustments	(2426.29)	(307.88)	(29.82)	(337.70)
Gross Carrying Value as at April 1, 2017	112273.09	16990.83	2818.32	19809.15
Additions	-	-	46.64	46.64
Deductions/Adjustments	579.23	126.60	17.93	144.53
Gross Carrying Value as at March 31, 2018	112852.32	17117.43	2882.89	20000.32
Accumulated Depreciation as at April 1, 2016	-	1045.00	637.70	1682.70
Amortisation	-	1074.00	701.00	1775.00
Accumulated Depreciation as at April 1, 2017	-	2119.00	1338.70	3457.70
Amortisation	-	1031.12	631.22	1662.34
Deduction/Adjustments	31.33	65.47	17.20	82.67
Accumulated Depreciation as at March 31, 2018	31.33	3215.59	1987.12	5202.71
Net Carrying Value as at April 1, 2016	114699.38	16253.71	1936.44	18190.15
Net Carrying Value as at April 1, 2017	112273.09	14871.83	1479.62	16351.45
Net Carrying Value as at March 31, 2018	112820.99	13901.84	895.77	14797.61

Management reviews the carrying value of goodwill annually to determine whether there has been any impairment. This involves making an assessment of the value of goodwill and comparing it to the carrying value. If the assessed value is lower than the carrying value, then an impairment charge is recognised to reduce the carrying value to this amount.

Value in use i.e. the enterprise value is calculated using cash flow projections over a period of 5 years, with amounts based on medium term strategic plans approved by the Board. Any major variations to strategic plan is based on experience are incorporated in the calculations. Cash flows beyond the 5 year period are extrapolated using a long term growth rate.

Key assumptions in the budgets and plans include future revenue volume/price growth rates, associated future levels of marketing support, cost-base of manufacture and supply and directly associated overheads. These assumptions are based on historical trends and future market expectations and the markets and geographies in which they operate.

Other key assumptions applied in determining value in use are

- (a) long term growth rate Cash flows beyond the five-year period are extrapolated using the estimated long-term growth rate applicable for the geographies, with reference to historical economic growth rates.
- (b) discount rate The discount rate is based on a Weighted Average Cost of Capital (WACC) for comparable companies operating in similar markets and geographies as the Group as the base discount rate.

The Group has performed sensitivity analysis around the base assumptions and has concluded that no reasonable possible changes in key assumptions would cause the recoverable amount to be less than the carrying value.



Notes to the Consolidated Financial Statements

Particular		Number of	20 1	18	20'	17
					20	17
	of Each (₹)	Shares	Current	Non-Current	Current	Non-Curren
A. Investments Carried at Fair Value through OCI						
Quoted Investments						
Investments in Quoted Equity Instruments						
Tata Chemicals Limited	10.00	160000	-	1083.44	-	958.00
Joonktolle Tea & Industries Limited #	10.00	12602	-		-	21.89
IDBI Bank Limited #	10.00	16160	-	-	-	12.14
Wartyhully Estates Limited #	10.00	24748	-	-	-	0.92
Aggregate Amount of Quoted Investments			-	1083.44	-	992.9
Total cost of Quoted Investments ₹ 424.21 lakhs (PY ₹ 444.88 Lakhs)						
Investments in Unquoted Equity Instruments						
Southern Scribe Instruments Private Limited *	100.00	7280	-	7.28	-	7.28
Armstrong Power Private Limited *	100.00	375	-	0.61	-	0.38
Armstrong Power Systems Private Limited *	100.00	460	-	0.90	-	0.46
K.T.V. Oil Mills Private Limited *	100.00	1565	-	1.02	-	
Coorg Orange Growers Co-Operative Society Ltd. **	100.00	4	-	-	-	
Tata Coffee Co-operative Stores Limited **	5.00	20	-	-	-	
Coorg Cardamom Co-operative Marketing Society Limited **	100.00	1	-	-	-	
Aggregate Amount of Unquoted Investments			-	9.81	-	8.12
B. Investments designated as Fair Value Through Profit and Loss						
Investments in Mutual Funds			3155.45	-	9863.83	
Cost of Investments in Mutual Funds ₹ 3052.18 Lakhs (PY ₹ 9621.71						
Lakhs)						
Aggregate Amount of Quoted Investments			3155.45	1083.44	9863.83	992.9
			3155.45	1093.25	9863.83	1001.07

**Represent Amount less than ₹ 1000

Note No. 5 - Loans						₹ in Lakhs
Particulars		2018			2017	
Particulars	Current	Non-Current	Total	Current	Non-Current	Total
Unsecured Considered Good						
Employee Loans and Advances	304.04	58.10	362.14	248.58	65.75	314.33
Inter Corporate Deposits to related parties	5500.00	-	5500.00	5500.00	-	5500.00
Inter Corporate Deposits to Others	-	-	-	300.00	-	300.00
	5804.04	58.10	5862.14	6048.58	65.75	6114.33

to the Consolidated Financial Statements

Note No. 6 - Other Financial Assets

Note No. 6 - Other Financial Assets						₹ in Lakhs
Particulars		2018			2017	
	Current	Non-Current	Total	Current	Non-Current	Total
Security Deposits						
- Secured, considered good	-	72.71	72.71	-	10.00	10.00
	-	72.71	72.71	-	10.00	10.00
Other Deposits						
- Unsecured, considered good	801.68	1650.14	2451.82	919.24	1650.14	2569.38
- Doubtful	38.00	3.84	41.84	38.00	3.84	41.84
Less: Provision for Doubtful Deposits	(38.00)	(3.84)	(41.84)	(38.00)	(3.84)	(41.84)
	801.68	1650.14	2451.82	919.24	1650.14	2569.38
Interest Accrued (includes from Related Parties ₹ 59.42	151.32	-	151.32	160.05	-	160.05
Lakhs (PY ₹ 59.92 Lakhs)						
Export Incentive Receivables	1536.46	-	1536.46	1644.93	-	1644.93
Advances to Related Parties	193.09	-	193.09	432.46	-	432.46
Other Financial Assets	2090.58	91.89	2182.47	2899.81	0.19	2900.00
	4773.13	1814.74	6587.87	6056.49	1660.33	7716.82

Movements in Provision for Financial Assets	₹ in Lakhs
As at April 1, 2016	41.84
Provision during the year	-
As at April 1, 2017	41.84
Provision during the year	-
As at March 31, 2018	41.84

Note No. 7- Other Non-Current and Current Assets						₹ in Lakhs
Particulars		2018			2017	
Particulars	Current	Non-Current	Total	Current	Non-Current	Total
Capital Advances	-	15746.63	15746.63	-	490.24	490.24
Advances to suppliers						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	533.50	-	533.50	997.93	-	997.93
Doubtful	60.75	2.99	63.74	60.75	2.99	63.74
Less: Provision for Doubtful Deposits	(60.75)	(2.99)	(63.74)	(60.75)	(2.99)	(63.74)
Other Receivables	1836.65	13.34	1849.99	1380.49	-	1380.49
Advances to Related Parties	15.91	-	15.91	-	-	-
Prepayments	357.94	2904.97	3262.91	548.55	13.70	562.25
	2744.00	18664.94	21408.94	2926.97	503.94	3430.91

Movements in Provision for Other Non-Current and Current Assets

	₹ in Lakhs
As at April 1, 2016	2.99
Provision for Doubtful Advances	60.75
As at April 1, 2017	63.74
Provision for Doubtful Advances	-
As at March 31, 2018	63.74



₹ in Lakhs 2017 Current 1308.50 12262.83 81.71 (81.71) 2424.25 15995.58

2017

2018

Notes

to the Consolidated Financial Statements

Note No. 8 - Inventories including Biological Assets	
Particulars	

Particulars	2010	2017
Particulars	Current	Current
Stores and spares	1700.18	1550.40
Raw materials	3921.97	5637.36
Raw materials in Transit	1653.40	723.19
Finished Goods	22419.08	21249.57
Work-in-progress including Growing Produce of ₹ 575.38 Lakhs (PY ₹ 180.21 Lakhs)	594.74	180.21
Stock-in-trade	2044.64	1511.89
	32334.01	30852.62

The mode of valuation of Inventories has been stated in Note No. 2.2(i) of Significant Accounting Policies. Inventories hypothecated as Security for part of the Working Capital facilities.

