

**TATA COFFEE LIMITED**

Annual Report 2021-22



**Celebrating Goodness.  
Since 1922.**

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A 100-year legacy of homegrown goodness  
 A tale of purposeful consolidation and spirited growth  
 A charter of change in the Indian coffee industry  
 The story of coffee in India, and the Company  
 that has always been synonymous with it.



# Celebrating Goodness. Since 1922.

In defining the legacy that Tata Coffee has built, very few philosophies are as telling as the Company's long-standing pursuit of creating and inspiring goodness.

The goodness that we have inherited from the inspiring leadership of Mr. P.G. Tipping, Mr. Ivor Bull, Mr. Darbari Seth and other leaders who succeeded them as well as the ideologies of sustainability and quality for which the Company has always rallied.

As a leading coffee planting and processing company in India, and the largest corporate producer of Indian-origin pepper, we have kept this legacy alive in every sip of our coffee and tea and in every whiff of our pepper and more. We have worked to encircle goodness around our people, the natural environment, and within the communities where we operate.

Tata Coffee remains the sum of its experiences - of rising from global-level crises and setbacks, innovating to stay afloat through myriad business waves, paying equal attention to products, processes and standards of living with enduring affinity to ecological friendliness, transparent corporate approach and always listening to its stakeholders.

In this edition, we pay homage to the alliance of two behemoths (Consolidated Coffee Estates with Tata Tea Limited) and the bold strides it made in the world of coffee.

We salute the ideals of trust and sustainability to create a circle of goodness in the ecosystem.

We celebrate that persistent quest for excellence and quality, which continue to guide the Tata Coffee of today and tomorrow.



Looking back at our  
annual performance

**₹817 CRORE**

Revenue from operations

**₹122 CRORE**

Profit before tax

**₹5.45**

Earnings per share

Numbers as on March 31, 2022

EVOLUTION OF COFFEE

# Becoming of a liberal lifestyle beverage

The coffee world is full of strange and riveting stories. In tracing the spread of coffee, one meets monks and merchants, leaders and labourers, even pirates and popes.

Coffee's earliest written reference is by Rhazes (circa 850-922 A.D.), a highly respected philosopher, astronomer and physician in Baghdad.

Coffee adventure narratives circulated around the world oscillate between myth and reality, many of which speak of the Indian monk Baba Budan - the first man to break the Arab coffee monopoly.

As coffee travelled the world, Europeans embraced it with open arms and took its propagation upon themselves. By about 1715, there were 2,000 coffee houses in London, even becoming sanctuaries for English intellectuals fighting for political liberty.

Demand for coffee continued to grow exponentially around Europe and in its colonies, which initiated coffee cultivation in parts of South America and Asia.

The popularity of artisanal coffee shops today is owed to its repute that it is much more than a caffeine kick.

Today people are invested in knowing about the origin of coffee strains, its unique flavours, and the environment in which it is grown and consumed, than ever before.



It is a celebration of the sensory experience, rather than the beverage alone, that has driven coffee's global success.

It is all in the way it brings people together.

## Born of the Baba Budan Beans

The coffee plant, while it originates in Africa, its cultivation and propagation are due to the Arabs. There the concoction made from coffee beans were known as bunchum and primarily recorded for its medicinal properties.

The Arab monks from Yemen were the first to systematically cultivate the coffee plant and make a drink with its roasted beans, qahwa, an Arabic word associated with 'wine' and from which, comes the word 'coffee'. Soon the beverage began travelling across borders into Mecca, Cairo and Medina. It was in Mecca that the first café, Kaveh Kane was established.

More of these cafés sprung up and became recreational centres where people could play chess, listen to music and dance. Its popularity began interrupting with people's mosque visits, making angry clergies argue against the beverage's influence. The culture around coffee traversed the Middle East to the Ottoman Empire in Constantinople and then inevitably across Europe.

## Bringing coffee in a beard to India

Coffee has its own charming story of first arriving in India, routed through the misty Chandragiri Hills of the southern Chikmagalur district.

Coffee remained a strictly Arab affair until the 16<sup>th</sup> century, when an Indian Sufi monk, Baba Budan visited the Holy Land of Islam for Hajj. On his return, he made a stop at the port of Mocha, where coffee was traditionally offered as a tonic to disgruntled pilgrims.

Excited after consuming qahwa, Baba Budan chose seven beans from the magic plant to bring back to India, hidden in his enormous beard, as legends suggest. He planted these seeds in the Indian hills from which, it is believed, that seven coffee trees sprouted up: the first Arabica coffee trees on foreign soil.

In Karnataka, the monk's hideout and his tomb is preserved on the hills where he planted his coffee trees, which now bear his name.

## Bested by the British in India

The first coffee house in the West was built in Italy. While English travellers wrote about coffee in their works, the first coffee house in Oxford, England was not set up until 1650. The students of Oxford immediately took to the beverage, even as the Dutch experimented with systematic cultivation in Indonesia and Ceylon.

## Traversing tumultuous terrains

It was in 1877 that the first British surveyors were sent to examine the Western Ghats through Kodaikanal. In 1879, Henry Gribble Turner, on his long leave in India, climbed peaks and marched over long distances to discover the future cultivation possibilities of the vast stretch of country. Climate and rainfall seemed suitable, with jungle soil in plenty. An obstacle on this road was that there were none, which made him collaborate with Poonyatu Rajah, the Zamindar of the Kanan Devan hills to develop land and roads for freight and produce to travel uphill and down.

Pioneers in planting soon began to flock the coffee district, of which one was John Payne who opened Talliar for H.G. Turner in 1881. He cut the road between Devicolam and Periakanal and his zigzags for ponies, donkeys and bullocks remained famous in the region for years. A particularly historic undertaking on their part was the erection of the big aerial ropeway from Koranganni to Top Station, which alleviated the difficulty of traversing the rocky and steep country and prevented elephants, prevalent in the region, from interfering with plantation work.



**EVOLUTION OF COFFEE**

## Continuing cult of coffee...

This rich, dark liquid has persistently flown across geographies and greased the wheels of economies around the world. Coffee's intoxicating and aromatic flavours, psycho-active impact and social currency drive its popularity, prompting the global coffee industry to continuously bring the new and the premium to those beguiled by coffee charms, and adding meaningfully to the coffee culture.

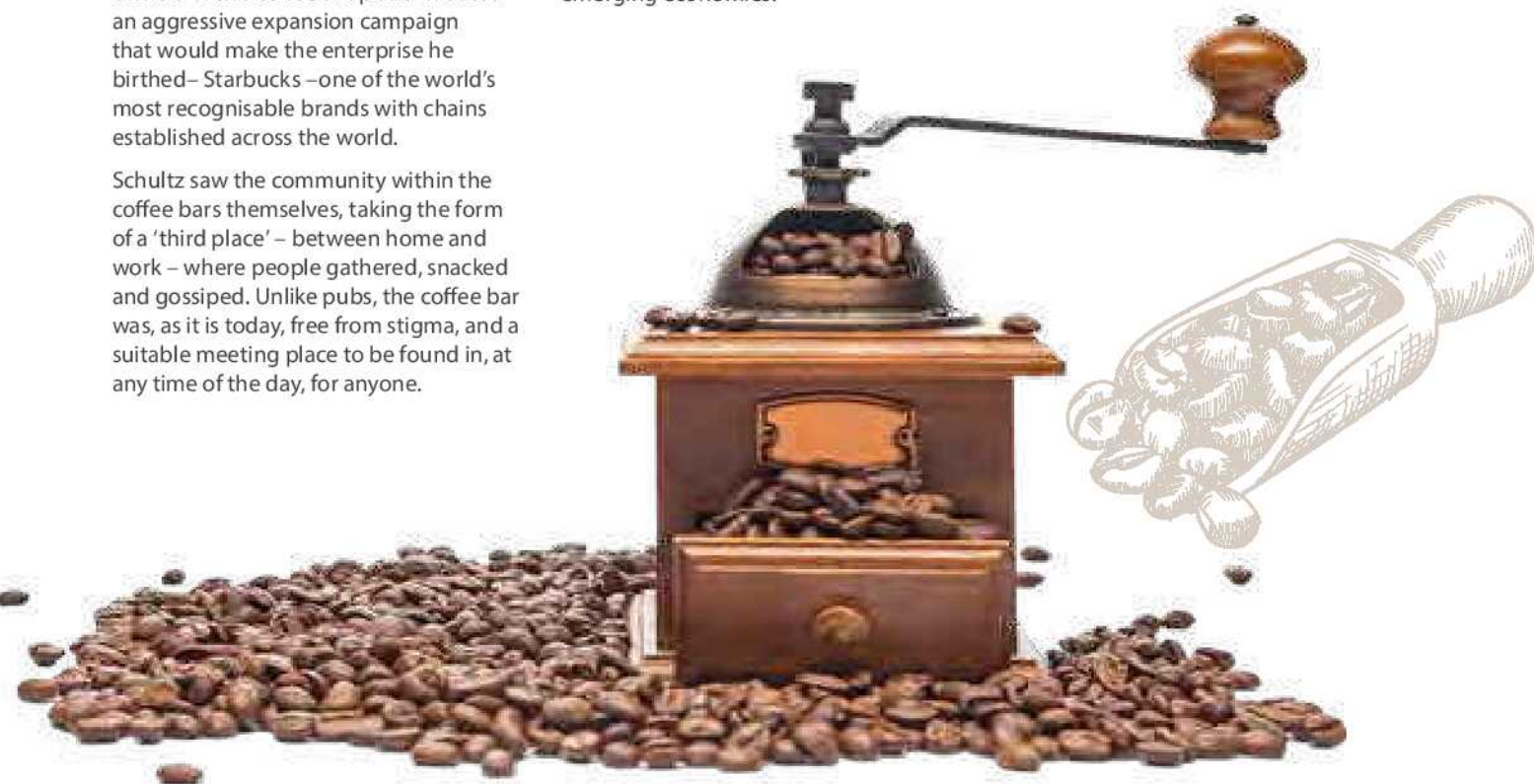
### An espresso obsession that became a phenomenon

Once espresso machines from Italy, that could extract more flavour from the grinds, got integrated into the coffee scene, espresso coffee took over global cities. Howard Schultz, a manager at a little-known coffee shop in Seattle, fell in love with Italian espresso during a business trip to Milan. He bought out the owners of this coffee shop and initiated an aggressive expansion campaign that would make the enterprise he birthed – Starbucks – one of the world's most recognisable brands with chains established across the world.

Schultz saw the community within the coffee bars themselves, taking the form of a 'third place' – between home and work – where people gathered, snacked and gossiped. Unlike pubs, the coffee bar was, as it is today, free from stigma, and a suitable meeting place to be found in, at any time of the day, for anyone.

This was the relaxing hospitable environment that he wanted to create at his chains, and this is the energy around modern-day Starbucks cafes around the world and in India, attracting throngs of people who spend hours in the ambience and contribute to the surge of the coffee cult across advanced and emerging economies.

Coffee in popular culture has come to be associated also with IT professionals who have named one of the main software languages after a coffee origin: Java.



## Going back to Vietnam's connection with coffee

European settlers introduced the plant to their colonies in Asia and South America: Portugal brought coffee to Brazil, France to Vietnam, and Spain to Colombia. Coffee cultivation came to be linked with the slave trade, which was not abolished until the 1850s in Colombia and the 1880s in Brazil.

Coffee remains vital across these economies, and today Brazil, Vietnam and Colombia are three of the largest producers of the raw coffee bean.



Coffee must build on what it was yesterday to remain what it is to the world today...



## India acquiring a new character of coffee

India's coffee culture has matured in leaps with a specialty coffee wave brewing within it. Affluent Indians are contributing to it by paying for specialty coffee, infused in small batches, and customised for different palates.

PURSUIT OF GOODNESS: A TATA COFFEE CONSTANT

# A pursuit and a purpose that took many forms

There are not many places in India that match the beauty of Coorg and far lesser districts, which compare to its natural splendour or ideal coffee-growing conditions, The British saw the site for its potential and raised expansive estates in the region.

In 1922, the amalgamation of two Edinburgh based companies, Coorg Co. Limited London and Pollibetta Coffee Estates Co. Limited managed by Matheson & Co, was the beginning of what came to be known as Consolidated Coffee Estates.

In India, it did exactly what its name suggests – bringing the large and widely dispersed, British-run estates in and around the Coorg district, together as a company to leverage its scale and influence.

It opened new avenues for the business and took the enterprise on to its best growth journey.

Until 1940, no British or native coffee grower in India thought to cover behind the protection of any government for favourable prices. Coffee entered the country freely and India could export freely without controls to protect the small grower against the large ones, the consumer against the traders, or the Indian producers against foreign producers.

The first 50 years of the Company is a lesson in navigating emerging challenges, dangers and risks that a planting company faces, and yet it highlights what an exciting and rewarding pursuit it can be.



## The colossus we started out as...

The birth of the Consolidated Coffee Estates Limited in 1922 heralded a seismic shift in the Indian coffee culture. With a pioneering spirit, this company of British heritage, brought with it the revolutionary coffee pooling system and the possibility of inter-plantation of commercial crops into the Indian coffee culture. The alliance of CCL with Tata Tea in 1991-92 fanned the Company's growth prospects.

The liberalisation of the Indian economy meant new opportunities were in sight, which few companies could leverage as good as Tata Tea Limited. Collectively, they charted a legendary path, sharing a vigour for modern agricultural management, strong R&D, and market expansion expertise.



## The connoisseurs we are now...

We are one of the largest integrated coffee cultivation and processing companies in the world. We are also the largest corporate producer of Indian-origin pepper in the world.

The Company we are today is an outcome of spirited innovation in natural and field resource utilisation and continuous sophistication of products and processes over 100 years.

### Offerings



Green Bean



Instant Coffee



Tea



Pepper

### Mission

Create distinctive long-term value for all stakeholders with Coffee and Allied Plantation products embracing sustainable practices.

### Values



Safety



Customer focus



Responsibility



Innovation & Agility



People-centric



Transparency

## Key operational figures

25

Estates

2

Roast and ground  
facilities

18

Coffee estates

42

Country export  
presence

6

Tea estates

15

Countries from where  
we import coffee

1

Hybrid estate

~53%

Women in the  
workforce

~10,000 HA

Of land growing coffee,  
tea and pepper,  
in South India

~2.6 lakh tonnes

of CO<sub>2</sub> offset annually  
as a carbon sync company

3

Instant Coffee plants  
(Toopran & Theni, India  
and Binh Duong, Vietnam)

## The circle of goodness we are building...

We approach the future with a gusto to enhance our sustainably crafted, inter-cropping methods, product diversification, geographic expansion efforts, cutting-edge resource management techniques and differentiated community empowerment programmes.

Tradition and modernity will always work hand in hand at Tata Coffee. As will environmental enrichment and economic advancement.



## REACH

# A century of spreading delight. Far and wide.

Staying true to the expansion vigour of our leaders and patrons, we have kept up our efforts to continuously tap newer geographies and bring differentiated offerings to more people around the world.

**Green Bean**

- The Middle East
- Western Europe
- India
- USA
- Australia

**Instant Coffee**

- The Middle East
- Western Europe
- ASEAN
- Russia
- India
- Asia Pacific
- West Africa

**Pepper**

- India
- USA

**Tea**

- China
- India





**ADDRESSING OPERATIONAL CHALLENGES**

# Seeing it all and then some...

When Consolidated Coffee Estates began its operations, India had everything going for it in the world coffee market. Indian coffee fetched 20% more premium compared to other origins available in London, with its choice of Coorg and Nilgiris coffee.

However, things began taking a different turn 1929 onwards when the cold winds of the World Economic Depression and the coffee export crisis during the World War hit home.

As watershed as these setbacks have been, they were fodder for the Company's maturity in the long run. The learnings from each event were swiftly embraced to face challenges of the contemporary world, with resilience and agility, including the unprecedented pandemic.

The journey has not always been smooth sailing. Challenges have cropped up in every decade, but with strong leaderships smart solutions to problems and unwavering community support, we have learned to stay ahead of the game.

## Coffee caught in crisis

Coffee prices crashed in the face of the Depression and the Company had no dividend to offer to its shareholders for nine years. An estranged recovery was further bruised by the blows of the Second World War in 1939.

The second year of the war saw the export-dependent estate productions struggling, with the export market disappearing following German sweep of Continental Europe. The unexported coffee affected exporters, small holders, and the overall home market.

## Leading Indian coffee out of the woods

Winds of change began blowing in the good direction with the appointment of Ivor Bull as the General Manager of the Indian estates of the Company in 1936—the same year as the Coffee Cess Committee was set up in India. His deep conviction and unwavering efforts to turn around the fortunes of the Company have been immortalised in the Company's history.

Bull brought with himself, his network of grower and planter associations beyond the district. He came from a place of experience in contemporary farming, understanding of the developments of the war, India's political scenario, the Quit India Movement of 1942, and what the freedom struggle meant for British interests in the Company.

With incredible foresight, he introduced the surplus pooling system in coffee to combat the mounting crisis of coffee going unexported.