Note No. 9 - Trade Receivables

Particulars	2018 Current
Trade Receivables	
Secured, considered good	1593.61
Unsecured, considered good	16745.65
Doubtful	79.50
Less: Provision for Doubtful Receivables	(79.50)
Trade Receivables from Related Parties	1084.56
	19423.82

Trade Receivables hypothecated as Security for part of the Working Capital facilities.

The credit worthiness of trade debtors and the credit terms set are determined on a case to case basis. Adequate insurance cover has been taken on export debts. Based on the above, there is a low credit risk on Trade Receivables.

The fair values of trade receivables are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when they become overdue.

Movements in Provision for impairment of Trade Receivables

	tin Lakhs
As at April 1, 2016	84.80
Provision Reversal	(3.09)
As at April 1, 2017	81.71
Provision Reversal	(2.21)
As at March 31, 2018	79.50

Note No. 10 - Cash and Cash Equivalents/Bank Balances		₹ in Lakhs
Particulars	2018	2017
Unrestricted Balances with banks		
in current accounts	5640.87	4212.08
in deposit accounts with original maturity less than 3 months	2415.70	-
Cash in hand	4.51	4.69
Remittances in Transit	0.02	0.02
Unpaid Dividend/Debenture/Debenture Interest	217.64	208.10
	8278.74	4424.89

Cash and Cash Equivalents include the following for the purpose of Cash Flows:₹ in Lakhs20182017Cash and Cash Equivalents/Bank Balances8278.74Less: Unpaid Dividend/Debenture/Debenture Interest217.64Cash and Cash Equivalents/Bank Balances8061.104216.79

Notes

to the Consolidated Financial Statements

Note No. 11 - Non Current Assets Held for Sale

Particulars	Timber	Property, Plant & Equipment	Total
As at April 1, 2016	75.36	-	75.36
Additions	169.72	-	169.72
Disposals	(184.74)	-	(184.74)
As at April 1, 2017	60.34	-	60.34
Additions	170.66	164.71	335.37
Disposals	(149.62)	-	(149.62)
As at March 31, 2018	81.38	164.71	246.09

The Holding Company intends to dispose off certain Non-Current assets, it no longer utilises in the next 12 months. No impairment loss was recognised on reclassification of the assets as held for sale, as the Holding Company expects that the fair value less costs to sell is higher than the carrying amount.

		T
Note No 12: Equity Share Capital	2018	₹ in Lakhs 2017
Particulars	No of Shares	No of Shares
Authorised:		
250000000 (PY 250000000) Equity shares of ₹ 1 each with voting rights	2500.00	2500.00
Issued, Subscribed and Fully Paid:		
186770370 (PY 186770370) Equity shares of ₹ 1 each with voting rights	1867.70	1867.70
	1867.70	1867.70
A. Details of Shares held by Parent Company/Subsidiaries/Associates:		
A betails of shares hera by Farent company/substationes/Associates.		
	2018	2017
Name of Share holder	No of Shares	No of Shares
	% of Holding	% of Holding
Tata Global Beverages Limited - Parent Company	107359820	107359820
	57.48%	57.48%
B. Details of Shareholders holding more than 5% shares:		
	2018	2017
Name of Share holder	No of Shares	No of Shares
	% of Holding	% of Holding
Tata Global Beverages Limited - Parent Company	107359820	107359820
Number of shares	57.48%	57.48%
C. Reconciliation of number of shares:		
Particulars	2018	2017
Number of shares as at 1st April	186770370	186770370
Add: Shares issued during the year		-
Number of shares as at 31st March	186770370	186770370
D. Dividends Paid:		
Particulars	2018	2017
Dividends Paid	3268.48	2428.01
Dividend Per Share (₹)	1.75	1.30

E. Rights, Preferences and restrictions of Equity Shares:

The Company has one class of equity shares having a par value of \mathfrak{F} 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

The Board of Directors, in its meeting on 7th May, 2018, have recommended a dividend of ₹ 1.50 per share (face value of ₹ 1/- each) for the year ended 31st March, 2018. The proposal is subject to the approval of shareholders at the Annual General Meeting.



to the Consolidated Financial Statements

Note No. 13 - Nature and purpose of Reserves

Capital Redemption Reserve

A statutory reserve created to the extent of sum equal to the nominal value of the share capital extinguished on buyback of Company's own shares pursuant to Section 69 of the Companies Act, 2013.

Securities Premium Reserve

Securities Premium Reserve has been created consequent to issue of shares at premium. These reserves can be utilised in accordance with Section 52 of the Companies Act, 2013.

General Reserves II

Capital profits on sale value of own timber are transferred to General Reserve II through the Retained Earnings.

Amalgamation Reserves

Amalgamation Reserves pertains to the scheme of amalgamation of the Company with erstwhile Asian Coffee Limited, Coffee Lands Limited and SIFCO Limited.

Note No. 14 - Borrowings						₹ in Lakhs
Particulars		2018			2017	
	Current	Non-Current	Total	Current	Non-Current	Total
Secured Borrowings:						
Term Loans						
From Banks:	-	-	-	-	-	-
Senior Debt	-	42954.88	42954.88	-	44039.33	44039.33
External Commercial Borrowing	-	22643.93	22643.93	-	-	-
Working Capital Facilities	4500.00	-	4500.00	4299.88	-	4299.88
Unsecured Borrowings:						
Loans from related party	3096.65	19549.53	22646.18	5675.55	19454.58	25130.13
Loans from Banks	5095.57	-	5095.57	3000.00	-	3000.00
	12692.22	85148.34	97840.56	12975.43	63493.91	76469.34

1. Senior Debt is secured by specific security over the assets of overseas subsidiary. The overseas subsidiary is required to comply with various restrictive financial covenants including restriction on capital expenditure, additional indebtedness, acquisition and distributions to stockholders. As at the year end, the overseas subsidiary is in compliance with the financial covenants. The loan is repayable on quarterly basis.

2. External Commercial Borrowings are secured by Mortgage of Plant and Machinery of the Wholly owned subsidiary company. The loan is repayable on half-yearly instalments starting from Financial Year 2020-21.

- 3. Working Capital Facilities are secured by hypothecation of Coffee crop, inventories, finished/semi-finished goods/ receivables of the company. Part of the working capital facilities is also secured by deposit of title deeds of a coffee estate. The Working Capital is repayable on demand. The coupon rate is linked to Marginal Cost Fund based lending rates (MCLR).
- 4. Unsecured Loans from Banks are towards Working Capital facilities and are repayable on demand. The coupon rate is based on MCLR linked rates.

Notes

to the Consolidated Financial Statements

Note No. 15 - Other Financial Liabilities

Particulars -	2018			2017		
Particulars	Current	Non-Current	Total	Current	Non-Current	Total
Deposits received	-	487.44	487.44	-	488.57	488.57
Current maturities of long-term debt	1140.39	-	1140.39	1540.19	-	1,540.19
Unpaid Dividends/Debenture/Debenture Interest	217.64	-	217.64	208.10	-	208.10
Interest Accrued but not due	156.50	-	156.50	8.79	-	8.79
Employee Benefits	2370.76	-	2370.76	2476.06	-	2,476.06
Other Payables	12577.33	149.99	12727.32	10589.44	183.03	10772.47
	16462.62	637.43	17100.05	14822.58	671.60	15494.18
Note No. 16 - Provisions		2010			2017	₹ in Lakhs
Particulars -	Current	2018 Non-Current	Total	Current	2017 Non-Current	Total
	Current	Non-Current	TOLAI	Current	Non-Current	TOLA
Provision for employee benefits	961.70	3103.74	4065.44	1320.91	3244.77	4565.68
	961.70	3103.74	4065.44	1320.91	3244.77	4565.68
Details of Movement in Provisions:				Current Employee Benefits	Non-Current Employee Benefits	₹ in Lakhs Total Employee Benefits
Balance at April 1, 2016				857.97	2924.03	3782.00
Additions (net)				462.94	320.75	783.68
Balance at April 1, 2017				1320.91	3244.77	4565.68
Additions (net)				(359.21)	(141.03)	(500.24)
Balance at March 31, 2018				961.70	3103.74	4065.44



to the Consolidated Financial Statements

Note No. 17 - Tax Provision

Taxation						₹ in Lakhs
a) Tax charge in the Statement of Profit an	d Loss :					
Particulars					2018	2017
Current tax						
Current year					6127.18	9223.00
Less : Tax reversal of earlier years					(179.83)	-
Less : Adjustment from MAT credit through de	ferred tax				-	-
Deferred tax						
Income Tax expense for the year					(6053.34)	1611.08
					(105.99)	10834.08
b) Reconciliation of effective tax rate						₹ in Lakhs
					2018	2017
Profit before Tax					18593.88	31789.73
Tax using Domestic tax rate (Current year : 34.6	508% and Previous year	r 34.608%)			6434.97	10999.25
Tax effect of :		· · · · · · · · · · · · · · · · · · ·				
Income tax at different rate					(957.79)	825.20
Non-deductible tax expenses					233.63	224.42
Tax-exempt income					(377.97)	(1214.79)
Tax reversal of earlier years					(5438.83)	-
/					(105.99)	10834.08
						T · · · · ·
c) Current/Non-Current Tax Assets/Liabilit	ies				2018	₹ in Lakhs 2017
Current Tax Liabilities					340.82	1567.40
Non-Current Tax Assets					1360.49	1144.99
Non-Current lax Assets					1500.49	1144.99
d) The analysis of Deferred Tax Assets and	Deferred Tax Liabilitie	s is as follows				₹ in Lakhs
					2018	2017
Deferred Tax Asset					3338.61	1231.40
Deferred Tax Liabilities					15349.25	20673.00
Deferred Tax Liabilities (Net)					12010.64	19441.60
e) The movement in deferred income tax a	assets and (liabilities) d	luring the year i				₹ in Lakhs
Particulars	Depreciation	Other Liability	Provision for Doubtful Debts	Employee Benefits	Other Assets	Total
As at April 1, 2016	6437.08	13535.57	(25.17)	(459.76)	(1409.80)	18077.92
(Charged)/credited	-	-	-	-	-	-
- to Statement of Profit and Loss	682.99	(28.33)	(20.50)	(51.81)	1028.73	1611.08
- to Other Comprehensive Income	-	(42.46)	-	-	-	(42.46)
- Others	-	-	-	-	(204.93)	(204.93)
Ac at Amril 1 2017	7120.07	12464 70	(45 67)	(511 57)	(506.00)	10441 (1

7120.07

2897.20

10017.27

13464.78

(8352.07)

(168.92)

4943.79

(45.67)

(0.44)

(46.11)

(511.57)

(220.35)

(731.92)

(586.00)

(255.69)

(1330.70)

(2172.35)

19441.61

(5931.35)

(168.92)

(1330.70)

12010.64

As at April 1, 2017

(Charged)/credited

As at March 31, 2018

- to Statement of Profit and Loss

- to Other Comprehensive Income - Others

Notes to the Consolidated Financial Statements

Note No. 18 - Trade Pavables

note not to induct dyables	C III Editiis	
Particulars 2018	2017	
Current	Current	
Trade payables for goods & services		
Due to Micro & Small Enterprises (\$) 57.96	79.91	
Others 11240.67	9586.75	
Trade Payable to Related Parties 521.61	732.56	
11820.24	10399.22	

\$ includes amounts due beyond the applicable period of ₹ Nil (₹ Nil) and no interest is paid or payable.

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Holding Company.

Note No. 19 - Other Current Liabilities

Note No. 19 - Other Current Liabilities		₹ in Lakhs
Particulars	2018	2017
Particulars	Current	Current
Advances from Customers	882.56	625.50
	882.56	625.50

Note No. 20 - Revenue from Operations		₹ in Lakhs
Particulars	2018	2017
Sale of goods	131834.03	147024.74
Sale of Traded Goods	17341.96	5349.14
Rendering of services	732.10	673.29
Sale of Scrap/waste	215.71	202.88
Export Incentives	1940.49	2222.30
Royalty Income	3303.33	3642.56
Exchange Fluctuation (Net)	1018.09	754.73
Miscellaneous Income	346.64	730.54
	156732.35	160600.18

Note No. 21 - Other Income		₹ in Lakhs
Particulars	2018	2017
Interest Income		
On Advances and Deposits	694.34	834.93
Dividend Income		
Dividend income from Other Non Current Investments	17.59	16.11
Net Gain on sale of investments		
On sale of Non-Current investments	-	1.85
On sale of Current investments	238.35	221.72
Gain on investments carried at fair value through profit or loss	103.27	242.12
Profit on Sale of Biological Assets - Timber (Net)	650.77	806.35
Rental income from Investment property	226.32	102.47
Operating lease rental income	53.48	53.16
Profit on sale of Property, Plant and Equipment/Investment Property (net)	218.88	-
	2203.00	2278.71



to the Consolidated Financial Statements

Note No. 22 (a) - Cost of materials consumed		₹ in Lakh:
Particulars	2018	2017
Coffee	50022.07	47032.75
Others	1278.53	955.13
Tea	674.22	568.80
Packing Materials	8768.23 60743.05	8772.60 57329.34
	00745.05	57527.5
Note No. 22 (b) - Purchase of Traded Goods		₹ in Lakh
Particulars	2018	201
Coffee	9182.52	2721.48
Others	5058.98	1991.69
	14241.50	4713.10
Note No. 22 (c) - Changes in Inventories of finished goods, work-in-progres	ss, Stock-in-trade and Biological	₹ in Lakh
Assets Particulars	2018	201
Opening Inventories as at April 1	2010	201
Finished Goods	16420.94	16755.8
Work in Progress	5008.84	5374.9
Stock in Trade	1511.89	736.3
Steenmade	22941.67	22867.14
Closing Inventories as at March 31		
Finished Goods	16111.48	16420.94
Work in Progress	6902.33	5008.8
Stock in Trade	2044.64	1511.8
	25058.45	22941.6
	(2116.78)	(74.53
		T •
Note No. 23 - Employee Benefits Expense Particulars	2018	₹ in Lakh 201
Salaries and wages, including bonus	25818.67	26048.9
Contribution to provident and other funds	2351.99	2317.7
Workmen and Staff Welfare	2193.87	2207.1
	30364.53	30573.7
Note No. 24 - Finance Costs		₹ in Lakh
Particulars	2018	201
Interest Expense		
	1281.99	1443.3
On Fixed Loans		1051.0
On Fixed Loans On Other Loans	1786.03	1851.9
On Fixed Loans On Other Loans	1786.03 270.09	
On Fixed Loans		1851.9 238.4 164.7

Notes to the Consolidated Financial Statements

Note No. 25 - Other Expenses

Note No. 25 - Other Expenses		₹ in Lakhs
Particulars	2018	2017
Contract/Processing Charges	2094.19	1894.31
Consumption of Stores and Spare Parts	3344.50	3447.40
Power and Fuel	5038.19	4661.53
Repairs and Maintenance	1872.45	1875.17
Rent including Lease Rentals	913.82	803.72
Rates and Taxes	437.70	523.51
Advertisement and Sale Charges	3534.73	5738.51
Selling Expenses	2526.65	2368.17
Freight	4840.35	4365.21
Insurance	527.07	403.80
Provision for Doubtful Debts and Advances	-	60.75
Expenditure on Corporate Social Responsibility	220.99	221.29
Payment to Statutory Auditors	100.69	109.74
Professional Charges	1372.90	2046.63
Miscellaneous Expenses	252.45	419.80
Loss on sale of Property, Plant and Equipment	-	24.61
	27076.68	28964.15
Note No. 26 - Exceptional Items		₹ in Lakhs
Particulars	2018	2017
Expenses	2010	2017
Expenditure on Long Term Initiatives		231.23
Redundancy Costs Due To Business Restructuring	1081.30	
	1081.30	231.23
	1001130	231.23