He helped transform the Coffee Cess Committee into a Marketing Board that could borrow money against the security of the pooled coffee and pay growers with it. When the world was in no position to fix a viable price of fine Indian coffee, Bull pressed for the government to allocate dedicated experts in studying and determining fair price of coffee.

**Bull's reticence to criticism and his grit inspired more planters to put faith in the pooling system. This led to the government promulgating the Coffee Ordinance that sanctioned the pooling system, which became a permanent feature in coffee marketing.**

## Translating love and trust into success

Bull channelised his attachment with Coorg and the faith he had in the potential of the people there, into building symbiotic work relationships with local leaders. He began Indianising the management in 1946, introducing K. Bhandari as a manager of Nullore estate. His next Indian appointment was K.B. Somana, who later became the Managing Director of the Company.

Under Bull's leadership, the Company replanted ~3,300 acres of old Arabica coffee. The harrowing backlash of the Second World War and the Great Depression notwithstanding, he led the Company's adoption of strong measures to keep the coffee business in the subcontinent afloat. By 1943, Bull's visionary thinking led to the formation of Consolidated Coffee Limited.

**By the 1960s, the primarily Indian Board members of CCL introduced innovative ideas to improve estate operations. Inter-cropping with pepper, cardamom and orange, re-planting acres of Arabica and entering both internal and external trade, among others, greatly uplifted the Company's position.**



## ADDRESSING OPERATIONAL CHALLENGES

# Calibrating in sync with the contemporary

In present times, we witnessed two of the most unprecedented years, which saw everything from supply chain disruptions and rising inflation to uneven demand and consumption patterns, geopolitical strains and a worsening climate crisis.

This had a ripple effect on every node in the value chain, to combat which, we have studied trends of coffee production across origins along with future movements and availability; ease and costs of evacuation and shipping; input costs, including that of raw and packaging materials; market, capital, currency movements and risks; and consumption pattern across regions. Keeping a tab on these alterations enabled smooth navigation of the bends, driving of efficiencies in planning and operations, and innovations in form and format.

Even as uneven growth becomes a pattern across the world, we have taken active steps in normalising our concentration risks by maintaining a healthy trade balance across geographic regions. This has helped us in times when demand from certain markets remained muted or took longer to peg back to pre-Covid-19 levels. Additionally, in some economies, there is a noticeable demand pattern shift towards sustainable and conscious consumption, which will nudge the portfolio of certified and sustainable coffee going forward.



# Putting premiumisation and precision to work

## Pushing the boundaries of production

### Elite plant identification

In recent times, we introduced this exercise with the main objective of identification, selection and propagation of high yielding, location specific cultivars to combat climate change, increase productivity and quality. We identify elite plants based on visual appearance on parameters such as bush spread, nodes/branch, berries/cluster, among others, estate-wise for Arabica and Robusta. All elite plants are registered with unique QR codes to support data collection. Each year we cull out elite plants based on their performance and real-time data.

Across ~1.5 crore coffee plants in our plantations spanning various agro-climactic zones and varying weather conditions, scope for identification of best plants and propagation through clones is immense and upbeat.

### Clonal propagation

In this form of asexual reproduction using vegetative parts such as shoots to ensure that the plant's unique features are retained, true-to-type plants (clones) without segregation can be produced. Seed propagation takes longer (5 years) to start yielding fruit.

Clonal propagation ensures faster establishment and early yield (2<sup>nd</sup> year onwards). Clonal seedlings are deep rooted and provide drought tolerance in field conditions compared to plants raised from seeds.

### Project Udaan

New age technologies like AI, Computer vision, IOT, Data analytics and Remote sensing are being employed to make a difference.

As part of our digital strategy, we have been successful in spraying fertilisers vertically on our pepper plantations using tethered in-house designed drones. Our drones have a capacity of carrying ~6.5 litres, which can spray up to height of upto 100 feet.

The other use cases are under development which involves conducting Terrain Profile analysis for Shade Management and Waterflow Management system, Soil Moisture Analysis along with Yield estimation using multispectral sensors.

## Practicing precision across plantations

Precision farming is based on the optimised management of inputs in a field according to actual crop needs or application of inputs at the right place in the right volumes and on time.

To maintain sustainability with increased productivity, we are rationalising our fertiliser application based on soil test. Through this, only the actual requirement of the plants are met without polluting the environment. Location wise, tailor-made fertiliser recommendations are given to individual estates to increase productivity and optimise costs.



## LEADERSHIP ADDRESS

# Drawing on a remarkable legacy to create goodness for the future

Dear Shareholders,

In this fast-moving world, staying resonant and relevant for 100 years is a journey of great pride for any organisation. What makes it even more eventful for Tata Coffee is its ability to remain the face of change in the Indian coffee industry. It is thus an honour to share with you the Annual Report FY 2021-22 that celebrates the evolution of a crop as the world's most preferred beverage. With our stakeholders as the central cog in the wheel, this edition is a

tribute to the movers and shakers of Tata Coffee and the spirit of sharing goodness.

We have always kept pace with the times; changing, consolidating and calibrating as situations and circumstances have demanded. Yet if there's one thing that remained unchanged, it is the inherent resilience of the enterprise and its people to always emerge stronger on the other side. We are no strangers to extreme external challenges such as those playing out today – a global inflationary environment, scarcity in raw material supply, exorbitant freight costs and geo-political tensions. However, such challenges have only strengthened our resilience and resolve, enabling us to do more.

## Encapsulating our strong annual performance

We are investing our collective energy in conceiving strategic initiatives to combat fluctuating prices across coffee markets and volatilities induced by climate change, which have large-scale bearings on our plantations and its produce. This includes accelerating optimisation measures across the business and unlocking digital capabilities to become a more future-ready organisation.

Continuous upheavals notwithstanding, we continued to grow year on year, with every achievement accompanying significant learnings for the future. This robust performance in a year marked with challenges, was a result of peak utilisation of production capacities and record sales, well balanced across key regions. Despite all external deterrents, Instant Coffee India, recorded second highest production volumes, historically. ICD Theni clocked what has been historically its highest production (overall and FDC).

We recorded our highest ever Green Bean sales. As anticipated, TCVCL also achieved a record full-year production. The year under review ended with us reaching several milestones, one of which was recording the second highest ever sales from India. Sales from Vietnam also witnessed record volumes.

We made significant efforts in increasing the share of premium/decaf products and blends and these products are demonstrating good potential for the future. We also managed to drive down costs through continuous improvement projects and proactive decision-making.

Our Instant Coffee division has been one of the year's biggest growth drivers, recording its second-best performance in terms of sales and profitability and 100% capacity utilisation. We achieved several breakthroughs in the US market and robust performance in Japan.

With TCVCL, we achieved peak capacity utilisation with the plant operating at ~98% capacity, record production and sales in Vietnam despite disruptions and uncertainties and higher profits compared to last year. We also made impressive progress on key strategic pillars by bringing certified blends. Decaf ensured ~10% of the business and performance was evenly on the positive side across all key geographies.

## Focusing on the next

In a future-oriented move, our Board, in a meeting held on March 29, 2022, approved a Composite Scheme of Arrangement ('the Scheme') among Tata Coffee ('the Company'), Tata Consumer Products Limited (TCPL), and TCPL Beverages and Foods Limited (TBFL), and their respective shareholders and



creditors, which upon its effectiveness based on necessary approvals of shareholders/creditors/regulatory authorities and so on, would result in (a) demerger of the Plantations Business of the Company, which will move into TBFL (a wholly-owned subsidiary of TCPL) and (b) amalgamation of the remaining business of the Company with TCPL.

The demerger will create a dedicated plantation vertical, enabling increased efficiencies and synergies among various plantation businesses wholly or partly owned by TCPL and better resource allocation. Our shareholders will be allotted shares of TCPL, making them stake-owners of a larger branded consumer products business with multiple growth avenues. Integration of our and TCPL's Extraction business under a single entity through the amalgamation will enable focused management attention, operational efficiencies, revenue and cost synergies, including from commonality of customers, sales and supply chain opportunities through enhanced reach and wider variety of offerings. This will help us gain market share, capital optimisation, leveraging of sales and distribution network and simplification of overlapping infrastructure.

### Bringing in optimisation and targeting new efficiencies

Cost optimisation and pullback have always been crucial. Our commercial and logistics as well as procurement and operations teams run the show proactively, enforcing timely decisions and communicating them effectively to our sales and marketing teams. We managed to pullback more substantial savings across the business through continuous improvement projects like Six Sigma, Lean and Kaizen. With precision farming and block level profitability management, we are monitoring and regulating the requirements at the smallest unit in the farm. This practice is being replicated at all our estates. We also made significant developments in the

identification of elite plants and clonal propagation, which augurs well for the sustainability of the farms and biological assets, which will be crucial for improved yields in the future.

### Steadfast on safety

We have seen significant improvements in our Proactive Safety Index scores, which are measured at our units from a baseline of 16.70% to 74.89% currently.

As part of our business continuity plan and to ensure the safety of our employees, TCVCL successfully carried out an on-site programme on three different occasions during the year. This year we achieved our goal of producing Zero Harm Pepper, which means there were no unfortunate incidents during pepper harvesting at our plantations.

### Relentless focus on our sustainability and social commitments

In Sustainability and ESG space as an outcome of our stakeholder engagement and materiality studies we have identified material issues and monitors metrics on periodic basis including GHG emissions, Carbon sequestered, Water use & recycled, Waste, Customer complaints and governance.

The year saw us consuming the highest ever solar units in the Theni Plant. We doubled our wind power procurement capacity compared to last year; ~30% of the power requirement is now being met through wind energy. We initiated the Carbon Stock and Sequestration Assurance project with a leading organisation to acquire a carbon sequestration certification for our plantations.

The Ernesto Illy International Coffee Award (the Best of the best coffee in the world) and India's best coffee recognised our Jumboor estate. This is a testament to the sustainability of the coffee grown at our plantations. Over 95% of our Arabica is sold as premium differentiated coffee and over the years, we have built strong relationships with roasters and global

**We have always kept pace with the times; changing, consolidating and calibrating as situations and circumstances have demanded. Yet if there's one thing that remained unchanged, it is the inherent resilience of the enterprise and its people to always emerge stronger on the other side.**

clients, enabling an average of over 50% of our coffee going directly to roasters. This reinforces our premiumisation and disintermediation commitment.

We remain committed to uplifting lives and helping raise more resilient communities. Our employees are active participants at the Tata Volunteering Week (that happens bi-annually) and they have collectively clocked 63,590+ hours during FY 2021-22, touching 330,380+ lives. We also undertook several social impact projects for the people inhabiting areas around our plantations and the workforce across our plantations, including internships and vocational training for the youth. For the differently abled, we organised health camps and helped install water purifiers and procure equipment.

As we tread new avenues to seize novel opportunities for growth and enhance value, we implore our stakeholders to remain as steadfastly by us as has been their tradition. We believe in our ability to remain resilient, relevant, and resolute through every business cycle and will continue to work, to the best of our abilities, to ensure growth, goodness, and goodwill for the next 100 years to come.

Warm Regards,

**Chacko Purackal Thomas**  
Managing Director & CEO

## BUSINESS AND PERFORMANCE REVIEW

# Offerings that blend tradition with modernity

Today, our suit of major products like Green Bean, Instant Coffee, Tea and Pepper are all about giving consumers a taste of the Tata Coffee goodness. Continuous innovation and process improvements help us in maintaining product excellence and leadership among global roasters, instant coffee players, as well as the booming coffee, tea and pepper markets.

Across our estates and instant coffee plants, we persevere to produce and process in sustainable ways. Practices like inter-cropping infuse our pepper and coffee with an inimitable zest and the power of traceability set our offerings apart.

## Green Bean

Shade grown and hand-picked, our coffee beans have always been preferred by the finest specialty coffee roasters across the world. Years of perfecting our techniques and preserving the ecological balance of the lush hills of Coorg ensure that we keep producing the best Arabicas and Robustas this country has to offer.

### Specialty coffee offerings

- Micro-Lots
- Washed Arabica
- Washed Robusta
- Monsooned
- Organic and certified

~8,000 HA

Of coffee estates in South India

~8,000 MT

Annual capacity of shade-grown Arabica and Robusta

13

Arabica estates are Starbucks C.A.F.E. Practices certified

~90%

Of our washed Arabica is exported as premium green bean to roasters

## Instant Coffee

Crafted from multiple origin beans, our instant coffee comes in various customised blends that appeal to the palate of our customers, brands, private labels, distributors and large global roasters. Being eco-conscious, all three of our plants – in Theni (Tamil Nadu), Toopran (Telangana)

and Vietnam – are fuelled by renewable energy sources. Our distinctive variants of instant coffee are packaged in a fully automated packing unit and delivered across countries like Russia, Africa, Europe and emerging markets like Southeast Asia and the Middle East.

~65%\*

Of renewable energy was consumed in production at the IC factories

~8,400 MT

Annual capacity in India

### Offerings

- Freeze-dried
- Spray-dried
- Agglomerated
- Coffee mixes



\*Averaged over the last 3 years

## Tea

Our 6 estates spread across the Anaimalai Hills in Tamil Nadu, and the districts of Coorg and Chikmagalur in Karnataka, produce ~5 million kgs of the finest South Indian tea. Delicate care is provided to every hand-picked tea leaf to preserve their freshness and flavour.

Certified under RFA, Ethical Tea Partnership, Trustea and SA8000, our tea estates have constantly worked towards enhancing production by adopting sustainable and innovative mechanisms.

### Offerings

- CTC
- Orthodox
- Green
- Silver tips
- Green speckles

~5 MN KG

Annual tea produce

~2,400 HA

Of tea estates in South India



## BUSINESS AND PERFORMANCE REVIEW

## Pepper

Our drive to achieve excellence has made us the world's largest corporate producer of Indian origin black pepper. Inter-cropped with coffee and tea, our pepper is cultivated using native shade trees as natural standards, wherein some vines can grow to over 10 metres height. While our pepper nursery carries the Directorate of Arecanut and Spices Development (DASD) certification, nearly all 27 varieties of our pepper are also RFA, UTZ and SA8000 certified. Our ZERO-HARM campaign is another step towards fulfilling our responsibility towards our employees and workforce who work in our operations by putting in place the best safety practices to prevent any incidents and injuries while at work.

### Offerings

- TGSEB, TGEB and MG1 (11.75, 11.5 and 10) grades of black pepper
- A1, A2 and A3 grades of white pepper

**1.8** MNPepper vines  
across our estates**3**Advanced nurseries to  
grow healthy,  
disease-free pepper vines**~1,000** MT

Of black pepper

**3**Diverse grades of  
white pepper



## Eight-O-Clock Coffee

As a testament to our long history of forging epic partnerships, the entry of Eight O' Clock – America's Original Gourmet Coffee – to the Tata Coffee Universe in 2006, has been a matter of immense pride. Headquartered in Montvale, New Jersey and roasted and packaged in Landover, Maryland, it is the fifth largest bagged coffee brand in the US in terms of value and volume. With a heritage and legacy charting 160+

years, this alliance helped Eight O' Clock to transition from a one brand, one format company to a portfolio coffee company. The introduction of new sub-brands like Barista Blends, Flavors of America and Early Riser, alongside selling branded K-cups, have significantly helped expand the brand's consumer reach.

## Tata Starbucks Roastery

True to our values of strengthening long-term trust, we have continued to be the exclusive provider of coffee beans to 140+ Tata Starbucks outlets across the country. Our trailblazing roastery in Kushalnagar caters to all Tata Starbucks requirements, including single-origin beans from India, Kenya and Sumatra, along with cold brew and espresso variants. Our tireless approach to refining our production processes with the best curing techniques reflect our commitment to leveraging premium products to a premium brand, without compromising on our sustainability goals.