106.63

67.14

Notes to the Consolidated Financial Statements

Note No. 27 - Estimated amounts of Contracts remaining to be executed:	2018	₹ in Lakhs 2017
Estimated amounts of contracts remaining to be executed on capital account and not provided for	11686.39	1319.26
Note No. 28 - Contingent Liabilities:		
Claims under adjudication not acknowledged as debts:		
i) Demands raised by Income Tax, Excise & Sales Tax Authorities	1217.55	1004.79
ii) Labour disputes under adjudication	94.00	94.00

ii) Labour disputes under adjudicationiii) Claims by Customers/ Suppliers

Note No. 29 - Litigations

- (i) There is a dispute on account of stamp duty claim on a transfer of property where the stamp duty amounts are indeterminate.
- (ii) Holding Company's overseas subsidiary EOC along with several other coffee companies that roast, package, market and/or sell coffee in the State of California are defendants in a public interest litigation filed by an organization named Council of Education and Research on Toxics (CERT). The litigation contends that since coffee contains the chemical acrylamide, warning have to be included for coffee sold in that state pursuant to California state law. Acrylamide is not added to coffee but forms in trace amounts as part of a chemical reaction that occurs in coffee beans when it is roasted.

EOC is part of a Joint Defense Group that is arguing the case on behalf of several leading coffee companies as defendants. The outcome and potential liability, if any, to the subsidiary on account of their sales in the state of California is not determinable at present till the receipt of judgment which is appealable in higher courts.

		₹ in Lakhs
Note No. 30 - R & D Expenditure	2018	2017
Capital Expenditure	38.68	27.75
Revenue Expenditure	83.30	69.13
Total	121.98	96.88
Total R & D Expenditure as a % of Revenue	0.08%	0.06%

		₹ in Lakhs
Note No. 31 - Payment to Statutory Auditors	2018	2017
Audit Fees	40.00	37.51
Tax Audit Fees	12.00	10.00
Other Services \$\$	48.00	58.13
For reimbursement of expenses	0.69	4.10
Total	100.69	109.74

\$\$ Other services include Quarterly and Half-yearly Audit attestation, Taxation & Other matters.

Note No. 32 - Leases	2018	₹ in Lakhs 2017
Operating Leases		
Minimum lease payments outstanding		
Within 1 Year	838.18	719.17
1 to 2 Years	883.80	753.54
2 to 5 Years	1951.52	2020.03
Over 5 Years	2726.86	713.98
Total	6400.36	4206.72

		₹ in Lakhs
Note No. 33 - Basic and Diluted Earnings per share	2018	2017
Profit for the year attributable to owners of the Holding Company ($\overline{\epsilon}$ in Lakhs)	10663.36	15115.09
Weighted average number of equity shares	186770370	186770370
Nominal Value per equity share (₹)	1.00	1.00
Earnings per share from continuing operations - Basic and Diluted (₹)	5.71	8.09

to the Consolidated Financial Statements

Note No. 34: Financial Instruments-Accounting Classification and fair values

A. Financial Instruments

A. Accounting Classification and Fair Values

								Ę	₹ in Lakhs	
	_	Carrying Amount					Fair Value			
March 31, 2018		FVTPL	FVTOCI	Cost/ Amortised Cost	Total	Level 1	Level 2	Level 3	Total	
Financial Assets:										
Quoted Equity Investments	Non-Current	-	1083.44	-	1083.44	1083.44	-	-	1083.44	
Unquoted Equity Investments	Non-Current	-	9.81	-	9.81	-	9.81	-	9.81	
Loans	Non-Current	-	-	58.10	58.10	-	-	-	-	
Other Financial Assets	Non-Current	-	-	1814.74	1814.74	-	-	-	-	
Investment in Mutual Funds	Current	3155.45	-	-	3155.45	3155.45	-	-	3155.45	
Trade Receivables	Current	-	-	19423.82	19423.82	-	-	-	-	
Cash and Cash Equivalents	Current	-	-	8278.74	8278.74	-	-	-	-	
Loans	Current	-	-	5804.04	5804.04	-	-	-	-	
Other Financial Assets	Current	-	-	4773.13	4773.13	-	-	-	-	
Total Financial Assets		3155.45	1093.25	40152.57	44401.27	4238.89	9.81		4248.69	

									₹ in Lakhs
			Carryin	g Amount			Fair Va	lue	
March 31, 2018		FVTPL	FVTOCI	Cost/ Amortised	Total	Level 1	Level 2	Level 3	Total
				Cost					
Financial Liabilities:									
Borrowings	Non-Current	-	-	85148.34	85148.34	-	-	-	-
Other Financial Liabilities	Non-Current	-	-	637.43	637.43	-	-	-	-
Borrowings	Current	-	-	12692.22	12692.22	-	-	-	-
Trade payables	Current	-	-	11820.24	11820.24	-	-	-	-
Other Financial Liabilities	Current	-	-	16462.62	16462.62	-	-	-	-
Total Financial Liabilities		-	-	126760.85 1	26760.85	-	-	-	-

									₹ in Lakhs	
		Carrying Amount					Fair Value			
March 31, 2017		FVTPL	FVTOCI	Cost/ Amortised Cost	Total	Level 1	Level 2	Level 3	Total	
Financial Assets:										
Quoted Equity Investments	Non-Current	-	992.95	-	992.95	992.95	-	-	992.95	
Unquoted Equity Investments	Non-Current	-	8.12	-	8.12	-	8.12	-	8.12	
Loans	Non-Current	-	-	65.75	65.75	-	-	-	-	
Other Financial Assets	Non-Current	-	-	1660.33	1660.33	-	-	-	-	
Investment in Mutual Funds	Current	9863.83	-	-	9,863.83	9863.83	-	-	9863.83	
Trade Receivables	Current	-	-	15995.58	15995.58	-	-	-	-	
Cash and Cash Equivalents	Current	-	-	4424.89	4424.89	-	-	-		
Loans	Current	-	-	6048.58	6048.58	-	-	-	-	
Other Financial Assets	Current	-	-	6056.49	6056.49	-	-	-	-	
Total Financial Assets		9863.83	1001.07	34251.62	45116.52	10856.78	8.12	-	10864.90	



Notes to the Consolidated Financial Statements

Note No. 34 - Financial Instruments-Accounting Classification and fair values (continued)

									₹ in Lakhs
			Carryir	g Amount			Fair	/alue	
				Cost/					
March 31, 2017		FVTPL	FVTOCI	Amortised	Total	Level 1	Level 2	Level 3	Total
				Cost					
Financial Liabilities:									
Borrowings	Non-Current	-	-	63493.91	63493.91	-	-	-	-
Other Financial Liabilities	Non-Current	-	-	671.60	671.60	-	-	-	-
Borrowings	Current	-	-	12975.43	12975.43	-	-	-	-
Trade payables	Current	-	-	10399.22	10399.22	-	-	-	-
Other Financial Liabilities	Current	-	-	14822.58	14822.58	-	-	-	-
Total Financial Liabilities		-	-	102362.74 1	02362.74	-	-	-	-

B. Measurement of fair values

The basis of measurement in respect to each class of financial asset, financial liability is disclosed in Note 2.2 (h) of Significant Accounting Policies.

Note No. 35 - Financial Risk Management

Risk management framework

The Board of Directors of the respective Companies have the overall responsibility for the establishment and oversight of the their risk management framework. The respective boards have established the Risk Management Committee for developing and monitoring the risk management policies. The committees reports regularly to the Board of Directors on their activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit which regularly reviews risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group has exposure to Credit, Liquidity and Market risks arising from financial instruments:

A. Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for Creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer and reviewed periodically. As at March 31, 2018, the ageing of Trade Receivables and the maximum exposure to credit risk by geographic region was as follows:

		₹ in Lakhs
Ageing of Trade Receivables	2018	2017
Not Overdue	16852.00	14898.07
Past due upto 3 months	1880.30	1060.76
Past due more than 3 Months but less than 6 Months	233.06	0.30
Past due more than 6 months	458.46	36.45
	19423.82	15995.58

		₹ in Lakhs
Segregation by Geography	2018	2017
CIS Countries	1756.29	2954.51
USA	8771.22	6548.09
Rest of the World	6036.72	4134.70
India	2859.59	2358.28
Total Trade Receivables	19423.82	15995.58

Notes to the Consolidated Financial Statements

At the end of the reporting period, there are no significant concentrations of credit risk. The carrying amount reflected above represents the maximum exposure to credit risk.