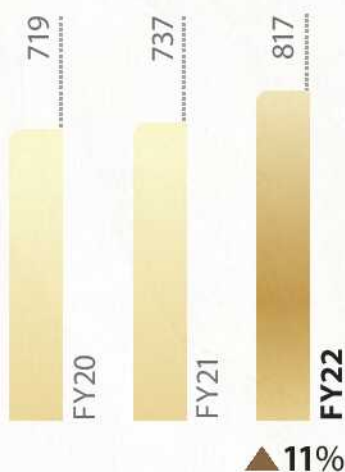
## BUSINESS AND PERFORMANCE REVIEW

# Journeying to do better every year

## Standalone performance

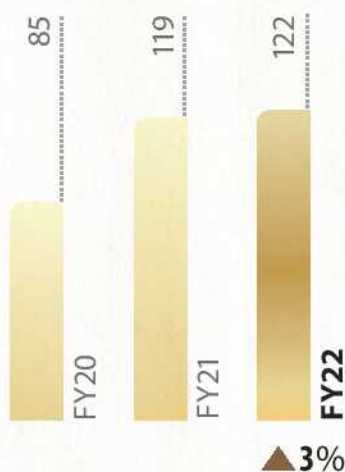
### Revenue from Operations

(₹ in Crore)



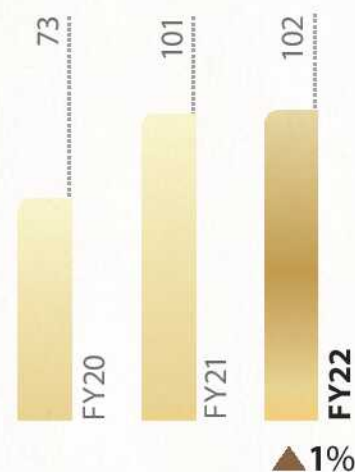
### Profit before tax

(₹ in Crore)



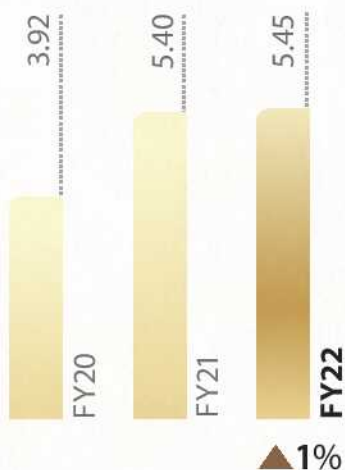
### Profit after tax

(₹ in Crore)



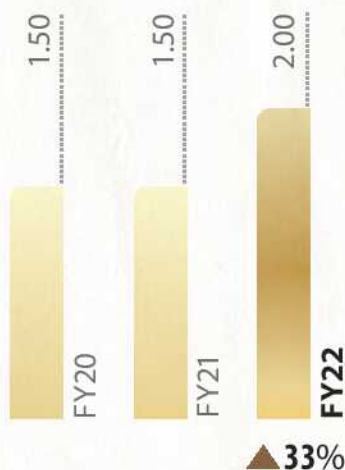
### Earnings per share\*

(₹)



### Dividend per share\*

(₹)

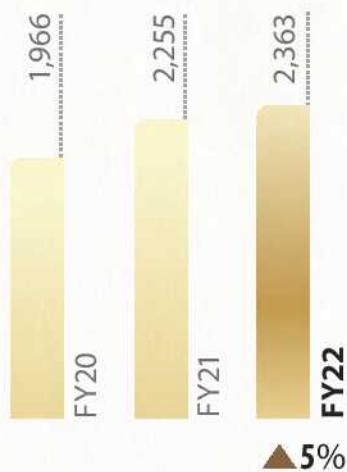




## Consolidated performance

### Revenue from Operations

(₹ in Crore)



### Profit before tax

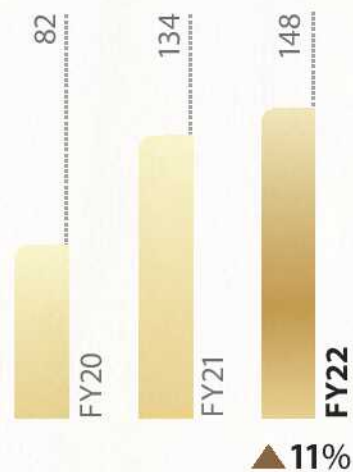
(₹ in Crore)



### Profit after tax

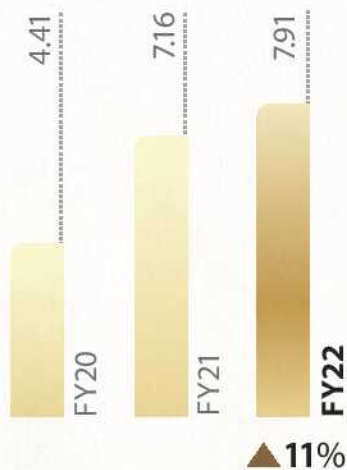
(Net of non-controlling interest)

(₹ in Crore)



### Earnings per share\*

(₹)



\* On equity share of ₹1 each

▲ Y-o-Y growth (%)

**ACQUISITION AND EXPANSIONS**

# Building blocks of the behemoth

Tata Coffee did not shape into what it is today simply through time's natural progression. A hundred years of inculcating the wisdom of diverse leaders, shifting strategic gears according to needs of the hour and crafting a vibrant history of partnerships have culminated into the making of this Company.

## Capturing a century of consolidation

In its early years it joined forces to bring order into the unorganised plantation business in India. To become more stable units of production, processing and sales.

The 1800s saw the crop-up of multiple tea and coffee estates throughout the hills of Coorg. But only a few of them could function productively. By the 1860s, smaller estates came under the protection of larger and more established units of coffee production.

Within decades of this trend setting off, the flagship Consolidated Coffee Estates Limited (CCE), registered in Edinburgh, came to be in 1922, through the merging of two leading estates registered in London – Pollibetta Coffee Estates Limited and Coorg Coffee Estates Company Limited.

This resulted in some older estates being relinquished, and new estates being swiftly brought into the fold. At the helm of this undertaking was the accomplished planter, P.G. Tipping, appointed as the General Manager in Pollibetta to ensure the smooth running of operations.





## Gunning for growth with the Volkarts

As part of adopting several strategies to ensure continuous organic and inorganic growth, the Company made a crucial purchase in 1966-67 from the Volkart Brothers (a prestigious Swiss trading firm), operating from Tellicherry.

This acquisition was worth 2,840 acres of top-tier coffee estates, two remarkable curing works, with 6,000 tonnes capacity at Mangalore and Tellicherry, along with an export division. It gave an immense boost to CCL's coffee production infrastructure.

The modern curing works enhanced facilities added two new beneficial properties on the Coast. The transaction also allotted 25% of CCL shares to the Volkarts and their Chief Executive for Indian coffee operations – R.K. Renfer – came on board as a Joint Managing Director for three years. He introduced visionary changes to the Price Differential Scale (PDS) that further enhanced Bull's coffee pooling system. With the help of K.B. Somana, the recasting of the PDS was complete and it continues to be functional even today.

## A triumphant Tata takeover

By the turn of the next century, Tata Tea Limited (TTL) entered the coffee market with its acquisition of CCL's majority shares in 1990, led by Darbari Seth's open bids to shareholders.

It was a buyout lauded by the industry due to its transparent and efficient processing. Carrying forward the legacy of the prestigious 18<sup>th</sup> century tea producers 'James Finlay and Company' of Glasgow, Tata Tea quickly coalesced into a premiere brand, inspiring trust, and confidence in all its ventures.

As the leaders of the country's most recognised, homegrown conglomerate took control of CCL, the Company scaled to its potential of becoming a leading integrated coffee plantation company in the world, with ease.

The astute leadership of visionaries like Darbari Seth and his meticulous revitalisation programme, paved the way for a future-ready entity, poised for tremendous growth. CCL and Tata Tea's shared values guided the reinvigorated corporate policies.

Tata Tea's commitment to improve product excellence naturally and scientifically, preserve the biodiversity of estates, coupled with persistent goals of enhancing the lives of workers and the extended community, informed much of its decision-making. When the new millennium arrived within one year of the transition, the Company could make the most of expansion and diversification opportunities that had birthed.

## ACQUISITION AND EXPANSIONS

### Veering off to Vietnam

Vietnam has built a reputation as the world's largest Robusta producer, and is now evolving by embracing sustainable practices and profitability over productivity. Propelled by the Đổi mới economic reforms of 1986 that enabled private ownership of small enterprises, Vietnamese coffee production rose to the level of eminence it enjoys today.

What separates Vietnam from other coffee producing countries, is how farmers have been able to maximise their output. Favourable policies and commitment towards making the country a hub for global coffee trade help Vietnam attract steady downstream investments in instant and premix coffees.

Our cutting-edge freeze-dried facility, comes with a unique, integrated pilot plant, leveraged to customise blends. It enables co-creation with customers across geographies and its world-class manufacturing abilities strengthen our commitment to innovation and safety, ensuring long-term relationships with instant coffee advocates across regions.

The country's potential caught our attention and we set up our first international instant coffee plant there, Tata Coffee Vietnam Company Limited as our wholly owned subsidiary to establish and cement our presence in the coffee heartland of Asia.

**~5,000 MT**

Annual capacity



### Certifications



## Pursuing processing finesse with Kushalnagar Curing Works

We acquired the centre at Kushalnagar to act as our in-house processing hub for our entire produce of coffee. It has been instrumental in providing green coffee processing services to coffee growers in South India. It also houses the pepper processing unit, and two roasting units for Tata Coffee Grand and Tata Starbucks. The unit is ISO 9001:2015, UTZ, SA-8000:2014, Rain Forest Alliance, Organic Coffee processing, and Café Practices certified.



**PLANTATION AND INTER-CROPPING CULTURE**

# Pioneering practices that became the standard

The arrival of British planters contributed to the beautiful hills of the Western Ghats becoming home to a wide variety of plantations, producing crops of great market value like cinchona, rubber, tea, coffee, and a range of spices like cardamom, nutmeg, pepper and clove.

The Tata Coffee of today is inspired from that unmatched grit and gusto of those planters who turned rough, wild landscape into carefully carved out plantations, with roads cutting through hills and ropeways augmenting transportation options across the mineral-rich soils of Coorg, Hassan and Chikmagalur.

The history of coffee production in Southern India reveals how the plant was initially grown solely for recreational consumption by farmers and their families. During the long silence lasting more than a century, coffee lay hidden in the backyards of peasants in the interiors of Malnad, quietly being enjoyed for its unique properties. At the same time, the drink was making waves across Europe, resulting in skyrocketing demands.

**The idea of turning coffee into a cash crop did not take shape until the arrival of the British planters.**

## Commercialising coffee and commencing inter-cropping

It was the pioneering vision of planters like J.H. Jolly of Parry & Company, that helped propel coffee into the limelight, dominating plantations due to its high commercial value, particularly overseas. Tea and pepper soon followed suit. Small units by individual planters started to merge into larger estates, gradually scaling up the production process.

As new developments started to unfold, other aspects of the plantation – safety and well-being of labour, prevention of poaching, curing of coffee – started to receive rigorous care and adequate investments.



## A history of prioritising crop security

Coffee rust, caused by the fungus *Hemileia Vastatrix*, decimated the coffee plantations of Ceylon and was starting to affect parts of Coorg as well. Plant pathologists were swiftly employed to nip the problem of coffee rust, literally in the bud.

The Ceylon fiasco prompted the planters to adopt the technique of growing coffee under natural shade, an innately eco-friendly method of preventing coffee rust. This soon evolved and became the standard coffee-growing practice followed to this day.



Early records of the United Planters' Association of Southern India (UPASI) show how once a large consignment of ladybirds were secured from Australia to control pests in the plantations.

To the planters there at the time, these may have seemed like trial-and-error procedures, but they were the earliest known attempts of biological control in plantation crops being implemented in India.



## Changing course of cultivation

Acting on expert recommendation, the Company, which started with growing oranges in coffee plantations began inter-planting pepper with coffee, tea, cardamom, arecanut, avocado and other fruit crops.

These became CCL's pioneering steps towards optimising land use, and growing zesty, flavourful produce. These techniques did not just work, they ensured better sales and higher valuation of the estates. They nurtured biodiversity around the hills and discarded old, monocrop planting traditions.

Our R&D arm was established in 1982 to provide technical support on all aspects of plantation, including combating climate change, post-harvest processing to preserve the intrinsic quality of products and assisting estates in acquiring certifications, which validate our operations to be at par with international standards.

## PLANTATION AND INTER-CROPPING CULTURE

### Continued pioneering of multicropping

Coffee and pepper cultivation follows international, organic farming standards as per the National Programme for Organic Production (NPOP) and the National Organic Program (NOP) – US technical standards. We initiated agro-waste management and recycling through large-scale production of quality compost with advanced technology that incorporates microbial consortium to enhance soil fertility and vigour of plants.

### Blending science and expertise to advance plantation

To retain our leadership position, we are constantly challenging the status quo in the Company to bring the new, improve the existing and innovate the next. To this end, we are targeting the following:

- Improved crop varieties through field evaluation of location specific plants to identify coffee plants with high yield, pest, disease and draught tolerance. Purity of the estate varieties are being assessed through DNA fingerprinting technology; and in-house production and supply of seed coffee was also initiated. Production of beneficial microbial sculptures viz. Trichoderma, Beauveria bassiana, Pseudomonas and other microbial consortium as plantation inputs is also being explored
- Enhanced productivity through top working of old/moribund/un-productive plants with productive scions
- Crop diversification through the assessment of potential of low-yielding coffee areas and identifying other alternate and suitable commercial crops and fruit trees. Horticulture crops like Avocado, Mangosteen, Rambutan, Dragonfruit and tree spices – Nutmeg, Bixa-annata were initiated and are showing promise
- Value addition trials to develop unique formulation from coffee and coffee by-products
- Digitalisation through apps and tools for plant selection, environment monitoring, as well as pest and disease management
- Coffee 'wastewater' management with recommended ecological neutralisation agents and biological processes for wastewater treatment and energy recovery
- Quality enhancement and better processes to preserve the inherent quality of estate produce, right time of crop harvest based on sugar content (coffee), and improved post-harvest drying standards for coffee and pepper to avoid microbial contamination
- Apiculture to enhance productivity through insect pollination in coffee, and the revival of diminishing population of honeybees
- Pisciculture and scaling up of fish farming in irrigation tanks to preserve the aquatic ecosystem and additional revenue generation
- Collaborative research with national and international research institutions as well as technical firms for the benefit of the plantation community



## Researching to advance crop nutrition

Our R&D laboratory is well equipped to conduct important research on crop nutrition. It also conducts soil fertility evaluation through annual soil nutrient analysis and leaf micronutrient diagnostic analysis and the results are used to optimise fertiliser recommendation and soil amendment. The process includes:

- Rationalising our fertiliser programme based on soil nutrient status and plant replenishment ratio, which is optimised to provide adequate nutrients to enhance crop production and productivity
- Monitoring the availability of micronutrients and secondary nutrients to improve coffee, pepper, cardamom and fruit crop productivity and quality
- Working on various agro input trials in collaboration with different organisation and institutes
- Rationalisation of fertiliser application for the future and experimenting on identification of potential 'fertiliser formulation' for better absorption of applied nutrients, and quality enhancement



**SUSTAINABILITY: AN UNREMITTING COMMITMENT**

# Proud and protective of our ecosystem

We believe that for businesses to become timeless enterprises, they must go beyond securing profit and growth to focus on practicing sustainable operational approaches.

Throughout its century-long odyssey, the Company remained advocates of healthy ecosystem, from plant to people, be it as supporters of afforestation or small growers' development. The erstwhile management were also strong proponents of labour welfare, child development and quality healthcare for the underprivileged.

In present times, we are conducting stakeholder engagement and materiality assessment, the outcome of which has been the identification of 6 material areas. We have accordingly firmed up metrics to track advancement, which includes monitoring GHG emissions, carbon sequestered, water usage, waste generation, governance and managing customer complaints and reviews. We are also reporting on the progress at regular intervals.



## Decarbonising our operations

Our plantations house over a million trees, 3,000+ native species of flora and ~396 native species of animals, acting as ecological hotspots. We measure and monitor our carbon footprint, Scope I and Scope II GHG emissions and have it verified by third party on annual basis. In alignment with India's decarbonisation strategy and commitment to achieve Net Zero by 2070, we are working to reduce our GHG emission footprint by undertaking energy-efficiency projects, evaluation of efficient technology, switching to cleaner fuel, including maximising usage of biofuels in our operations.

We sequester ~2.6 lakh MT CO<sub>2</sub> and are involved in a project to verify and certify these figures. We are using renewable energy in our overall energy mix, in the form of biomass biofuels like briquettes and renewable electricity (solar, wind) from the grid at the captive solar plant that we installed in our units. Of our total

energy mix, 60% comes from renewable sources (Tata Coffee + TCVCL). Currently, we are in the process of accounting and will receive third-party verification results by the first quarter of next year.

## Stepping up water sustainability

It is one of our imperatives to not use groundwater for irrigation and during the processing of coffee and pepper. We have installed reservoirs in the catchment areas across our plantations that are desilted or extended to meet evolving irrigation requirements. The present capacity at our 274 natural water storage ponds is 3.4 million cubic metres. These help impound run-off and excess rainwater and are capable of catering to our entire Robusta crop for its blossom as well as to back irrigation needs, including watering our pepper vines. Extensive scientific rainwater harvesting has contributed to our irrigation now being 100% self-reliant.

## Ensuring minimal conflicts

Southern India has a large population of elephants with Coorg witnessing the largest congregation of elephants during June and July. Our plantations are a natural attraction for these majestic beasts leading to a rise in human-animal conflict and damage to crops. We are leveraging novel technology solutions (GIS polygons, wildlife trackers, radio collars, early warning systems), ingrained knowledge of the landscape (mapping of elephant and conflict-prone zones, GPS surveys) and insights on animal behaviour. We preserved these elephant corridors while ensuring the safety of our plantation workers. The programme has been undertaken in collaboration with the state governments and the forest departments of Karnataka and Tamil Nadu.

~60%

Of our total energy consumption is attributable to renewable sources



## RELATIONSHIPS

# Carrying forward our culture of care

Moving tales of astute leadership, unyielding determination and unremitting benevolence run through the veins of the Company. These are stories of leaders with undying fires in their bellies who brought in change and transformation.

Stories of leaders that altered the fate of many a planter in Coorg from a life of poverty to a life of prosperity. Stories of never losing touch with the natural world and staying close to the community. Stories of caring immensely for the people one worked with. In all these anecdotes and in the actions of today, a zest for life, a passion to achieve excellence and a clear conscience remain unmistakeable.