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 8061.10 Lakhs at March 31, 2018 (March 31, 2017: ₹ 4216.79 Lakhs).

B. LIQUIDITY RISKS:

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Maturities of Financial Liabilities:										₹ in Lakhs
		201	8				20	17		
	Within 1	Due from 1	Due from 2	After 5	Total	Within 1	Due from 1	Due from 2	After 5	Total
	year	to 2 years	to 5 years	years	Total	year	to 2 years	to 5 years	years	Total
Borrowings	32986.55	1865.17	50077.28	14051.96	98980.95	33914.13	1079.75	43015.65	-	78009.53
Trade Payables	11820.24	-	-	-	11820.24	10399.22	-	-	-	10399.22
Deposits	-	487.44	-	-	487.44	-	488.57	-	-	488.57
Unpaid Dividend/Debenture/	217.64	-	-	-	217.64	208.10	-	-	-	208.10
Debenture Interest										
Interest Accrued	156.50	-	-	-	156.50	8.79	-	-	-	8.79
Employee Benefits	2370.76	-	-	-	2370.76	2476.06	-	-	-	2476.06
Other Payables	12670.73	56.59	93.40	-	12727.32	10589.44	183.03	-	-	10772.47
Total	60222.42	2409.20	50170.68	14051.961	26760.85	57595.74	1751.35	43015.65	- 1	102362.74

C. MARKET RISKS:

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Group's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables.

The Plantation Industry is dependent on nature, making it susceptible to climate vagaries. The major weather factors that influence coffee yield are rainfall, temperature, light intensity and relative humidity. To mitigate the risk of drought conditions, the Group has invested significantly on augmentation of irrigation capacities rain water harvesting to improve the water table and enhance the water storage capacity. With regard to Plantation Operations, borer infestation is a continuous threat being faced . The Group, in addition to regular tracing and chemical control, has taken rigorous initiatives to curb pest incidence. It is also working closely with various R&D cells for developing effective measures in this regard.

Commodity Price Risk

The Group's exposure to Market risk for commodity prices can result in changes to realisation for its Plantation products and Cost of Production for its value added products. The risk associated is actively monitored for mitigation options. The other mitigants includes strict implementation of Board mandated Commodity policy and also the natural hedge arising on export of Plantation produce vis a vis import of Coffee for value added segment. The overseas subsidiary to manage the risks associated with commodity prices enters into Coffee Futures and Option Contracts.



Notes to the Consolidated Financial Statements

Coffee Futures:

The overseas subsidiary uses Coffee future contract to reduce its price risk associated with forecasted purchases of Coffee beans. Throughout the year, the overseas subsidiary enters into coffee futures based on market price and anticipated production requirements. The subsidiary determines the level and timing of coffee futures contract settlements to meet those production requirements throughout the year. These coffee futures have been designated as Cash Flow Hedges.

Option Contracts:

As at March 31, 2018 and 2017, the overseas subsidiary has written put contracts which require the subsidiary to purchase coffee if the spot price falls below the strike price and the option is exercised by the holder. The subsidiary has also open written call contracts which require the subsidiary to sell coffee if the spot price rises above the contract price and the option is exercised by the holder. For these obligations, the overseas subsidiary receives a premium. The overseas subsidiary also has bought put and call options for which the subsidiary pays a premium. The bought puts give the subsidiary the right to sell Coffee if the price falls below the contract strike price.

			2018		2017			
Type of Commodity	Futures/Options	No. of Contracts	Amount Hedged USD in Mm	Fair Value ₹ Lakhs	No. of Contracts	Amount Hedged USD in Mm	Fair Value ₹ Lakhs	
Coffee	Options - Written Puts	33	15.62	(301.74)	6	11.80	(276.26)	
Coffee	Options - Purchased Puts	12	(11.23)	58.00	4	(10.84)	88.20	
Coffee	Options - Written Calls	18	30.57	(101.67)	11	21.12	(89.49)	
Coffee	Options - Purchased Calls	46	(28.06)	96.45	13	(23.94)	203.63	
Coffee	Futures	97	14.95	(597.61)	88	12.76	55.12	
Coffee	Structures - Core	-	-	-	4	12.36	(115.43)	
Coffee	Structures - Double Up	-	-	-	4	12.44	(585.60)	

Commodity Price

		₹ in Lakhs
	2018	2017
Details	Effect on Profit	Effect on Profit
	Before Tax	Before Tax
5% increase	457.49	424.12
5% decrease	(457.49)	(424.12)

Currency Risk

The Group is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. The Group does not use derivative financial instruments for trading or speculative purposes. Following is the derivative financial instruments to hedge the foreign exchange rate risk as of March 31, 2018:

							In Lakins
			2018			2017	
Type of Derivative	Currency Pair	No. of	Amount Hedged	Fair Value	No. of	Amount Hedged	Fair Value
	currency Pair	Contracts	USD Mm	₹ Lakhs	Contracts	USD Mm	₹ Lakhs
Forward exchange contracts	USD INR	94	31.05	(63.70)	81	20.65	830.72
Forward exchange contracts	EUR INR	6	0.77	1.29	2	0.21	12.33

Notes to the Consolidated Financial Statements

The carrying amount of the company's foreign currency denominated monetary Assets and Liabilities at the end of reporting period is as below Amount in Mm

Currenter	Monetary assets			Monetary Liabilities		
Currency	2018	2017	2018	2017		
USD	11.62	11.92	1.22	1.29		
EUR	0.18	0.11	-	0.03		

Following Table summarises approximate gain/(loss) on the Group Profit before tax and pre-tax equity on account of appreciation/depreciation of underlying foreign currencies of the above table.

		< In Lakns
Details	Effect on Profi	t before tax
Details	2018	2017
Average USD rate	64.45	67.10
Average EUR rate	75.42	73.81
5% appreciation of USD INR	342	151
5% depreciation of USD INR	(342)	(151)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

						₹ in Lakhs
	2018			2017		
Type of Derivative	Currency	No. of Contracts	Amount Hedged		Amount Hedged	Fair Value
	,		USD Mm	₹ Lakhs	USD Mm	₹ Lakhs
Interest Rate Swap-ECB	USD	3	30.54	(294.51)	0.625	(0.02)
Interest Rate Swap-Senior Debt	USD	1	33.98	19.55	39.53	87.55

Exposure to Interest Rate Risk

Group's interest rate risk arises from borrowings and finance lease obligations. Borrowings issued at fixed rates and finance lease obligations exposes to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

The following Table demonstrates the sensitivity on the Group's profit before tax, to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of Hedge Accounting, with all other variables held constant:

		₹ in Lakhs
Details	Effect on Profi	t before tax
	2018	2017
50 basis Points increase	(297.74)	(169.32)
50 basis Points decrease	297.74	169.32

Capital Management

The Group's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Group. The Group determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirement are met through equity, borrowings and operating cash flows required.

The Group's Debt to equity ratio at March 31, 2018 was as follows.

		₹ in Lakhs
	2018	2017
Total Debt	98980.95	78009.53
Total Equity	146940.05	135659.86
Debt Equity Ratio	0.67:1	0.58:1



to the Consolidated Financial Statements

Note No. 36 - Employee Benefits Obligation

Post Retirement Employee Benefits:

Defined Contribution Plans: a)

An amount of ₹1999.58 Lakhs (previous year: ₹ 2041.57 Lakhs) has been charged to the Statement of Profit and Loss towards defined contribution schemes

(b) Defined Benefit Plans:

The post retirement Defined Benefit Plans are limited to the Holding Company and the disclosures of the same are covered in Note No. 37 of the Standalone Financial Statements.

Note No. 37 - Fair Value Measurement

The Fair Value Measurement disclosures are limited to the Holding Company and disclosures of the same are covered in Note No. 38 of the Standalone **Financial Statements**.

Note No. 38 - Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products, services, geographic areas and major customers. Based on the 'Management' approach as defined under Ind AS108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance on a periodical basis and allocates resources based on an analysis of the performance of various Business and Geographical Segments. The Group's CODM is the Managing Director and Chief Executive Officer. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the Significant Accounting Policies.

Primary Segment								₹ in Lakhs
	PLANT	ATION	VALUE	ADDED	UNALLO	CATED	TO	TAL
			PROD	UCTS				
	2018	2017	2018	2017	2018	2017	2018	2017
I. Segment Revenue								
External Sales	30993.19	33531.01	127738.33	129484.96	1526.25	1468.43	160257.77	164484.40
Less: Inter-Segment Sales	1322.42	1605.51	-	-	-	-	1322.42	1605.51
Total Revenue	29670.77	31925.50	127738.33	129484.96	1526.25	1468.43	158935.35	162878.89
II. Segment Results	(246.03)	6751.80	22799.95	29736.12	-	-	22553.92	36487.92
Interest Expense	-	-	-	-	-	-	(3459.89)	(3698.52)
Unallocated & Exceptional Income/(Expense)	-	-	-	-	-	-	(500.15)	(999.67)
Profit Before Tax	-	-	-	-	-	-	18593.88	31789.73
III. Income Taxes	-	-	-	-	-	-	(105.99)	10834.08
IV. Net Profit	-	-	-	-	-	-	18699.87	20955.65
V. Segment Assets	44705.20	39876.63	225568.88	195723.77	20726.28	28622.39	291000.36	264222.79
VI. Segment Liabilities	6137.02	5263.47	119240.86	104872.28	18682.43	18427.18	144060.31	128562.93
VII. Additions to Non-Current Assets	5409.36	3473.76	23944.98	3821.87	120.34	46.80	29474.68	7342.43
VIII. Depreciation and Amortisation	724.11	667.07	4466.77	4616.27	300.42	370.16	5491.30	5653.50
IX. Material Non-Cash Items other than Depreciation	-	0.02	-	60.73	-	-	-	60.75
and Amortisation								

Notes :

Business Segments : The internal business segmentation and the activities encompassed therein are as follows : a)

Plantation : Includes cultivation, manufacture and sale of Coffee and Other Plantation Crops. i)

ii) Value Added Products : Includes Production and Sale of Roasted & Ground and Instant Coffee Products

Unallocated income includes income from investments & exceptional items and expenditure includes expenses incurred on common iii) services at the Corporate level

The Segment wise revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. b)

Note No. 38 (a) - Geographical Segment Reporting

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

		र in Lakhs
	2018	2017
Secondary (Geographical) Segments		
CIS Countries *	14099.24	19101.73
Rest of the World *	24268.34	26142.33
USA	86189.21	82717.66
India	34378.56	34917.17
Total	158935.35	162878.89

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

Notes to the Consolidated Financial Statements

Name of the Entity Net Assets Share in Profit or Loss C. Amount As % of Amount As % of Amount As % of Amount As % of Amount Ar Consolidated (* in Lakhs) Consolidated (* in Lakhs) Consolidated Holding Company Net Assets Profit or Loss Profit Profit Lata Coffee Limited 81.99% 92016.42 26.79% 2856.64 Lata Coffee Limited 81.99% 92016.42 26.79% 2856.64 Lata Coffee Limited 2.99% 3356.51 14.04% (256.49) Lata Coffee Venom 2.99% 3356.51 2.41.9% (256.49) Lata Coffee Venom 2.99% 3356.54 (7.37.9% (8036.51) Less: Non controlling (30.91.9%) (17.94.2.16) - -								
As a % of As a % of Consolidated Amount R in Lakhs) As a % of Profit on Lakes Company Rent Assets Profit on Lakes Company 81.98% 92016.42 26.79% ee Limited 81.98% 69209.28 150.98% ated Coffee Inc. 61.93% 69509.58 150.98% ated Coffee Inc. 1.93% 69509.56 120.98% ated Coffee Inc. 1.94696.48) (75.37%) 0.001% n controlling 30.91% (17.942.16) -	Communication In some	Share of Total	Net Assets	Share in Profit or Loss	r Loss Share of Other	f Other	Share of Total	
As a % of Amount As a % of Consolidated (* in Lakhs) Consolidated Net Assets Profit on Loss Profit on Loss Company 81.98% 92016.42 26.79% ee Limited 81.93% 69209.28 150.98% ee Vietnam 2.99% 3356.51 (2.41%) Affect 2.99% (3.4696.48) (75.37%) n controlling 30.91% (17.942.16) -	Comprenensive Incom	Comprehensive Income Comprehensive Income			Comprehens	Comprehensive Income Comprehensive Income	nprehensive Ir	ome
Consolidated (7 in Lakhs) Consolidated Net Assets Profit or Loss Ret Masets Profit or Loss Ret Masets 92016.42 26.79% Ret Maset 81.98% 92016.42 26.79% Ret Assets 81.98% 93016.42 26.79% Ret Assets 81.98% 93016.42 26.79% Ret Active 81.98% 93016.42 26.79% Ret Coffee Inc. 61.93% 69509.28 150.98% Ret Vernam 2.99% 3356.51 (24.1%) N Limited 2.99% (175.97%) (75.37%) n controlling (30.91%) (175.97%) -	Amount As a % of Amount As a % of	nt Asa%of Amount	As a % of Amount	As a % of	Amount As a % of Amount As a % of Amount	Amount	Asa%of A	mount
Company ref roaces ref roaces Ree Limited 81.98% 92016.42 26.79% 2856.64 ries 81.98% 69509.28 150.98% 1609972 ee Vernam 2.99% 33356.51 (2.41.%) (256.49) vLimited 2.09% 3356.51 (7.41.%) (256.49) n controlling 30.91% (34696.48) (75.37%) (8036.51) n controlling (30.91%) (17.942.16) - -	ぼれLakhs) Consolidated ぼれLakhs) Consolidated ぼれLakhs) Consolidated ぼれLakhs) Consolidated ぼれLakhs) Consolidated ぼれLakhs) Booterscient B	s) Consolidated (آ in Lakhs) المحمود مدامد	Consolidated (7 in Lakh	Consolidated (₹ i Droft or locs	n Lakhs) Consolidated	(🕈 in Lakhs) Cons	Consolidated (₹ in Drofit or Lorr	i Lakhs)
ee Limited 81.98% 92016.42 26.79% fiels at a field 81.98% 92016.42 26.79% at at a for a field of the field at a field of the field of t	LIGHT OF FO33	LIGHT OF E033	1101 12200				11 OI L033	
ee Limited 81.98% 92016.42 26.79% ites atred Coffree Inc. 61.93% 69509.28 150.98% 1 Jeen Verenam 2.99% 6350.51 (2.41.%) Verentrenam 2.99% (3.4696.48) (75.37%) (8 n controlling (30.91%) (3.4696.48) (75.37%) (8 solidation (15.99%) (17.942.16) -								
ries ated Coffee Inc. 61.93% 69509.28 150.98% · tee Viernam 2.99% 3356.51 (2.41%) y Limited (75.37%) (n controlling (30.91%) (3.4696.48) (75.37%) (n solidation (15.99%) (17942.16) -	356.64 56.21% (205.05)	5) 25.75% 2651.59	84.88% 89727.19	9 61.22%	9253.21 6.11%	(27.17)	62.89%	9226.04
ated Coffee Inc. 61.93% 69509.28 150.98% · ee Viernam 2.99% 3356.51 (2.41%) y Limfied 30.91% (3.4696.48) (75.37%) (n controlling 30.91%) (17942.16) - ssolidation (15.99%) (17942.16) -								
ated Coffree Inc. 61.93% 69509.28 150.98% 7 ee Vietnam 2.99% 3356.51 (2.41%) 7 V Linnited 2.99% 34696.48 (75.37%) (n controlling (30.91%) (34696.48) (75.37%) (nsolidation (15.99%) (17942.16) - -								
2.99% 3356.51 (2.41%) 3 (30.91%) (3.4696.48) (75.37%) (6 (15.99%) (17.942.16) -	099.72 (56.94%) 207.69	9 158.35% 16307.41	56.76% 59997.62	77.43%	11703.21 187.48%	(833.95)	74.09% 10	0869.26
3 (30.91%) (34696.48) (75.37%) (15.99%) (17942.16) -	56.49) 72.31% (263.76)	5) (5.05%) (520.25)						1
g (30.91%) (34696.48) (75.37%) (15.99%) (17942.16) -								
(15.99%)	36.51) 28.42% (103.67)	7) (79.04%) (8140.18)	(28.33%) (29948.73)	(38.65%)	(5841.33) (93.59%)	416.31	(36.98%) (5	(5425.02)
(15.99%)								
	•		(13.31%) (14064.95)	-			Ţ	1
Elimination								
TOTAL 100.00% 112243.57 100.00% 10663.36	63.36 100.00% (364.79)	9) 100.00% 10298.57	100.00% 105711.13	100.00%	15115.09 100.00%	(444.81)	100.00% 14	14670.28