## Ageless anecdotes of humility and honour

Those fortunate like K.P. Uthappa, who worked during Bull's time recalls a set of golden advice that he had received from the man himself. Of which, two distinctly stand out for telling volumes about his leadership. His first advice was that no estate manager should ever shy away from learning aspects of coffee cultivation from their maistries and pickers. His second was that footpaths and roads were for lazy managers, to really gauge the condition of majority of the plants, one needs to walk through the estates.

According to Mr. Uthappa, one quotation from a certain John Ruskin fits just right with Bull and that is "That man is the richest, who, having perfected the functions of his own life to the utmost has also the widest helpful influence, both personal and by means of his possessions, over the lives of others."

Harish Bhat who worked with Darbari Seth recalls one night where they ended up working into late hours and yet at dawn, Bhat opened his door to Mr Seth's messenger who was bringing additional notes on the next plan of action that Seth had drawn up after the late-night meeting, which ended with him asking Bhat to hurry and meet him in the office at 7 AM. On another occasion, Bhat remembers Seth, upon being appraised by Bhat, taking up the matter of a kidney transplant of one of Bhat's friends and colleagues in Bengaluru personally with Tata Trust, thus helping expedite the process. It was hard not to have that kind of energy rub off on the successors of the Company.

"I am convinced that my life belongs to the whole community. And as long as I live, it is my duty and privilege to do for it whatever I can."

**Darbari Seth**



## Keeping alive the tradition of giving back

Our relationships today extend to a wide spectrum of stakeholders who are crucial to our business and its progress. We endeavour to carry forward the stakeholder-centric approach of the greatest leaders we have had in our journey and bring meaning and joy to as many lives as possible. Some of our endeavours in this regard are detailed below.



### People

- Covid vaccination drive completed for the entire workforce
- Zero fatalities and reduced injury rates by 8.41% in FY 2021-22
- 100 Days Zero Injury campaign resulted in 67% reduction in LTIs compared to last year
- Achieved first year of zero harm pepper as an outcome of informative campaigns run for 3 years since implementation
- Robust deployment of consequence management policy for safety with
- 68% of the employees covered under it in FY 2021-22 and mandates around a just culture of penalising violations and rewarding safety adherence
- Improvements in defensive driving behaviour by 23% in last year by focusing on behaviour monitoring through technology and running the i-Drive Safe engagement campaign
- Periodic training programmes on critical cultural operations for estate personnel
- Monthly advisory circulars in English and Kannada language sent to estates to update them on current trends in cultivation, pest and disease management as well as post-harvest technology
- Increased safety and health training hours by 96% from 10.5 person-hours/employee to 20.3 person-hours/employee clocking 2,56,903 hours in FY 2021-22

### Communities

- Swastha Centre for Special Education and Rehabilitation running successfully to re-integrate children with disabilities in the Kodagu district into the mainstream
- Our 11,590+ employee volunteers contributed 63,590+ volunteering hours across 300+ activities at Tata Volunteering Week (TVW 16 & 17)
- Promoting and enabling access to quality healthcare in the remote hills of Coorg with the Rural India Health Project in Ammathi, supporting daily wage earners, their families and the underprivileged around the area in receiving advanced diagnostics and intensive care
- As a part of our CSR, our R&D team extended technical support and training sessions to ensure the welfare of the indigenous communities
- Conducted internship trainings, health camps and career counselling for the underprivileged across our operating locations

### Growers

- Regular exchange of our knowledge of plantation and ensuring good yields with small farmers around our plantations
- Diverse capacity building and training programmes to enhance their ability to function independently
- Experiential learning provided through frequent farm visits
- Regular updates given through newsletters across four districts via coffee farmers and community association members, which is further circulated among small growers

### Customers

- Continuous focus on new product development and updates on progress
- Bringing new blends and specialty coffee for modern, discerning drinkers
- Focusing on enhancing product security and sustainability

## BOARD OF DIRECTORS

# Modern leaders marching for progress

Our leaders today are dynamic, experienced and passionate about carrying forward the legacy of the Company. They have deep reverence for the ideologies our founding leaders stood for.



**Mr. R. Harish Bhat**

**Chairman**

Mr. Bhat is the Brand Custodian at Tata Sons and a Director on the Boards of several Tata companies, including Trent Limited, Tata Starbucks Private Limited, Infiniti Retail Limited, Tata Unistore Limited and Tata AIA Life Insurance Company Limited. During his 35-year career with the Tata group, he has been the Managing Director of Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited), Chief Operating Officer of the Watches and Jewellery businesses of Titan Company Limited, and in the telecom business. He has played a key role in several strategic moves, and in nurturing many iconic brands of the group.

Mr. Bhat is an alumnus of BITS Pilani and IIM Ahmedabad. He won the IIM Ahmedabad Gold Medal for scholastic excellence in 1987 and the Chevening Scholarship for young managers from the British Government in 1997. In 2017, he received the Distinguished Alumnus award from BITS Pilani. Mr. Bhat is also a passionate and prolific writer and columnist.

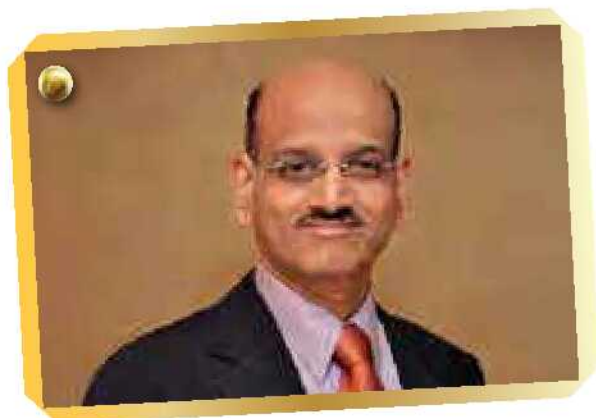


**Mr. Sunil A. D'Souza**

**Non-executive, Non-independent Director**

Mr. D'Souza is the MD & CEO of Tata Consumer Products since April 2020. Prior to this, he served as the Managing Director of Whirlpool India Ltd., for over four years and is credited with having turned Whirlpool into a remarkable growth story in India. Mr. D'Souza began his career at Hindustan Unilever Ltd. in 1993 and then spent ~15 years at PepsiCo, where he held several leadership roles, handling commercial aspects of the Company's food and beverages portfolio, which successfully led the business in a large cluster of Asian countries. With 29 years of rich experience, he has strong domain knowledge of the consumer products business with acumen in strategy, growth and execution.

Mr. D'Souza is an engineering graduate from the University of Madras and an alumnus of Indian Institute of Management, Calcutta (IIM-C).



**Mr. S. Venkatraman**  
**Independent Director**

Mr. Venkatraman is a Board member of HDB Financial Services Limited, Fairchem Organics Limited, National Payments Corporation of India and Mahanagar Gas Limited. He is also a partner in M/s. V. Sankar Aiyar & Co., Chartered Accountants, since 1984. He is engaged in audit and assurance practice and direct tax and corporate advisory services since 1984, specialising in statutory audits of banks, mutual funds and financial companies, public sector companies, and advisory in the areas of direct tax, company law, competition law, the Foreign Exchange Management Act (FEMA) and Securities and Exchange Board of India (SEBI) matters.

He has over 35 years of experience and was a special invitee on the Accounting Standards Board of the Institute of Chartered Accountants of India (ICAI) for FY 2020-21 and on the Ind AS Transition Facilitation Group Committee of the ICAI for FY 2019-20. He was a co-opted Member of the Expert Advisory Committee of ICAI for FY 2021-22. He has also participated in the case study based governance programme on Audit Committees in this New Era of Governance at the Harvard Business School.

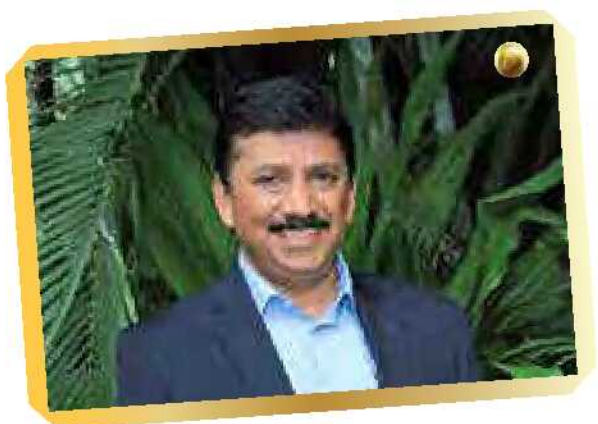
Mr. Venkatraman holds a bachelor's degree in Commerce from the University of Bombay and is a Fellow Member of the Institute of Chartered Accountants of India since 1981.



**Ms. Sunalini Menon**  
**Independent Director**

Ms. Menon has held positions of increasing responsibility in the Coffee Board of India between 1972 and 1995, ultimately becoming the Director (Quality Control). She is among Asia's most recognised coffee cuppers, with 50+ years of experience in the Indian and international coffee industry. Her visual and organoleptic skills in coffee evaluation have received global acknowledgements. She has experience executing assignments in South and Central America, Africa, Asia and Southeast Asia as a Coffee Corps Volunteer of the Coffee Quality Institute (CQI) of the Specialty Coffee Association of America.

She is the President of M/s. Coffeelab Limited in Bengaluru, India and a Special Lecturer at the Università del Caffè of the University of Trieste, Italy. She is a Trustee of the India Coffee Trust and on the Board of Trustees of the Coffee Quality Institute of the Specialty Coffee Association of America. She is the President of the Women's Coffee Alliance – India Chapter (WCA-I) since April 2020.

**BOARD OF DIRECTORS**

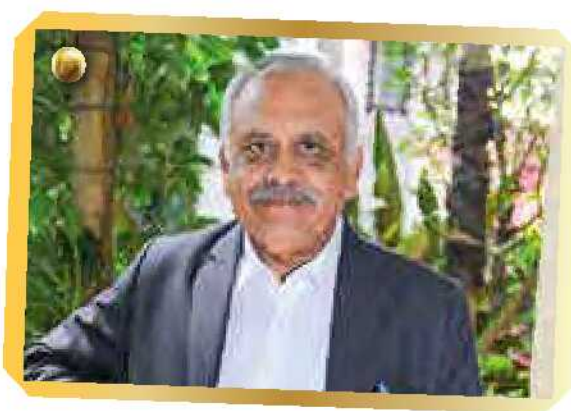
**Mr. Siraj Azmat Chaudhry**  
Independent Director

Mr. Chaudhry brings with him 34 years of experience in food and agriculture across the value chain, with respect to commodity trading, risk management, food processing and FMCG sales and marketing. He is regularly consulted by Central and State Governments for his views on these subjects. He supports and mentors start-ups in the food and agriculture industries and is closely associated with the cause of food security and nutrition.

He was one of the founders of United Way-Delhi chapter and India Food Banking Network, as also the Chairman of Cargill India.

He is the Managing Director and CEO of National Commodities Management Services Limited and an Independent Director on the Boards of Tata Consumer Products Limited, Dhanuka Agritech Limited, Jubilant Ingrevia Limited, Bikaji Foods International Limited and Carrier Air-Conditioning and Refrigeration Limited. He serves as a member of CDC Group Plcs Food & Agriculture Advisory Council and the India Advisory Board of AB InBev, India.

He has in the past served as an Independent Director on the Board of IndusInd Bank, Chairman of the National Food Processing Industries Committee at FICCI, President of the Food Industry Skill Council under NSDC and chaired the Agriculture and Food Committee at the American Chamber of Commerce (AMCHAM India) and the Agriculture and Food Committee of USIBC in India.



**Dr. P. G. Chengappa**  
Independent Director

Dr. Chengappa is an Independent Director of Tata Coffee Limited since May 18, 2017. He is one of the leading Agricultural Economists of the country. Dr. Chengappa served as the Vice Chancellor, University of Agricultural Sciences, Bengaluru.

He was a visiting professor at the Universities of Reading, Wales, Iowa State University and Purdue. He was appointed as the National Professor by the Indian Council of Agricultural Research, New Delhi. He is a Policy Economist specialised in agri-business and trade.

He has over three decades of experience in teaching, research, extension and consultancy. He has published over 100 research papers in national and international journals. He was the President (Elect), Indian Society of Agricultural Economics (2012) and President, Agricultural Economics Review Association, New Delhi (2013-16). As a member of the working group on Agricultural Marketing constituted by the Planning Commission of India, he contributed immensely in preparing the 12<sup>th</sup> Five Year Plan.

He has been a consultant to several international organisations, which inter alia includes International Food Policy Research Institute (Washington), International Plant Genetics Resource Institute (Rome), International Rice Research Institute (Manila), DSE Germany and FAO. He is on the Board of Sam Agri Tech Ltd and Tasty Bite Eatables Ltd.

**Mr. Chacko Purackal Thomas****Managing Director & CEO**

Mr. Thomas is the Managing Director and Chief Executive Officer of the Company since April 1, 2019. He has been associated with Tata Coffee since August 4, 2015. He comes with over 30 years of experience in the plantation industry across general management, business strategy, sales, and marketing functions.

He has a Bachelor of Science degree with specialisation in Computer Science from the University of Jodhpur. He has completed Advanced Management Programme from INSEAD Fontainebleau.

**Mr. K. Venkataramanan****Executive Director – Finance & CFO**

Mr. Venkataramanan is the Executive Director - Finance and Chief Financial Officer of Tata Coffee Limited since October 25, 2014. He is a Chartered Accountant and a Cost Accountant with over three decades of experience in financial and management accounting, commercial finance, taxation, treasury and corporate restructuring. He was the Vice President (Finance) and Chief Financial Officer of Tata Consumer Products Limited. He oversees risk management, governance and IT functions.

PRESTIGIOUS ACCLAIMS

# Carving a path of goodness and glory

Won the Sustainable Agriculture Award at the Federation of Indian Chamber of Commerce and Industry (FICCI) Agriculture Summit and Awards 2021 for our soil and water conservation initiatives undertaken across plantations and instant coffee plants

Coffee Plantations (COHA) won Gold award with 4.5 Star rating at OHSSAI HSE & Sustainability Excellence Award

ICD Toopran won the HR Achievers Gold Star Award-2021 from the Federation of Telangana Chambers of Commerce and Industry (FTCCI)

ICD Theni was awarded the Greentech Energy Conservation award FY 2020-21 for sustainability initiatives and energy management from the Greentech Foundation

ICD Theni won the Gold Award at the Society of Energy Engineers and Managers for Energy (SEEM) for its efforts in achieving sustainable energy performance at the unit

ICD Theni won Gold award with 4 Star rating at OHSSAI HSE & Sustainability Excellence Award

ICD Toopran won Silver award with 3 Star rating at OHSSAI HSE & Sustainability Excellence Award

ICD -Theni recently won the prestigious EHS Excellence & Maturity Award (Bronze) from the CII-Southern Region

Jumboor estate won the Best of the Best Coffee in the World | India's Best Coffee – Ernesto Illy International Coffee Award that testifies to our sustainable plantation culture





Bagged the Export Excellence Award for FY 2016-17 and FY 2017-18 from Madras Export Processing Zone (SEZ) - Ministry of Commerce and Industry

ICD Theni bagged the Highest Exporter award for FY 2018-19 and FY 2019-20 from Madras Export Processing Zone (SEZ) - Ministry of Commerce and Industry

Declared the Top Exporter in Karnataka (Silver) FY 2020-21 as recognised by the Federation of Indian Export Organisations (FIEO)



# Corporate Information

## Board of Directors

### **Mr. R. Harish Bhat (Chairman)**

(Non-Executive, Non-Independent Director)

### **Mr. Sunil A. D'Souza**

(Non-Executive, Non-Independent Director)

### **Mr. S. Venkatraman**

(Independent Director)

### **Ms. Sunalini Menon**

(Independent Director)

### **Mr. Siraj Azmat Chaudhry**

(Independent Director)

### **Dr. P.G. Chengappa**

(Independent Director)

### **Mr. Chacko Purackal Thomas**

(Managing Director & CEO)

### **Mr. K. Venkataramanan**

(Executive Director- Finance & CFO)

## Head - Legal & Company Secretary

### **Mr. N. Anantha Murthy**

## Statutory Auditors

**M/s. Deloitte Haskins & Sells LLP**

## Bankers

Union Bank of India

Indian Overseas Bank

Standard Chartered Bank

Hongkong and Shanghai Banking Corporation Limited

HDFC Bank Limited

Axis Bank Limited

Citibank N.A.