TATA COFFEE LIMITED

Notes

to the Consolidated Financial Statements

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		Promoter	oter	Parent Company		Key Management Personnel/		Fellow Subsidiaries/ JVs	sidiaries/	Subsidiaries/JVs of Promoter	es/JVs of ter	Post Employment Benefit Plans	yment lans	Total	_
	-				_	Independent Director	Director		- 1						1
v		For the	For the	For the	For the	For the	For the	For the	Forthe	For the	For the	For the	For the	For the	Forthe
i S	Nature of transaction	year	year	year 	year 	year	year	year	year	year	year 	year 	year	year	yea
		ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	endec
		3 IST Maurh	31ST Maurh	31ST Mauch	3 I ST Mauch	31ST Maurh	3 I ST Mauch	31ST Mauch	3 I ST Maurh	31ST	3 I ST Mouth	31ST Mauch	3 I ST Mauch	31ST March	315 Mauch
		2018 2018	2017 2017	2018 2018	2017 2017	2018	2017 2017	2018 2018	2017 2017	2018	2017 2017	2018	Marcn, 2017	2018 2018	2017 2017
	Sale of Goods			3363.03	2651.57		1	1736.50	5005.11	1	0.59			5099.53	7657.27
~	Rendering of Services	1	1	1	1	1	1	150.64	167.82	29.85	28.99			180.49	196.81
m	Purchase of Goods	- 1	1	65.99	66.02	1	1	1	1	1973.75	1		1	2039.74	66.02
4	Director Remuneration*		1	1	1	714.13	818.30	1	1		1			714.13	818.30
Ь	Receiving of Services	252.09	278.35	468.69	760.31		ľ	4378.84	4929.78	129.97	161.13	1	ľ	5229.59	6129.57
9	Reimbursement of	1	,	(125.22)	(140.69)		1	1	11.01	1	1		,	(125.22)	(129.68)
	expenses/(income) - Net														
~	Interest Payment	1						1391.52	1374.21				•	1391.52	1374.21
∞	Dividend Paid	1		4114.34	4509.84		1	1151.68	1604.30	1		1	•	5266.02	6114.12
6	Advances Paid							1					•	1	
10	Contribution to Post	1		1		1	1	1		1	I	1304.29	783.88	1304.29	783.88
	Retirement Benefit Plans														
;	Inter Corporate Loans paid			1				1		5500.00	5500.00	1	•	5500.00	5500.00
12	Interest Accrued on Inter		1	1	1	1	T	1	1	470.59	668.28		1	470.59	668.28
	Corporate Loans														
13	Loan outstanding at the	1	1	1	1		1	22646.18	25130.13	1	1	i.	- 2	22646.18	25130.13
	year end - Tata Global														
	Beverages Investments Ltd.														
14	Outstanding at the year Credit	232.83	278.35	15.76	257.22	I.	1	395.55	490.24	3.84	20.57	i.	'	647.98	1046.38
	end			OD6 F 7	NA 7AC			CCLLC	71 EK 01	576010	00 0003			605300	0116 62
I	הלטון		'	10000	++· /07		'	70.117	10.0012	V1.20/C	00.7720			44.7000	01100

The above information is excluding taxes and duties except Outstanding Balances at the year end.

8 8

* Includes contribution towards Provident Fund and Superannuation Fund



Note No. 39 - Related Party Transactions

Notes to the Consolidated Financial Statements

Names of related parties and description of relationship

1.	Promoter Company	Tata Sons Limited
).	Parent Company	Tata Global Beverages Limited
	Key Management Personnel	Mr Sanjiv Sarin, Managing Director & CEO
		Mr Chacko Purackal Thomas, Executive Director and Deputy CEO
		Mr K Venkataramanan, Executive Director - Finance & CFO
		Mr T Radhakrishnan, Executive Director (upto 7th November, 2017).
	Fellow Subsidiaries/JVs	OOO Sunty LLC (Ceased to be a related party with effect from 4th November, 2017).
		Tata Global Beverages Investments Ltd.
		Tata Global Beverages GB Ltd.
		Good Earth Tea Inc.
		Good Earth Corporation
		Tetley USA Inc.
		Tata Global Beverages US Holdings Inc.
		Tata Global Beverages Services Limited
		Tata Global Beverages Capital Limited
		Tata Global Beverages Canada Inc.
		Tata Starbucks Private Limited
		Empirical Group LLC
		Tata Water LLC
		Tea Pigs US LLC
		Tata Global Beverages Australia Pty. Ltd.
		Earth Rules Pty.Ltd.
		Amalgamated Plantations Private Limited
	Subsidiaries/JVs of Promoter	Tata Consultancy Services Limited
		Tata Housing Development Company Limited
		Tata Teleservices Limited
		Taj Air Limited
		Tata SIA Airlines Limited
		Tata Uganda Limited
		Tata Communications Limited
	Post Retirement Benefit Plans	Tata Coffee Staff Provident Fund Trust
		Tata Coffee Superannuation Scheme
		Tata Coffee Employees Gratuity Fund

R. HARISH BHAT Chairman

K. VENKATARAMANAN Executive Director - Finance & CFO SANJIV SARIN Managing Director & CEO

S. SANTHANAKRISHNAN

Director

Place: Bengaluru Date: 7th May, 2018 N. ANANTHA MURTHY Company Secretary



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

		RABICA			OBUSTA			TEA	
Name of the Estate	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	16	1044	356.70	462	1295			
Balmany	4.10	1	303	213.80	92	431			
Cannoncadoo	98.00	42	433	198.50	133	670			
Cottabetta	6.56	3	445	393.74	387	983			
Coovercolly	261.90	151	575	209.20	144	688			
Jumboor	353.30	236	669	0.00	0	0			
Margolly	190.16	100	525	277.42	194	701			
Nullore	363.06	409	1126	77.70	97	1248			
Pollibetta	12.30	6	517	292.06	278	953			
Sunticoppa	208.50	140	672	0.00	0	0			
Woshully	17.25	6	337	444.95	329	738			
Yemmigoondi	46.40	26	557	484.40	425	876			
COORG	1576.53	1136	721	2948.47	2541	862			
Gubgul	3.60	3	694	125.95	163	1297			
Goorghully	167.87	85	505	224.05	306	1367			
Karadibetta	97.80	52	531	254.80	192	755			
Merthikhan	78.86	52	657	25.25	23	920			
Mylemoney	341.63	321	939	78.90	121	1528			
Ubban	180.70	132	733	206.75	241	1166			
HASSAN	870.46	644	740	915.70	1047	1143			
11/05/11	2446.99	1780	728	3864.17	3588	928			
Tamil Nadu	2110022		, 20	500		720			
Valparai	396.99	110	277	233.64	148	634			
TEA:	0,000			200101					
KARNATAKA									
Merthikhan							109	310	2844
Glenlorna							245	867	3540
TAMIL NADU							2.10		
Pachamalai							301	715	2375
Pannimade							418	758	1813
Uralikal							430	860	2000
Velonie							393	933	2374
KERALA								,,,,,	2071
Malakiparai							530	1186	2239
Grand Total	2843.98	1890	665	4097.81	3736	912	2426	5629	2321
Add : Tea manufactured out of								975	
bought leaf at Annamallais								270	
Total made tea production								6604	
during 2017/18								000-	
uuring 2017/18									

TSR Darashaw Ltd.