## Board Committees

### **Audit Committee**

Mr. S. Venkatraman – Chairman

Ms. Sunalini Menon

Mr. Siraj Azmat Chaudhry

Dr. P. G. Chengappa

### **Nomination and Remuneration Committee**

Mr. Siraj Azmat Chaudhry – Chairman

Mr. R. Harish Bhat

Mr. S. Venkatraman

### **Stakeholders' Relationship Committee**

Dr. P. G. Chengappa – Chairman

Mr. Chacko Purackal Thomas

Mr. K. Venkataramanan

### **Corporate Social Responsibility Committee**

Ms. Sunalini Menon – Chairperson

Dr. P.G. Chengappa

Mr. Chacko Purackal Thomas

### **Risk Management Committee**

Mr. S. Venkatraman – Chairman

Mr. Siraj Azmat Chaudhry

Ms. Sunalini Menon

Dr. P. G. Chengappa

Mr. Chacko Purackal Thomas

Mr. K. Venkataramanan

## Corporate Identity Number (CIN)

L01131KA1943PLC000833

## Registered Office

Pollibetta – 571 215 Kodagu, Karnataka

Tel: +91 8274 251 411 / 13

## Corporate Office

No. 57, Railway Parallel Road, Kumara Park (W), Bengaluru – 560 020

Tel: +91 80 2356 0695, 23561976 / 81

Fax: +91 80 233 41843

Email: [investors@tatacoffee.com](mailto:investors@tatacoffee.com)

Website: [www.tatacoffee.com](http://www.tatacoffee.com)

## Registrar & Transfer Agent

TSR Consultants Private Limited  
(Unit: Tata Coffee Limited)

C-101, 1<sup>st</sup> Floor, 247 Park Lal Bahadur Shastri Marg Vikhroli (West)

Mumbai – 400 083

Tel: +91 22 6656 8484

Fax: +91 22 6656 8494

E-mail: [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in)

Website: <https://www.tcplindia.co.in>

## Key Highlights-Standalone

### 2017-18 to 2021-22 - A Five Year Review

		2017-18	2018-19	2019-20	2020-21	2021-22
Revenue from Operations	(₹ in lakh)	70543.14	70290.85	71943.72	73663.70	81689.11
Other Income	(₹ in lakh)	5622.75	5391.97	5630.97	7791.38	7033.24
Total Income		76165.89	75682.82	77574.69	81455.08	88722.35
Profit Before Tax	(₹ in lakh)	8080.50	9789.74	8542.60	11858.61	12167.54
As percentage of Total Income		10.6	12.9	11.0	14.6	13.7
Profit After Tax	(₹ in lakh)	6276.38	7158.08	7321.04	10079.82	10184.23
As percentage of Total Income		8.2	9.5	9.4	12.4	11.5
Debt/Equity Ratio		0.10:1	0.09:1	0.07:1	0.07:1	0.06:1
Earning per Share *	(₹)	3.36	3.83	3.92	5.40	5.45
Dividend per Share *	(₹)	1.50	1.50	1.50	1.50	2.00

\* On equity share of ₹1 each

## Key Highlights-Consolidated

### 2017-18 to 2021-22 - A Five Year Review

		2017-18	2018-19	2019-20	2020-21	2021-22
Revenue from Operations	(₹ in lakh)	156732.35	180398.18	196605.94	225494.84	236350.10
Other Income	(₹ in lakh)	2203.00	1843.23	2072.18	3379.32	2572.60
Total Income		158935.35	182241.41	198678.12	228874.16	238922.70
Profit Before Tax	(₹ in lakh)	18593.88	17008.54	20007.46	28432.77	31113.97
As percentage of Total Income		11.7	9.3	10.1	12.4	13.0
Profit After Tax (Net of Non-controlling interest)	(₹ in lakh)	10663.36	6877.45	8240.27	13364.04	14773.10
As percentage of Total Income		6.7	3.8	4.1	5.8	6.2
Debt/Equity Ratio		0.67:1	0.74:1	0.73:1	0.69:1	0.55:1
Earning per Share *	(₹)	5.71	3.68	4.41	7.16	7.91
Dividend per Share *	(₹)	1.50	1.50	1.50	1.50	2.00

\* On equity share of ₹1 each

## Production (in tonnes)

Year	Coffee			Tea	Pepper	Coffee Cured	Instant Coffee
	Arabica	Robusta	Total				
2012-13	1542	6800	8342	6640	1148	12509	6639
2013-14	2076	4781	6857	6545	368	11988	6955
2014-15	1594	7002	8596	6170	1150	10266	7975
2015-16	1899	6222	8121	6180	599	11162	7986
2016-17	1628	6000	7628	5666	544	11528	8474
2017-18	1890	3736	5626	5629	909	11940	8150
2018-19	1557	6030	7587	4879	597	8441	7493
2019-20	1425	4405	5830	4874	775	11042	7776
2020-21	1716	6136	7852	4946	790	10428	7174
2021-22	1209	5506	6715	4240	713	12085	8226

## Acreage Statement - 5 Years

	2017-18	2018-19	2019-20	2020-21	2021-22	
	Acres	Acres	Acres	Acres	Acres	Hectares
<b>COFFEE*</b>						
Arabica	7479	7544	7609	7593	7529	3049
Robusta	10635	10652	10637	10571	10527	4263
Mixed Coffee	87	87	87	87	87	35
	18201	18283	18333	18251	18143	7347
<b>TEA</b>	<b>6066</b>	<b>5981</b>	<b>5896</b>	<b>5897</b>	<b>5897</b>	<b>2387</b>
<b>OTHER CROPS</b>						
Cardamom	351	351	351	346	351	142
Pure Pepper/Areca	457	448	448	498	549	222
Oil Palm/Bamboo/etc.	146	132	145	184	236	95
<b>TOTAL CULTIVATED AREA</b>	<b>25221</b>	<b>25195</b>	<b>25173</b>	<b>25176</b>	<b>25176</b>	<b>10193</b>

\* Pepper interplanted in Coffee estates

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# Notice

NOTICE is hereby given that the **79<sup>th</sup> Annual General Meeting** of the Members of Tata Coffee Limited will be held on **Monday, June 20, 2022, at 11.00 A.M. (IST)** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), to transact the following business:

## ORDINARY BUSINESS:

### 1. Adoption of Audited Standalone Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon.

### 2. Adoption of Audited Consolidated Financial Statements

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Report of the Auditors thereon.

### 3. Declaration of Dividend

To declare a Dividend on Equity Shares for the Financial Year ended March 31, 2022.

### 4. Appointment of a Director retiring by rotation

To appoint a Director in place of Mr. Sunil A. D'Souza (DIN: 07194259), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

### 5. Ratification of remuneration payable to M/s. S. Mahadevan & Co., Cost Auditors of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹3,00,000/- (Rupees Three Lakh only), plus applicable taxes, reimbursement of travel and out-of-pocket expenses subject to a maximum of 10% of the audit fees, incurred in connection with the cost audit, payable to M/s. S. Mahadevan & Co., Cost Accountants (Firm Registration No.000007), who have been appointed as Cost Auditor by the Board of Directors of the Company, to conduct audit of the cost records of the company for the financial year ending March 31, 2023."

### 6. Re-appointment of Dr. P G Chengappa (DIN: 06771287) as an Independent Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Dr. P G Chengappa (DIN: 06771287), who has submitted a declaration that he meets the criteria for independence as provided in 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, and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation and to hold office for a term of 3 (three) consecutive years on the Board of the Company with effect from May 18, 2022 to May 17, 2025."

### 7. Appointment of Mr. S. Venkatraman (DIN: 00246012) as an Independent Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** Mr. S. Venkatraman (DIN: 00246012), who was appointed as an Additional Director of the Company with effect from July 28, 2021 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ('the Act') but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, appointment of Mr. S. Venkatraman (DIN: 00246012), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) years commencing from July 28, 2021 upto July 27, 2026, be and is hereby approved."

**8. Re-appointment of Mr. Chacko Purackal Thomas (DIN: 05215974) as Managing Director and Chief Executive Officer (MD & CEO)**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Company be and is hereby accorded for the re-appointment of Mr. Chacko Purackal Thomas (DIN: 05215974) as the Managing Director and Chief Executive Officer (MD & CEO) of the Company for a period of 3 (three) years commencing from April 1, 2022 to March 31, 2025 upon the principal terms and conditions set-out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his re-appointment), with liberty to the Board of Directors (hereinafter referred to as "the Board") to alter and vary, without further reference to the Members, the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board and Mr. Chacko Purackal Thomas.

**RESOLVED FURTHER THAT** the Board (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

**9. Re-appointment of Mr. K. Venkataramanan (DIN: 01728072) as Executive Director – Finance and Chief Financial Officer (ED – Finance & CFO)**

To consider and if thought fit to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Company be and is hereby accorded for the re-appointment of Mr. K. Venkataramanan (DIN: 01728072) as the Executive Director – Finance and Chief Financial Officer of the Company for a period of 1 (one) year commencing from October 25, 2022 to October 24, 2023 upon the principal terms and conditions set-out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his re-appointment), with liberty to the Board of Directors (hereinafter referred to as "the Board") to alter and vary, without further reference to the Members, the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board and Mr. K. Venkataramanan.

**RESOLVED FURTHER THAT** the Board (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

By Order of the Board

**N. Anantha Murthy**

Place: Bengaluru

Date: April 26, 2022

Head – Legal & Company Secretary

Membership No. ACS 17134

**Registered office:**

Pollibetta – 571 215,

Kodagu, Karnataka

CIN : L01131KA1943PLC000833

Tel : + 91 82742 51411/13

Email : [investors@tatacoffee.com](mailto:investors@tatacoffee.com)

Website: [www.tatacoffee.com](http://www.tatacoffee.com)

## Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated December 14, 2021 (General Circular No. 21/2021) read with circulars dated January 13, 2021, May 5, 2020 April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through **Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")**, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes on e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.tatacoffee.com](http://www.tatacoffee.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited, and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e., [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
6. The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the business under Item Nos. 5 to 9 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.
7. Book Closure and Dividend:
  - (a) The Register of Members and the Share Transfer Books of the Company will remain closed from June 4, 2022 to June 13, 2022 (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 June 23, 2022, as under:
    - (i) to all beneficial owners in respect of Shares held in electronic form as per details furnished by the Depositories for this purpose at end of June 3, 2022.
    - (ii) to all Members in respect of Shares held in physical form, after giving effect to valid transfer, transmission or transposition requests lodged with the Company on or before June 3, 2022.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:-
  - a. For shares held in electronic form: to their Depository Participants (DPs)
  - b. For shares held in physical form: to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021.

The Company has sent communication to shareholders in this regard.
9. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed dividend account; exchange of securities certificate; sub-division of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, on the website of the Company's Registrar and Transfer Agents, TSR Consultants Private Limited at

<https://www.tcplindia.co.in/>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

10. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or TSR Consultants Private Limited, for assistance in this regard.
11. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
12. **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 [www.iepf.gov.in](http://www.iepf.gov.in)). The Member/Claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

It is in the 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, from the financial year ended March 31, 2015, onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents. Members are requested to contact the Company's Registrar and Share Transfer Agent to claim the unclaimed/ unpaid dividends at the following address:

M/s. TSR Consultants Private Limited,  
(Formerly known as TSR Darashaw Consultants Private Limited)  
Unit: Tata Coffee Limited,  
C-101, 1<sup>st</sup> Floor, 247, Park,  
L.B.S. Marg, Vikhroli (West), Mumbai – 400083

Tel: +91-22-66568484  
Extn : 411 / 412 / 413  
Fax: +91-22-66568494  
Email : [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in)  
Website : <https://www.tcplindia.co.in>

### 13. **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 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 Consultants Private Limited. 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.

14. Members holding shares in physical form are requested to advise any change of address 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.

### 15. **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.

16. **Nomination Facility:** As per the provisions of Section 72 of the Act 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.

17. Members, 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. Such Members are requested to contact the Company's Registrar and Share Transfer Agent – M/s. TSR Consultants Private Limited, in this regard.
18. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members by writing an e-mail to the Company Secretary at [investors@tatacoffee.com](mailto:investors@tatacoffee.com).
19. Electronic copy of the Annual Report 2021-22 is being sent to those Members whose e-mail address is registered with the Company / Depositories for communication purpose, unless any Member has requested for a physical copy of the same. Members may note that this Annual Report will also be available on the Company's website at [www.tatacoffee.com](http://www.tatacoffee.com).
20. 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.
21. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending an email to [tdsdividend@tatacoffee.com](mailto:tdsdividend@tatacoffee.com) latest by 11:59 p.m. (IST) on May 31, 2022.

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [tdsdividend@tatacoffee.com](mailto:tdsdividend@tatacoffee.com). The aforesaid declarations and documents need to be submitted by the shareholders latest by 11:59 p.m. (IST) May 31, 2022.

22. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

## **INSTRUCTIONS TO MEMBERS FOR REMOTE E-VOTING AND FOR JOINING THE ANNUAL GENERAL MEETING, ARE AS UNDER:**

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system will be provided by NSDL.
2. The remote e-voting period commences at 9.00 A.M. (IST) on Friday, June 17, 2022, and ends at 5.00 P.M. (IST) on Sunday, June 19, 2022. During this period, Members holding shares either in physical or de-materialized form as on the Cut-Off Date i.e., Monday, June 13, 2022, may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. The voting rights of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-Off Date.
3. 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.
4. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM, but shall not be entitled to cast their vote again.
5. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on June 13, 2022 ("Cut-Off Date").
6. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the AGM Notice is sent through e-mail and holding shares as on the 'cut-off date' i.e. June 13, 2022, may obtain the login ID and password by sending a request to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company / Registrar & Transfer Agent. 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" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on Toll Free No.

1800 1020 990 and 1800 22 44 30. In case of individual shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending the AGM Notice and holding shares as of the cut-off date i.e. June 13, 2022 may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.

**7. E-voting Instructions:** The details of the process and manner for remote e-voting are explained herein below:

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e., NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e., NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

NSDL Mobile App is available on

 App Store
  Google Play



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e., NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

## Helpdesk for Individual Shareholders holding shares in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

### B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

#### How to Log-in to NSDL e-Voting website?

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

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

- Your User ID details are given below:

Manner 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 119845 then user ID is 119845001***

- Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your 'initial password'?
  - 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 from 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'.
  - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat

account number/folio number, your PAN, your name, and your registered address etc.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**INSTRUCTIONS TO MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any

grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**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 upload their Board Resolution / Power of Attorney / Authority Letter by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab on this screen or send scanned certified true copy (PDF / JPG 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@bmpandco.com](mailto:pramod@bmpandco.com) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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 [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on Toll Free No.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDs ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E-MAIL IDs FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:**

1. In case Shares are held in physical mode, please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investors@tatacoffee.com](mailto:investors@tatacoffee.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [investors@tatacoffee.com](mailto:investors@tatacoffee.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **Step 1(A) i.e., Login method for e-Voting and joining virtual meeting for Individual shareholders holding**

**securities in demat mode.**

3. Alternatively, Shareholders /Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM, ARE AS UNDER:**

- a) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- b) Members are encouraged to join the Meeting through Laptops for better experience.
- c) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d) Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation

in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- e) ***Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at [investors@tatacoffee.com](mailto:investors@tatacoffee.com) from June 10, 2022 (9:00 a.m. IST) to June 16, 2022 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.***

**Other Information:**

- a) 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 to a person authorized by the Chairman in writing who shall countersign the same.
- b) The Chairman or the person authorized by him in writing shall forthwith on receipt of the consolidated Scrutinizer's Report, declare the Results 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.
- c) 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, June 20, 2022.

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

<b>Name of Directors</b>	<b>Mr. Sunil A. D'Souza</b>	<b>Dr. P. G. Chengappa</b>	<b>Mr. S. Venkatraman</b>	<b>Mr. Chacko Purackal Thomas</b>	<b>Mr. K. Venkataramanan</b>
Director Identification Number (DIN)	07194259	06771287	00246012	05215974	01728072
Designation/Category of Director	Non-Executive Director (Non-Independent)	Independent Director	Independent Director	Managing Director & CEO	Executive Director – Finance & CFO
Date of Birth (age)	December 31, 1967 (54 years)	February 11, 1952 (70 years)	March 9, 1959 (63 Years)	April 9, 1970 (52 years)	July 30, 1961 (61 years)
Date of first appointment on the Board	May 5, 2020	May 18, 2017	July 28, 2021	August 4, 2015	October 25, 2014
Qualifications	B.E, PGDM (IIM, Calcutta)	Ph.D. in Agricultural Economics, M.Sc., in Agricultural Economics	Graduate in Commerce, Fellow Member of the ICAI	Bachelor of Science with specialization in Computer Science; Advanced Management Programme from INSEAD Fontainebleau	Graduate in Commerce, Fellow Member of ICAI and Associate Member of ICWA
Relationship between Directors / Key Managerial Personnel, inter-se	None	None	None	None	None
Expertise in specific functional area	Strong domain knowledge and expertise in handling consumer products business with distinct focus on strategy, growth, and execution.	Agricultural Economist having over three decades of experience in teaching, research, extension, and academic administration	35 years of rich experience in Finance, Accounts, Governance and Corporate Laws	30 years of rich experience in Plantation Industry across general management, business strategy, and sales & marketing	More than three decades of rich experience in diverse areas covering financial and management accounting, commercial finance, taxation, treasury, and corporate restructuring, Corporate Governance and Risk Management
Directorships held in other Public Companies (excluding Foreign, Private and Section 8 Companies)	Tata Consumer Products Limited NourishCo Beverages Limited	Tasty Bite Eatables Limited SAM Agri Tech Limited SAM Agri Ventures Limited	HDB Financial Services Limited Mahanagar Gas Limited Fairchem Organics Limited	—	Tata Housing Development Company Limited
Memberships/ Chairmanships of committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	Tata Consumer Products Limited - Stakeholders' Relationship Committee (Member)	Tasty Bite Eatables Limited - Audit Committee (Member) - Stakeholders' Relationship Committee (Member)	HDB Financial Services Limited - Audit Committee (Chairman) Mahanagar Gas Limited - Audit Committee (Chairman) - Stakeholders' Relationship Committee (Member) Fairchem Organics Limited - Audit Committee (Chairman) - Stakeholders' Relationship Committee (Member)	—	—
No. of shares held in the Company	Nil	Nil	Nil	Nil	Nil
Terms and conditions of Appointment / Re-appointment	Re-appointment in terms of Section 152(6) of the Companies Act, 2013	As per Resolution at Item No. 6 of the accompanying Notice of AGM read with Explanatory Statement thereto	As per Resolution at Item No. 7 of the Notice of AGM read with Explanatory Statement thereto	As per Resolution at Item No. 8 of the Notice of AGM read with Explanatory Statement thereto	As per Resolution at Item No. 9 of the Notice of AGM read with Explanatory Statement thereto
Details of Remuneration sought to be paid	—	—	—	Remuneration details as set out in the Explanatory Statement annexed to this Notice	Remuneration details as set out in the Explanatory Statement annexed to this Notice

*Note: For other details such as the number of meetings of the Board / Committee attended during the year, remuneration last drawn and name of listed entities from which the aforesaid Directors have resigned in the past three years, please refer to the Corporate Governance Report, which forms part of this Annual Report.*

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("ACT")

The following Statement sets out all material facts relating to Item No. 5 to 9 mentioned in the accompanying Notice.