Unit: (Tata Coffee Limited) 6-10 Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011.

Updation of Shareholder Information

I/ We request you to record the following information against our Folio No.:

General Information:

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN/ Registration No.: * (applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

*Self attested copy of the document(s) enclosed

Bank Details:

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c No.: *
Name of the Bank:	
Bank Branch Address:	

* A blank cancelled cheque is enclosed to enable verification of bank details

I/ We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/ We would not hold the Company/ RTA responsible. I/ We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.

Place: Date:

Signature of Sole/ First holder

To,



Corporate Identity No. L01131KA1943PLC000833

Registered Office: Pollibetta 571215, Kodagu, Karnataka, India

Corporate Office: No. 57, Railway Parallel Road, Kumara Park West, Bangalore 560 020

Ph. No.- 080 23560695/97 Fax No.- 080 23341843

Email id.: investors@tatacoffee.com Website: www. tatacoffee.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration), Rules, 2014]

Name of the member(s) :		
Registered Address :		
E-mail Id :		
Folio No./DP ID No. /Client ID No. :		
I/We being a Member(s) of	shares of Tata Coffee Limited, hereby appoint:	
1. Name	Address:	
E-mail:	Signature:	or failing him;
2. Name	Address:	
E-mail:	Signature:	or failing him;
3. Name	Address:	
E-mail:	Signature:	or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 75th Annual General Meeting of the Company held at the Registered Office of the Company at Pollibetta – 571 215, Kodagu, Karnataka on Monday, the 2nd July, 2018 at 11.00 AM. and any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No. Resolutions

Ordinary Business

- (a) To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018, together with the Reports of the Board of Directors and Auditors thereon.
 - (b) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018, together with the Report of the Auditors thereon.
- 2 To declare Dividend on Equity Shares for the financial year 2017-18.
- 3 To appoint a Director in place of Mr. R. Harish Bhat (DIN: 00478198) who retires by rotation and being eligible offers himself for re-appointment.

Special Business

- 4 Appointment of Mr. L Krishnakumar as a Director.
- 5 Re-appointment of Mr. Sanjiv Sarin, as Managing Director & CEO.
- 6 Re-appointment of Mr. Chacko Purackal Thomas, as Executive Director & Deputy CEO
- 7 Ratification of Cost Auditor's Remuneration
- 8 Consent of Members for increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate

Signed this day of 2018.

Signature of Shareholder:

Signature of Proxy holder: Stamp

Please affix

Notes:

- 1. This form of Proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, at Pollibetta 571215, South Kodagu, Karnataka, India
- not less than Forty-Eight (48) hours before the commencement of the meeting.
- 2. A proxy need not be a member of the Company.
- 3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annul General Meeting.

TATA COFFEE LIMITED

Corporate Identity No. L01131KA1943PLC000833 Corporate Office: No. 57, Railway Parallel Road, Kumara Park West, Bengaluru 560020. Ph. No. 080 23560695/97 Fax No. 080 2331843 Registered Office: Pollibetta 571215, Kodagu, Karnataka , India. Email id.: investors@tatacoffee.com Website: www.tatacoffee.com

ATTENDANCE SLIP

(to be presented at the entrance of the Annual General Meeting)

/We hereby record my/our presence at the 75th Annual General N	leeting of the Company held at the Register	red Office of the Company at Pollibetta – 57	1 215, Kodagu, Karnataka on
Vonday, the 2nd July, 2018 at 11.00 AM.			

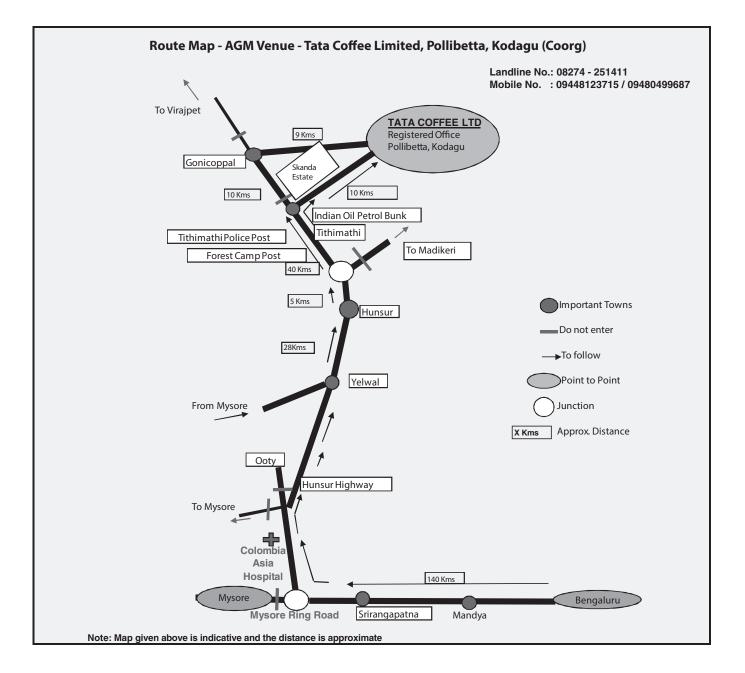
Folio No._____ DP.ID. No.____ Client ID No.__

Name of the Member _

Signature

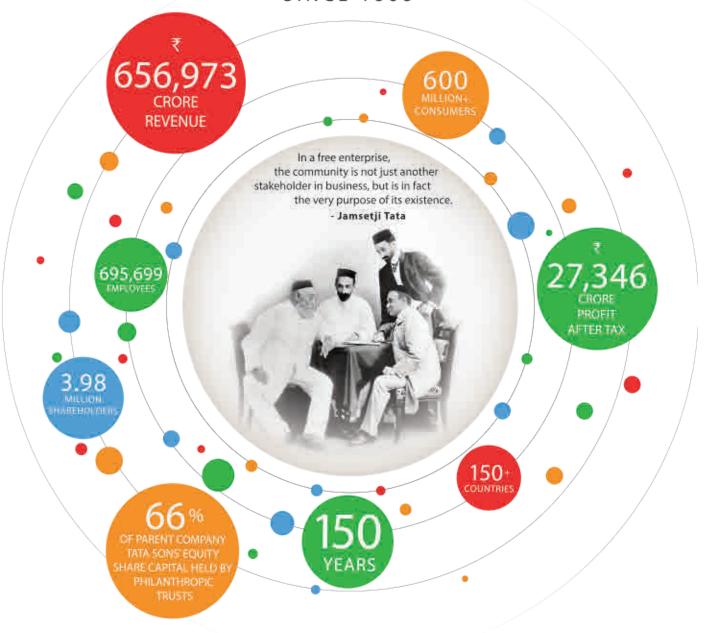
Signature____

Name of the Proxyholder _____





LEADERSHIP WITH TRUST



The figures are aggregated for Tata companies for the financial year ended 31.03.2017.

From pioneering businesses, to pioneering welfare practices, to pioneering national institutions, the Tata Group remains committed to Improving the lives of communities we serve globally, based on leadership with trust.



Picture (left to right): The four partners - Jamset)) Tata, Founder of the Tata Group; R. D. Tata, father of J. R. D. Tata; Sir Ratan Tata, younger son of the Founder; and Sir Dorab)i Tata, elder son of the Founder.

tata 150.com



TATA COFFEE LIMITED

CORPORATE OFFICE

No. 57, Railway Parallel Road Kumara Park West Bengaluru - 560020 Phone: 080 23560695/96/97 Fax: 080 23561972