### Item No. 5:

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 April 26, 2022, appointed M/s. S. Mahadevan & Co., Cost Accountants, (Firm Registration No. 000007), as Cost Auditor of the Company for conducting the Cost Audit for the Financial Year ending March 31, 2023, on a remuneration of ₹3,00,000/- (Rupees Three Lakh only), plus applicable taxes thereon, reimbursement of travel and out-of-pocket expenses subject to a maximum of 10% of the audit fees, incurred in connection with the cost audit.

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. 5 of the Notice.

The Directors recommend that the remuneration payable to the Cost Auditor in terms of the resolution set out at Item No.5 of the accompanying Notice be ratified by the Members.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the accompanying Notice.

### Item No. 6:

The Members of the Company at the 74<sup>th</sup> Annual General Meeting held on July 17, 2017, had appointed Dr. P G Chengappa (DIN: 06771287) as an Independent Director to hold office for a term of five consecutive years, i.e., upto May 17, 2022.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company but shall be eligible for re-appointment on passing a Special Resolution by the Company for another term of upto five consecutive years on the Board of a Company.

The Board of Directors of the Company at the meeting held on March 22, 2022 (based on the recommendations of the Nomination & Remuneration Committee and subject to the approval of the Members in the General Meeting), re-appointed Dr. P.G. Chengappa as an Independent Director of the Company for a second term of office for a period of three years i.e., from May 18, 2022, to May 17, 2025.

A brief profile / expertise of Dr. Chengappa is provided in the Annexure to the Notice for information to the Members.

Dr. Chengappa has given a declaration to the Board that he meets with the criteria of independence as provided under Section

149 (6) of the Act read with Regulation 16 (1)(b) of the Listing Regulations.

In the opinion of the Board, Dr. Chengappa fulfils the conditions specified in the Act and the Rules framed thereunder read with the Listing Regulations for his re-appointment as an Independent Director and is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, a copy of the draft appointment letter in relation to re-appointment of Dr. Chengappa as an Independent Non-executive Director setting out the terms and conditions of the re-appointment would be available for inspection by the Members, by writing an email to the Company at [investors@tatacoffee.com](mailto:investors@tatacoffee.com).

The Company has immensely benefited during the tenure of Dr. Chengappa as an Independent Director of the Company and the Board is satisfied with the integrity, expertise, and experience (including the proficiency) of the Independent Director, who is being re-appointed at this AGM.

The Directors recommend the resolution set out in Item No. 6 of the accompanying notice, for approval by the Members.

Dr. Chengappa 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:

The Board of Directors of the Company at the meeting held on July 28, 2021, (based on the recommendations of the Nomination & Remuneration Committee and subject to the approval of the Members in the General Meeting), appointed Mr. S. Venkatraman (DIN: 00246012) as an Additional Director (Independent Non-executive) of the Company with effect from that date. In terms of the provisions of Section 161 of the Act, Mr. S. Venkatraman holds the office till the date of ensuing Annual General Meeting and is eligible for appointment.

Further, in terms of Section 149 of the Act, an Independent Director can hold office for a term of upto five consecutive years on the Board of a company and is not liable to retire by rotation.

A brief profile / expertise of Mr. S. Venkatraman is provided in the Annexure to the Notice for information to the Members.

Mr. S. Venkatraman has given a declaration to the Board that he meets with the criteria of independence as provided under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, Mr. S. Venkatraman fulfils the conditions specified in the Act and the Rules framed thereunder read with the Listing Regulations, for his appointment as an Independent Director and is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, a copy of the draft letter of appointment of Mr. S. Venkatraman as an Independent Director Non-executive

Director setting out the terms and conditions of appointment would be available for inspection by the Members, by writing an email to the Company at [investors@tatacoffee.com](mailto:investors@tatacoffee.com).

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the resolution for appointment of Mr. S. Venkatraman, as an Independent Director is placed before the Members for their approval.

The Directors recommend the resolution set out at Item No. 7 of the accompanying notice, for approval by the Members.

Mr. S. Venkatraman is interested and concerned in the Resolution mentioned at Item No. 7 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. 8:**

The Members of the Company at the 76<sup>th</sup> Annual General Meeting held on June 3, 2019, had approved the appointment of Mr. Chacko Purackal Thomas (DIN: 05215974) as the Managing Director & CEO for a period of 3 years, i.e., from April 1, 2019 to March 31, 2022.

The Board of Directors at the meeting held on March 22, 2022 (based on the recommendations of the Nomination & Remuneration Committee and subject to the approval of the Members in the General Meeting), re-appointed Mr. Chacko Purackal Thomas as the Managing Director & CEO of the Company for a period of three (3) years i.e., from April 1, 2022 to March 31, 2025. Further, the terms of remuneration in relation to the said re-appointment was recommended by the Nomination & Remuneration Committee and approved by the Board on April 26, 2022, to be effective from April 1, 2022, as provided herein below.

Mr. Chacko Thomas has over 30 years of rich experience and expertise in the field of Plantations, Business Strategy, Sales and Marketing and overall leadership and is currently the Managing Director & CEO of the Company. Before joining Tata Coffee, Mr. Chacko Thomas was the Managing Director of Kannan Devan Hills Plantations Company Private Limited, Munnar.

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 Appointment:** The re-appointment of Mr. Chacko Thomas as the Managing Director & CEO is for a period of three (3) years i.e., from April 1, 2022 to March 31, 2025.
- 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 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:** ₹6,24,240/- per month with annual increments effective 1<sup>st</sup> April every year (starting April 2023) as may be decided by the Board, based on the recommendation of Nomination & Remuneration Committee, which is based on merit and considering the Company's Performance.

**b) Benefits, Perquisites, Allowances:**

In addition to the Basic Salary referred to in (a) above, the Managing Director & CEO 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, Telecommunication, Housing Loan Subsidy, and other facilities:
  - Medical Insurance Cover: Hospitalization and major medical expenses for self, spouse and dependent (minor) children as per Policy of the Company.
  - Telecommunication facilities including broadband, internet, and fax and 1 company provided mobile phone, as per Policy of the Company.

- C. Reimbursement of interest on the Housing Loan availed by him for acquisition of residential Property, subject to maximum Loan Amount of ₹50 Lakh and interest reimbursement upto 10% of the total interest charged by the Lending Institution, which shall not exceed the interest rates charged by the Housing Development Finance Corporation (HDFC).

- D. Car, with Driver provided and maintained by the Company for official and personal use (OR) Cash Allowance of ₹70,000/- (Rupees Seventy Thousand only) per month, with Company provided Driver and fuel expenses at actuals.

- E. Other perquisites and allowances given below subject to a maximum of 55% of the Annual Basic Salary;

Sl. No.	Perquisite/Allowance	%
a.	Allowances	33.34
b.	Leave Travel Concession/Allowance	8.33
c.	Medical Allowance	8.33
d.	Personal Accident Insurance* @ actuals subject	5.00
e.	Club Membership fees for 1 club (*) to a cap of	
<b>Total</b>		<b>55.00</b>

(\*) The Company will pay the amounts for these benefits directly to the concerned entities. The figures shown above are a valuation and are not payable in cash or allowance form to the executive unless approved otherwise.

- F. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company.
- G. The MD & CEO shall be entitled to leave in accordance with the Rules of the Company. Privilege Leave earned but not availed by the MD & CEO is encashable in accordance with the Rules of the Company.
- H. The Managing Director & CEO shall be entitled to payment of Educational Allowance for education subject to a maximum of two children below 24 years of age as per detailed hereunder:
- An amount of ₹6,000/- per month shall be payable in respect of the children studying in educational institutions as boarders in accredited hostels, situated outside the district where the Managing Director & CEO is working and within the district if the institution provides only residential programme in the class of study.
  - An amount of ₹5,000/- per month shall be payable in respect of children studying in educational institutions outside the district where the Managing Director & CEO is working, where the children stay as paying guests or with one of the relatives/parents provided the Institution does not have Boarding facility or accredited Hostels.

**c) Commission / Incentive:**

Such remuneration by way of commission / incentive, 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 Act. The specific

amount payable to the Managing Director & CEO will be based on performance as evaluated by the Board or a Committee thereof duly authorized in this behalf, which shall not exceed 24 Months' Basic Salary and will be payable annually after the Annual Accounts have been approved by the Board.

**d) Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, where in any Financial Year during the currency of the tenure of the Managing Director & CEO, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director & CEO, remuneration by way of Salary, Benefits, Perquisites and Allowances, and Commission / Incentive as specified above.

**e) 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.
- 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.
- The appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.
- The employment of the Appointee may be terminated by the Company without notice or payment in lieu of notice:
  - 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
  - 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
  - in the event the Board expresses its loss of confidence in the appointee.
- In the event the Appointee is not able 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.
  - (c) 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.
- (vii) If and when the Agreement relating to appointment expires or is terminated for any reason whatsoever, the Appointee will cease to be the Managing Director & CEO and cease to be a Director of the Company.
- (viii) 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.

Draft of the agreement to be entered into between the Company and Mr. Chacko Purackal Thomas setting out the terms and conditions of the re-appointment would be available for inspection by the Members by writing an email to the Company at [investors@tatacoffee.com](mailto:investors@tatacoffee.com).

The Company has immensely benefited during Mr. Chacko Thomas's tenure as Managing Director & CEO since April 2019. The Board considers that his continued association would be of immense benefit to the Company. The Board is satisfied with the integrity, expertise, and experience (including the proficiency) of Mr. Chacko Thomas who is being re-appointed at this AGM and accordingly, the Board recommend the resolution for his re-appointment as set out at Item No. 8 of the accompanying Notice for approval by the Members of the Company.

Mr. Chacko Thomas, being an Appointee, is interested and concerned in the Resolution mentioned at Item No. 8 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 set out at Item No. 8 of the accompanying Notice.

#### **Item No. 9:**

The Members of the Company at the 77<sup>th</sup> Annual General Meeting held on June 29, 2020, had approved the re-appointment of Mr. K Venkataramanan (DIN: 01728072) as the Executive Director – Finance & CFO for a period of 2 years, i.e., from October 25, 2020 to October 24, 2022.

The Board of Directors at the meeting held on March 22, 2022 (based on the recommendations of the Nomination & Remuneration Committee and subject to the approval of the Members in the General Meeting), re-appointed Mr. K. Venkataramanan as the Executive Director - Finance & CFO of the Company for a further period of one (1) year i.e., from October 25, 2022, to October 24, 2023. Further, the terms of remuneration in relation to the said re-appointment was recommended by the Nomination & Remuneration Committee and approved by the Board on April 26, 2022, to be effective from October 25, 2022, as provided herein below.

Mr. Venkataramanan is a qualified Chartered Accountant and a Cost Accountant with over three decades of rich experience in diverse areas covering financial and management accounting, commercial finance, taxation, treasury, and Corporate Restructuring, Corporate Governance, Risk Management.

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

#### **A. Tenure of Re-appointment:**

The re-appointment of Mr. K. Venkataramanan as the Executive Director- Finance & CFO is for a period of 1 year i.e., from October 25, 2022, to October 24, 2023.

#### **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:** ₹5,02,200/- per month with annual increments effective 1<sup>st</sup> April every year (starting April 2023) as may be decided by the Board, based on the recommendation of Nomination & Remuneration Committee, which is based on merit and considering the Company's Performance.

**b) Benefits, Perquisites, Allowances:**

In addition to the Basic Salary referred to in (a) above, the Executive Director – Finance & CFO 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, Telecommunication, Housing Loan Subsidy, and other facilities:
- Medical Insurance Cover: Hospitalization and major medical expenses for self, spouse and dependent (minor) children as per Policy of the Company.
  - Telecommunication facilities including broadband, internet, and fax and 1 company provided mobile phone, as per Policy of the Company.
- C. Reimbursement of interest on the Housing Loan availed by him for acquisition of residential Property, subject to maximum Loan Amount of ₹50 Lakh and interest reimbursement upto 10% of the total interest charged by the Lending Institution, which shall not exceed the interest rates charged by the Housing Development Finance Corporation (HDFC).
- D. Car, with Driver provided and maintained by the Company for official and personal use (OR) Cash Allowance of ₹70,000/- (Rupees Seventy Thousand only) per month, with Company provided Driver and fuel expenses at actuals.
- E. Other perquisites and allowances given below subject to a maximum of 55% of the Annual Basic Salary:

Sl. No.	Perquisite/Allowance	%
a.	Allowances	33.34
b.	Leave Travel Concession/Allowance	8.33
c.	Medical Allowance	8.33
d.	Personal Accident Insurance (*)	5.00
e.	Club Membership fees for 1 club (*) @ actuals subject to a cap of	
<b>Total</b>		<b>55.00</b>

(\*) The Company will pay the amounts for these benefits directly to the concerned entities. The figures shown above are a valuation and are not payable in cash or allowance form to the executive unless approved otherwise.

- F. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company.
- G. The Executive Director – Finance & CFO shall be entitled to leave in accordance with the Rules of the Company. Privilege Leave earned but not availed by the Executive Director – Finance & CFO is encashable in accordance with the Rules of the Company.
- H. The Executive Director – Finance & CFO shall be entitled to payment of Educational Allowance for education subject to a maximum of two children below 24 years of age, as per detailed hereunder:
- i. An amount of ₹6,000/- per month shall be payable in respect of the children studying in educational institutions as boarders in accredited hostels, situated outside the district where the Executive Director – Finance & CFO is working and within the district if the institution provides only residential programme in the class of study.
  - ii. An amount of ₹5,000/- per month shall be payable in respect of children studying in educational institutions outside the district where the Executive Director – Finance & CFO is working, where the children stay as paying guests or with one of the relatives/ parents provided the Institution does not have Boarding facility or accredited Hostels.

**c) Commission / Incentive:**

Such remuneration by way of commission / incentive, 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 Act. The specific amount payable to the Executive Director – Finance & CFO will be based on performance as evaluated by the Board or a Committee thereof duly authorized in this behalf, which shall not exceed 18 Months' Basic Salary and will be payable annually after the Annual Accounts have been approved by the Board.

**d) Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, where in any Financial Year during the currency of the tenure of the Executive Director – Finance & CFO, the Company has no profits or its profits are inadequate, the Company will pay to the Executive Director – Finance & CFO, remuneration by way of Salary, Benefits, Perquisites and Allowances, and Commission / Incentive as specified above.

**e) 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 able 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.
  - c) 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.
- vii. 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 – Finance & CFO and cease to be a Director of the Company.
- viii. 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.

Draft of the agreement to be entered into between the Company and Mr. Venkataramanan setting out the terms and conditions of the re-appointment would be available for inspection by the Members by writing an email to the Company at [investors@tatacoffee.com](mailto:investors@tatacoffee.com).

The Company has immensely benefited during Mr. Venkataramanan's tenure as Executive Director- Finance & CFO since October 2014. The Board considers that his continued association would be of immense benefit to the Company. The Board is satisfied with the integrity, expertise, and experience (including the proficiency) of Mr. Venkataramanan who is being re-appointed at this AGM and accordingly, the Board recommend the resolution for his re-appointment as set out at Item No. 9 of the accompanying Notice for approval by the Members of the Company.

Mr. K. Venkataramanan, being an Appointee, is interested and concerned in the Resolution mentioned at Item No. 9 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 set out at Item No. 9 of the accompanying Notice.

By Order of the Board

**N. Anantha Murthy**

Place: Bengaluru

Head – Legal & Company Secretary

Date: April 26, 2022

Membership No. ACS 17134

**Registered office:**

Pollibetta – 571 215,

Kodagu, Karnataka

CIN : L01131KA1943PLC000833

Tel : + 91 82742 51411/13

Email : [investors@tatacoffee.com](mailto:investors@tatacoffee.com)

Website : [www.tatacoffee.com](http://www.tatacoffee.com)

# Board's Report

To the Members,

Your Directors are pleased to present the 79<sup>th</sup> Annual Report of Tata Coffee Limited ("the Company") along with the Audited Financial Statements for the financial year ended March 31, 2022.

## Financial Results:

The financial performance of the Company for the year ended March 31, 2022, on a Standalone and Consolidated basis, is summarised below:

(₹ crore)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	817	737	2363	2255
Other Income	70	78	26	34
<b>Total Income</b>	<b>887</b>	<b>815</b>	<b>2389</b>	<b>2289</b>
<b>Expenses</b>				
Operating Expenditure	740	672	1991	1919
Depreciation and Amortization Expenses	24	24	81	83
<b>Total Expenses</b>	<b>764</b>	<b>696</b>	<b>2072</b>	<b>2002</b>
Profit before Exceptional Items and Taxes	123	119	317	287
Add: Exceptional Items and Taxes	(1)	-	(6)	(3)
<b>Profit before Tax (PBT)</b>	<b>122</b>	<b>119</b>	<b>311</b>	<b>284</b>
Tax expense	20	18	78	72
<b>Profit for the year</b>	<b>102</b>	<b>101</b>	<b>233</b>	<b>212</b>
<b>Attributable to:</b>				
Shareholders of the Company	102	101	148	134
Non-Controlling Interests	-	-	85	78
Surplus brought forward from Previous Year	633	562	782	678
Amount available for appropriation	735	663	930	812
General Reserve I	-	-	-	-
General Reserve II	(16)	(8)	(16)	(8)
Reversal of Dividend Distribution Tax / Deferred Tax	-	6	-	6
Dividend paid relating to Previous Year	(28)	(28)	(28)	(28)
<b>Balance carried forward</b>	<b>691</b>	<b>633</b>	<b>885</b>	<b>782</b>

### 1. Total Income

#### Standalone

Your Company's Total Income during the year under review was ₹887 crore as compared to ₹815 crore in the Previous Year.

#### Consolidated

Consolidated Total Income during the year under review was ₹2389 crore as compared to ₹2289 crore in the Previous Year, registering an increase of ₹100 crore over the previous year.

### 2. Profits

#### Standalone

Profit before Tax for the year 2021-22 was ₹122 crore as against ₹119 crore in the previous year. Profit after Tax for the year 2021-22 stood at ₹102 crore as against ₹101 crore in the previous year.

#### Consolidated

On a consolidated basis, Profit before Tax for the year 2021-22 was ₹311 crore as against ₹284 crore in the previous year. Profit after Tax (net of minority interest) for the year 2021-22 stood at ₹148 crore as against ₹134 crore in the previous year.

### 3. Dividend

The Board of Directors have recommended a Dividend of ₹2.00 per share (previous year ₹1.50 per share) on face value of ₹1 each for the financial year ended March 31, 2022. The total dividend outgo amounts to ₹37.35 crore (previous year ₹28.02 crore).

The Register of Members and Share Transfer Books of the Company will remain closed from June 4, 2022 to June 13, 2022 (both days inclusive) for ascertainment of shareholders eligible to receive dividend for the financial year ended March 31, 2022.

In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Dividend Distribution Policy duly approved by the Board is available on the website of the Company and can be accessed at [https://tatacoffee.com/sites/default/files/collaterals/investors/Dividend Distribution Policy 0. pdf](https://tatacoffee.com/sites/default/files/collaterals/investors/Dividend%20Distribution%20Policy%200.pdf). The Board has recommended dividend based on the parameters laid down in the Dividend Distribution Policy and dividend will be paid out of the profits for the year.

### 4. Transfer to Reserves

The Board of Directors have decided to retain the entire amount of profit for financial year 2021-22 in the Statement of Profit & Loss as at March 31, 2022.

### 5. Share Capital

The Paid-up Equity Share Capital of the Company as on March 31, 2022 was ₹18.67 crore comprising of 18,67,70,370 equity shares of ₹1 each. During the year under review, your Company has neither issued any shares with differential voting rights nor has granted any stock options or sweat equity. The Company has paid Listing Fees for the financial year 2022-23, to each of the Stock Exchanges, where its equity shares are listed.

### 6. 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.

### 7. COVID-19 and its impact

During the 2<sup>nd</sup> wave of the Pandemic, the country was faced with lot of difficulties due to higher infections. Your Company managed to navigate well through the difficult situation with support of its employees and the Management. There were no disruption to the Operations of the Company and its wholly owned Subsidiary, Tata Coffee Vietnam Company Limited, in Vietnam. However, the Board and the

Management continues to closely monitor the situation as it evolves and do it's best to take all necessary measures, in the interests of all stakeholders of the Company.

### 8. Key Developments: Composite Scheme of Arrangement

The Board of Directors of the Company, at its meeting held on March 29, 2022, have approved a Composite Scheme of Arrangement amongst Tata Consumer Products Limited ("TCPL"), the Company and TCPL Beverages and Foods Limited ("TBFL"), and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and/or regulations made thereunder ('the Scheme').

TCPL is the Holding Company of the Company and TBFL is a wholly owned subsidiary of TCPL.

The Scheme inter alia provides for the following:

- (a) as a first step, the demerger of the Plantation Business of the Company into TBFL and in consideration, the consequent issuance of equity shares by TCPL (as the holding company of TBFL) to all the shareholders of the Company (other than TCPL) in accordance with the Share Entitlement Ratio ("**Demerger**");
- (b) as a second step, followed immediately by the amalgamation of the Company (comprising the Remaining Business of the Company with TCPL and in consideration, the consequent issuance of equity shares by TCPL to all the shareholders of the Company (other than TCPL) in accordance with the Share Exchange Ratio ("**Amalgamation**"); and
- (c) various other matters consequential or otherwise integrally connected therewith.

The Scheme is subject to receipt of the approval of the requisite majority of the public shareholders and creditors (if applicable) of the Companies, the Stock Exchanges, the Securities and Exchange Board of India, National Company Law Tribunals (benches at Kolkata and Bengaluru) and other regulatory authorities, as may be applicable.

On effectiveness of the Scheme, the shareholders of the Company (other than TCPL) as on the record date will receive an aggregate of **3 (three) equity shares of TCPL for every 10 (ten) equity shares held by them in the Company, through the issuance of:**

- 1 (one) equity share of TCPL for every 22 (twenty-two) equity shares of TCL, in consideration for the demerger (as per the approved **share entitlement ratio**); and
- 14 (fourteen) equity shares of TCPL for every 55 (fifty-five) equity shares of TCL, in consideration for the merger (as per the approved **share exchange ratio**).

The proposed Scheme would be in the best interest of the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed restructuring pursuant to this Scheme is expected, inter alia, to result in the following benefits:

#### **Benefits of the Demerger:**

- (a) Creating a dedicated plantation vertical with focused attention on the plantation business, which will enable increased efficiencies and generate synergies amongst the various plantation businesses wholly or partly owned by TCPL and better resource allocation, resulting in enhancement of shareholders' value.
- (b) The shareholders of TCL (other than TCPL) will be allotted shares of TCPL and therefore will be shareholders of a larger branded consumer products business with multiple growth avenues and at the same time, will continue to participate in the plantation business.
- (c) The profile, operations, management risk and return associated with the Plantation Business is distinct from that of the Remaining Business and therefore the Scheme would lead to sharper focus on both the businesses.

#### **Benefits of the Amalgamation:**

- (a) Integration of the Company's and TCPL's extraction business activities under a single entity through the amalgamation will result *inter-alia* in focused management attention, operational efficiencies, revenue and cost synergies including from commonality of customers, sales and supply chain opportunities through enhanced geographical reach with a wider variety of product offerings which will help in gaining market share, optimization of capital, operational (including promotion) expenditure, leveraging sales and distribution network and simplification of overlapping infrastructure.
- (b) The amalgamation of the Company with TCPL would bring about synergy of operations and benefit of scale and additionally, the legal and regulatory compliances of both the listed entities will be unified and streamlined.
- (c) The amalgamation will enable efficient consolidation of ownership interests in the international branded business owned by TCPL and the Company which will result in cost benefits, higher operating and other efficiencies.

The Company is in the process of obtaining necessary regulatory approvals including approval of its Shareholders, Creditors, Stock Exchanges and National Company Law Tribunal, as may be required in this regard.

#### **9. Global Coffee Scenario**

According to the estimates of the International Coffee Organization (ICO), for the coffee year 2021-22, global production is at 167.17 million bags, registering a decrease of 2.1% as compared to 170.83 million bags during previous coffee year. Arabica Coffee production 93.97 million bags,

lower by 7% from that of last year and Robusta production at 73.20 million bags up by 5% from that of last coffee year.

In 2021-22, consumption is expected to exceed production by 3.1 million bags. Supply and demand trends may be affected by variations due to the downturn in the world economy, increased cost of inputs and production as well import and consumption due to the conflict in Ukraine.

The New York [Intercontinental Exchange (ICE)] May terminal, representing Arabica settled at 226.40 c/ lb on March 31, 2022 as compared to 123.50 c/ lb on March 31, 2021.

As on March 31, 2022, the London Robusta May futures settled at 2165 USD / MT as compared to 1342 USD / MT on March 31, 2021.

### **10. Company's Performance**

#### **A. Plantations**

##### **Weather:**

We have recorded a total rainfall of 72.01 inches during the current calendar year as against 60.74 inches for the same period last year.

During the season, we have recorded well distributed rainfall but the post monsoon rainfall extended till December impacting the crop.

##### **Coffee**

During the financial year 2021-22, the Company has harvested a Robusta crop of 5506 MT against 6136 MT in the previous year. In case of Arabica, a production of 1209 MT has been harvested against 1716 MT in the previous season. The coffee harvesting operation has been completed and Robusta gleaning operation is in progress.

We were able to complete 100% blossom and during the course of backing irrigation we received good natural backing showers. Post-harvest operations such as handling, and white stem borer control are in progress.

##### **Tea**

During the financial year 2021-22, the Company produced 4.240 million kgs against 4.946 million kgs in the previous year. The turnover during the year was ₹64 crore as against ₹90 crore last year. While the pandemic, extended monsoon and incidence of Tea Mosquito Bug (TMB) impacted production, challenges of a sharp drop in tea prices from last year's record levels and a higher wage and input cost impacted the turnover.

During the year, the South Indian Sale average declined by 21.35% and North India by 12.38% compared to

the previous year. Pan India production was higher by 4% but lower than pre-pandemic period. South India production was marginally lower by 1%.

### **Pepper**

The Company has achieved a pepper production of 713 MT for the financial year 2021-22 against 790 MT harvested during financial year 2020-21. At plantations, Pepper watering during summer months is a continuous process to protect the vines from moisture stress.

### **Kushalnagar - Coffee Curing Works & Pepper Processing Unit**

Kushalnagar Works, Coffee Curing Unit is an important cog in the wheels of Tata Coffee. The facility is a processing hub for Tata Coffee's entire produce of Coffee, and also extends green coffee processing services to the coffee growers in South India, spread across various growing Regions. Additionally, it also houses the Pepper processing Unit, and two roasting Units for Tata Coffee Grand and Tata Starbucks. The Unit is certified for ISO 9001:2015, SA-8000:2014, Rain Forest Alliance (RSA), Organic Coffee processing, and Café Practices.

The Pepper Processing Center is certified by Export Inspection Agency (EIA), which enables the Company to process pepper, meeting all the required Global Standards. The Unit is also certified for Organic Pepper processing and is certified under FSSC 22000 5.1, and SA 8000:2014.

### **Coffee & Pepper Exports**

During the financial year 2021-22, the green coffee sales exceeded 10,000 MT, out of which the exports stood at 7,977 MT of coffee as against 7,325 MT in the previous year. Your Company continued to focus on growth through premiumization, building a wider market outreach and building relationships with the best in class roasters globally.

The total sales of pepper for the company stood at 845 MT in FY 2021-22 as against 885 MT in FY 2020-21. Your company was able to place certified pepper in the market, capitalizing on increased demand of sustainable produce in the market and with a steady increase in volumes.

On Instant Coffee, in FY 2021-22, your company clocked sales of 8,495 MT from Indian operations and 4,865 MT from the Vietnam operation. The sales numbers were 7,446 MT and 4,536 MT respectively from India and Vietnam for FY 2020-21. Despite headwinds and inflationary pressures across inputs, we were able grow our sales across regions, enter new markets, and maintain share with key customers.

### **AMA Plantation Trails**

The operations of Ama Plantation Trails, the hospitality business of the Company have recovered from the effects of Covid Pandemic and the bookings have reached the level of pre-pandemic levels. The Company's association and partnership with Indian Hotels Company Limited have augmented well for the operations leveraging group synergies and immersive experiences for the guests.

## **B. Instant Coffee Operations**

During financial year 2021-22, Instant Coffee Division performed well despite global headwinds induced by COVID-19 pandemic and accentuated in steep increase in Ocean freights, packing material costs and energy costs.

The challenges during the year were overcome by smart sourcing of green beans, focused productivity and cost enhancement measures and continuous focus on developing customized products.

The new state-of-the-art 5000 Tonnes per annum, Freeze-dried Coffee Plant in Vietnam has achieved 98% capacity utilization with enhanced yields and improvement in unit operational metrics. The manufacturing units at Theni and Toopran in India have performed well with a capacity utilization of 98% despite severe operating constraints. New technologies have been adopted to reduce energy and water consumption, improve safety and enhance people productivity through training.

The Company continues to enhance its market standing and competitive edge by enhanced product portfolio, customized solutions and new products. The year 2021-22 has witnessed continued diversification of our sales and market portfolio.

## **C. Starbucks Roastery**

A state-of-the-art roasting plant for Tata Starbucks is also located at Kushalnagar and produces single origin coffees of India, Kenya and Sumatra, as well as Cold Brew, Espresso, Blonde Espresso and Diwali Blend variants, catering to the exclusive requirements of Tata Starbucks outlets across India. An additional roasting and automated packing line have been added, to cater to the growth plans of Tata Starbucks. The Unit is certified under FSSC 22000 5.1, SA-8000:2014, and compliance to Ethical Sourcing requirement of Starbucks.

## **D. Tata Coffee Grand**

Tata Coffee Grand leverages the deep heritage of Tata in coffee and has a product that is an innovative offering in the Indian market within the instant coffee portfolio. Tata Coffee Grand is an intensely rich and aromatic coffee, a blend of the finest coffee powder & "flavor locked decoction crystals" which gives consumers a 'best in class' taste experience in the instant coffee category. The portfolio also has Roast &

Ground (Filter coffee) variant with a widespread presence across all the southern states.

A new launch in the portfolio is Tata Coffee Quick Filter which was launched in October 2021. Quick Filter is a flavoured instant coffee chicory mix that delivers the taste of filter coffee, making it convenient for those who do not have the time or expertise to make filter coffee to easily experience the aromatic, flavorful taste of filter coffee.

## E. Sonnets

‘Sonnets by Tata Coffee’, a range of Reserve Single Origin Limited Edition Coffee produced from high quality Arabica coffee beans was launched in February 2021, which is distributed and marketed by the Holding Company viz., Tata Consumer Products Limited. The roasting, grinding and packaging of the Product is done out of Kushal Nagar Works. This range of roast and ground coffee provides a unique taste experience.

## 11. Awards

During the year under review, the Company has received the following awards:

1. ICD Theni won the Gold Award issued by the Society of Energy Engineers and Managers for Energy (SEEM) as a recognition for the efforts towards achieving sustainable energy performance at the unit
2. ICD Theni Unit won Greentech energy conservation Award for FY 2020-21 for sustainability initiatives & energy Management, from Greentech Foundation, New Delhi
3. Top Exporter in Karnataka (Silver) for FY 2020-21 recognised by Federation of Indian Export Organisations
4. Export Excellence Award (FY 2016-17 & FY 2017-18) by Madras Export Processing Zone (MEPZ), Ministry of Commerce and Industry
5. Sustainable Agriculture Award from Federation of Indian Chamber of Commerce & Industry (FICCI)
6. Best of the Best Coffee in the World - India's Best Coffee - Ernesto Illy International Coffee award
7. Plantations and ICD Theni won the Gold Award, and ICD Toopran won the Silver Award—OHSSAI Foundation HSE&S Excellence Award
8. ICD Toopran was awarded the HR Achievers Gold Star Award-2021 from Federation of Telangana Chambers of Commerce and Industry (FTCCI)

9. ICD Theni has recently won prestigious Award-EHS Excellence & Maturity Award (Bronze) from by CII-Southern Region

10. Highest Exporter Award for FY 2018-19 and 2019-20 to Theni Unit from MEPZ, Ministry of Commerce and Industry

## 12. Capital Expenditure

During the year, ₹44 crore was incurred towards capital expenditure primarily on account of modernization, upgradation, re-planting, welfare and other programmes undertaken in various units of the Company.

## 13. New technology and sustainability projects at Instant Coffee Units

During the year under review, the Company has invested in newer technologies and sustainability projects as under:

- a. Theni Unit has introduced Adiabatic cooling system replacing cooling towers to reduce water requirement by about 20%.
- b. Theni Unit has invested a back-pressure turbine which has led to savings of 650 units of electricity, per day.
- c. Introduction of high efficiency motors and pumps replacing old motors and pumps in ICD Theni, has led to savings of about 1900 units of electricity per day.
- d. ICD Toopran introduced Zero Liquid Discharge system using scale ban technology to recover and recycle 60 Kilo Litres of water per day.

## 14. Subsidiary Companies and Consolidated Financial Statements

### Subsidiary Companies

#### I. Consolidated Coffee Inc. (CCI) and Eight O' Clock Holdings Inc.

CCI is the Holding Company of Eight O' Clock Holdings Inc. and Eight O' Clock Holdings Inc. is the Holding Company of Eight O' Clock Coffee Company. The Consolidated Net Profit of CCI after taxes was ₹172 crore (USD 23.109 million) as compared to ₹156 crore (USD 20.973 million) for the previous year.

#### II. Eight O' Clock Company (EOC)

The Total Income of EOC during the financial year 2021-22 was ₹1295 crore (USD 175 million) compared to ₹1293 crore (USD 174 million) in the previous Financial Year. The Bag coffee volumes were down compared to previous year due to the Covid spike in the first half of the year. K-cup volumes were up on the strength from our new value sized products and increased spend in trade marketing to make pricing more competitive. EOC's private label business also grew both in volumes, turnover and operating profits.

The focus going forward is to grow the base through line extensions and white space opportunities.

### **III. Tata Coffee Vietnam Company Limited (TCVCL)**

The Total Income of TCVCL, a wholly owned subsidiary of Tata Coffee Ltd., during the financial year 2021-22 was ₹258 crore (USD 34.745 million) compared to ₹228 crore (USD 30.653 million) in the previous financial year.

TCVCL commissioned a 5000 MTPA Freeze-dried Coffee Plant in Vietnam during May 2019. The plant has successfully ramped up capacity to the levels of upto 98% in its third year of operation despite the COVID-19 pandemic and related issues in Vietnam. The unit was able to operate without any production loss and ensured safety of plant personnel. During the year, the Company faced with issues around container availability and disproportionate increases in Ocean freight. However, the Company undertook measures to mitigate the impact though not fully.

The TCVCL unit has continuously focussed on new product development leveraging its unique pilot plant and co-created products with customers. The product customization has enabled quick customer acquisition and improved the market standing of the company. New markets in South East Asia and Europe have been accessed.

The Unit continues to set benchmarks on Safety with zero Safety accidents reported during the year and setting high level of standards in Food safety matters. To sustain the occupational safety, the unit is in the process of obtaining ISO 14001 and 45000 certifications. The unit is taking lead in water management, thereby reducing the consumption levels by 17% from baseline levels. The Unit is certified for LEED (Leadership in Energy and Environmental Design), BRC (British Retail Consortium), Halal, Kosher, UTZ and RFA.

#### **Performance of Subsidiaries**

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

Further, pursuant to the provisions of Section 136 of the Act, the standalone and consolidated financial statements of the Company and of its subsidiaries, are available on the Website of the Company at <https://tatacoffee.com/investors/overview>.

The Company does not have any Associate or Joint Venture Companies. Further, the Company's policy on determining the material subsidiaries, as approved by the Board is uploaded on the Company's website at

[https://tatacoffee.com/sites/default/files/collaterals/investors/Policy\\_for\\_Determining\\_Material\\_for\\_Disclosure.pdf](https://tatacoffee.com/sites/default/files/collaterals/investors/Policy_for_Determining_Material_for_Disclosure.pdf).

### **15. 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 Auditors, Statutory Auditors and Secretarial Auditors, including the Audit of Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by 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 Financial Year 2021-22.

Accordingly, pursuant to Sections 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- i. in the preparation of the annual accounts for the Financial Year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care 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 Annual Accounts for the Financial Year ended March 31, 2022 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 operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **16. Directors and Key Managerial Personnel**

#### **Directors**

The Board of Directors at its meeting held on March 22, 2022, subject to the approval of the Shareholders, re-appointed Mr. Chacko Purackal Thomas, as Managing Director & CEO of the Company, not liable to retire by rotation, for a further term of three (3) years with effect from April 1, 2022.

The terms of remuneration in relation to the said re-appointment was recommended by the Nomination & Remuneration Committee and approved by the Board on April 26, 2022. A resolution in this behalf is set out at Item no. 8 of the Notice of Annual General Meeting, for Members' approval.

Further, the Board of Directors at the said meeting, subject to the approval of the Shareholders, re-appointed Mr. K. Venkataramanan, as Executive Director – Finance & CFO of the Company, not liable to retire by rotation, for a further period of one (1) year with effect from October 25, 2022. The terms of remuneration in relation to the said re-appointment was recommended by the Nomination and Remuneration Committee and approved by the Board on April 26, 2022. A resolution in this behalf is set out at Item no. 9 of the Notice of Annual General Meeting, for Members' approval.

In accordance with the provisions of Section 152 of the Act and the Articles of Association, Mr. Sunil A. D'Souza, Non-Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

### Independent Directors

During the year under review, Mr. V Leeladhar retired as Independent Director effective December 6, 2021, after completing his term of appointment. The Board places on record its appreciation for the contributions and guidance made by Mr. Leeladhar, during his stint with the Company as a Director.

The Board of Directors at the meeting held on July 28, 2021, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr. S Venkatraman as an Additional Director (Non-Executive Independent) of the Company with effect from the said date. Pursuant to the provisions of Section 161 of the Act, Mr. Venkatraman holds office till the date of ensuing Annual General Meeting and is eligible for appointment. A resolution for his appointment as an Independent Director of the Company for a term of 5 years effective from July 28, 2021 to July 27, 2026 is set out at Item No. 7 of the Notice of Annual General Meeting for approval by the Members by way of a Special Resolution.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on March 22, 2022, have re-appointed Dr. P G Chengappa as an Independent Director of the Company for a second term of office, for a period of 3 years, with effect from May 18, 2022 to May 17, 2025, which is subject to the approval of the Members by way of a Special Resolution. A resolution in this behalf is set out at Item No. 6 of the Notice of Annual General Meeting, for Members' approval.

All the Independent Directors of the Company have given their declarations to the Company under Section 149(7) of the Act that they meet the criteria of independence as provided under Section 149(6) of the Act read with Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ('the Listing Regulations'). There has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year under review, the Company did not have any pecuniary relationship or transactions with any of its Directors, other than payment of remuneration / Incentive to the Executive Directors and payment of sitting fees, commission to Non-executive Directors and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committees of the Company.

### Key Managerial Personnel (KMP)

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

- Mr. Chacko Purackal Thomas, Managing Director & CEO
- Mr. K. Venkataramanan, Executive Director – Finance & CFO
- Mr. N. Anantha Murthy, Head – Legal & Company Secretary

### Board and Committee Meetings

An Annual Calendar of Board and Committee Meetings planned during the year was circulated in advance to the Directors. The Board has constituted an Audit Committee comprising of Mr. S Venkatraman as Chairman and Ms. Sunalini Menon, Mr. Siraj Azmat Chaudhry and Dr. P. G. Chengappa 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.

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems were adequate and operating effectively.

## 17. 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 profiles 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 applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'). The remuneration determined for Executive / Independent Directors is subject to the recommendation of the NRC 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; however, 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 are 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. Further, various other programmes are conducted for the benefit of Independent Directors to provide periodical updates on regulatory front, industry developments and any other significant matters of importance. The details of Familiarization Program are provided in the Corporate Governance Report and is 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 [www.tatacoffee.com](http://www.tatacoffee.com).

**18. Board Evaluation**

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, based on the evaluation criteria defined by Nomination and Remuneration Committee (NRC) for performance evaluation process of the Board, its Committees and Directors.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as the composition of committees, effectiveness of Committee meetings, etc.

The performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated at separate meetings 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.

**19. 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.

**20. 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 to the Board as required under Section 143(12) of the Act and the rules made thereunder.

**21. Transfer to Investor Education and Protection Fund (IEPF)**

**a) Transfer of unclaimed dividend to IEPF**

As required under Section 124 of the Act, the Unclaimed Dividend amount aggregating to ₹33,08,344 lying with the Company for a period of seven years were transferred during the Financial Year 2021-22, to the Investor Education and Protection Fund (IEPF) established by the Central Government.

**b) Transfer of shares to IEPF**

As required under Section 124 of the Act, 93,635 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 2021-22. Details of

shares transferred to IEPF have been uploaded on the Website of IEPF as well as the Company.

## 22. 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 are 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 these transactions cannot be foreseen in advance.

None of the transactions entered into with Related Parties fall 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 - B** 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 is available at the web link: <https://tatacoffee.com/sites/default/files/collaterals/investors/related-party-transaction-policy-april2022.pdf>.

## 23. Corporate Governance and 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 report on Corporate Governance as required under the Listing Regulations is provided in a separate section and forms part of the Annual Report. A Certificate from a Practicing Company Secretary regarding compliance with the conditions stipulated in the Listing Regulations forms part of the Corporate Governance Report.

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis is presented in a separate section forming part of this Annual Report.

## 24. 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.

## 25. Auditors

### (i) Statutory Auditors

The Members of the Company at their Annual General Meeting held on June 14, 2021, approved

the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), as the statutory auditors of the Company for a period of five years commencing from the conclusion of the 78<sup>th</sup> AGM held on June 14, 2021 until the conclusion of 83<sup>rd</sup> AGM of the Company to be held in the year 2026.

Ratification of appointment of Statutory Auditors at every AGM has been dispensed with by the Ministry of Corporate Affairs. Accordingly, the Notice convening the ensuing AGM does not carry any resolution on ratification of appointment of Statutory Auditors.

### (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. S.Mahadevan & Co, (Firm Registration No. 000007) Cost Accountants, as Cost Auditor of the Company for conducting the Cost Audit for the Financial Year 2022-23, on a remuneration as mentioned in the Notice of 79<sup>th</sup> Annual General Meeting.

A Certificate from M/s. S.Mahadevan & Co., Cost Accountants, has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder.

A resolution seeking Member's ratification for the remuneration payable to the Cost Auditor forms part of the Notice of 79<sup>th</sup> Annual General Meeting and the same is recommended for your consideration and ratification.

### (iii) Secretarial Auditors

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, Company Secretaries, to undertake the Secretarial Audit of the Company for the year ended March 31, 2022. The Secretarial Audit Report issued in this regard is annexed as **Annexure - C**.

The Auditors' Report and the Secretarial Audit Report for the Financial Year ended March 31, 2022, do not contain any qualification or reservation or adverse remarks.

## 26. 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 a 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.

## **27. Particulars of Loans, Guarantees and Investments**

The details of Loans, 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.

## **28. Fixed Deposits**

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.

## **29. 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 subsidised rate to school going children, supply of provisions at cost and other home appliances on instalment basis 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 focus areas in the welfare initiatives during financial year 2021-22:

- Long service award for all the employees with 25 years of service.
- Vaccination for all the employees.
- Supply of sanitizers, face masks, face shield masks, gloves to all employees who are dealing closely with workers.
- Isolation centres for the COVID positive cases were identified in all locations.

- Medical assistance for the COVID positive cases and support to the family members by providing essential needs.
- Facilitation of disinfectant spraying of labour lines, hospitals etc.
- Facilitation of COVID 19 preventive management as per the Government guidelines.
- Skill development identification and recognition of identified skilled workers with the certificates.
- UNF health project was initiated for women workers to diagnose cervical cancer and anaemia.
- Blood donation camp conducted for the employees.
- Awareness programme on Tata Code of Conduct (TCoC) Prevention of Sexual Harassment (POSH) was conducted by HR team in all the estates.
- On a trial basis, Green Oxyguard waste incinerator was installed in one of the estates as a part of the waste management initiative.

## **30. Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace**

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 (POSH) 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 reconstituted the Internal Complaints Committee and emphasised on the roles and responsibilities expected from the members. Training programmes were conducted around locations to strengthen the awareness among the Committee members.

The Company continuously invests in enhancing the awareness on the Policy across its workforce.

The Company also conducts a periodic (bi-annual) awareness plan across the organization on Ethics, Tata Code of Conduct, POSH & Whistle Blower policy involving workmen as facilitators.

During the financial year 2021-22, the Company received 5 complaints on sexual harassment and all the cases have been disposed of with appropriate actions.

## **31. 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 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 provides to employees' direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the Website of the Company at [https://tatacoffee.com/sites/default/files/collaterals/investors/Whistle\\_Blower\\_Policy\\_24032022.pdf](https://tatacoffee.com/sites/default/files/collaterals/investors/Whistle_Blower_Policy_24032022.pdf).

### 32. Corporate Social Responsibility (CSR)

The Company has a Policy on Corporate Social Responsibility and the same has been posted on the website of the Company at <https://tatacoffee.com/sites/default/files/collaterals/investors/csr-policy-and-actionplans-fy2022-23.pdf>. 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.

### 33. Extract of Annual Return

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the Annual Return for FY 2021-22 is uploaded on the website of the Company and the same is available at <https://tatacoffee.com/sites/default/files/collaterals/investors/mgt/Annual-Return-FY-2021-22.pdf>.

### 34. 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 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 - E** and forms part of this Report.

### 35. 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 - F** and forms part of this Report.

### 36. 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.

### 37. Green Initiatives

In commitment to keep in line with the Green Initiatives and going beyond it, electronic copy of the Notice of 79<sup>th</sup> Annual General Meeting of the Company including the Annual Report for FY 2021-22 are being sent to all Members whose e-mail addresses are registered with the Company / Depository Participant(s).

### 38. Appreciation

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

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

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

For and on behalf of the Board

Place: Bengaluru  
Date: April 26, 2022

**R. Harish Bhat**  
Chairman

## Annexure - A

## Form No. AOC – 1

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

## PART "A": SUBSIDIARIES

(₹ in crore)

1	Name of the Subsidiary	Consolidated Coffee Inc.	Eight O'clock Holdings Inc.	Eight O'clock Coffee Company	Tata Coffee Vietnam Company Limited
2	Date since when subsidiary was acquired / formed	July 10, 2006	July 10, 2006	July 10, 2006	March 28, 2017
3	Reporting Currency and Exchange Rate as on the last date of the relevant Financial Year in case of Foreign Subsidiaries	US Dollar / ₹75.79	US Dollar / ₹75.79	US Dollar / ₹75.79	US Dollar / ₹75.79
4	Average yearly rate for P&L items translation	US Dollar / ₹74.15	US Dollar / ₹74.15	US Dollar / ₹74.15	US Dollar / ₹74.15
5	Share Capital	453.97	453.97	453.97	116.71
6	Reserves & Surplus	1.16	(0.54)	561.60	(21.42)
7	Total Assets	456.38	454.29	1982.73	537.99
8	Total Liabilities	1.25	0.86	967.16	442.69
9	Investments	453.97	453.97	-	-
10	Turnover	-	-	1294.07	258.12
11	Profit before Taxation	88.98	88.98	229.21	6.50
12	Provision for Taxation	-	-	57.85	-
13	Profit after Taxation	88.98	88.98	171.36	6.50
14	Proposed Dividend	-	-	-	-
15	Percentage (%) of Shareholding	50.08			100.00

## 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 International Financial Reporting Standards/local GAAP.
4. Part B of the Annexure is not applicable as there are no Associate Companies / Joint ventures of the Company as on March 31, 2022.
5. Eight O'Clock Holdings Inc. and Eight O'Clock Coffee Company are subsidiaries of Consolidated Coffee Inc.

For and on behalf of the Board

Place: Bengaluru  
Date: April 26, 2022

**R. Harish Bhat**  
Chairman

## Annexure – B

### Form No. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 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 2021-22. 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: April 26, 2022

**R. Harish Bhat**  
Chairman

## Annexure - C

### FORM No. MR-3

#### Secretarial Audit Report

#### for the year ended March 31, 2022

(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 March 31, 2022 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 March 31, 2022 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- 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, 2018; – Not Applicable as the Company did not issue any security during the Financial Year under review.
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - Not Applicable as the Company does not have Employee Stock Option Scheme for 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, 2018; - 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 and the Rules made thereunder
- 4) The Factories Act, 1948
- 5) The Legal Metrology Act, 2009 and the Rules made thereunder
- 6) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- 7) The Water (Prevention and Control of Pollution) Act, 1974
- 8) The Air (Prevention and Control of Pollution) Act, 1981
- 9) The Environment (Protection) Act, 1986
- 10) The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
- 11) Food Safety & Standards Act, 2006, and Food Safety & Standards Rules, 2011
- 12) The Spices Board Act, 1986 and the Rules, Regulations made thereunder
- 13) The Indian Forest Act, 1927
- 14) The Indian Wildlife Protection Act, 1972
- 15) The Electricity Act, 2003
- 16) The Contract Labour (Regulation and Abolition) Act, 1970 & its Central Rules/ concerned State Rules
- 17) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes
- 18) The Employees' State Insurance Act, 1948 & its Central Rules / concerned State Rules
- 19) The Minimum Wages Act, 1948 & its Central Rules/ concerned State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade
- 20) The Payment of Wages Act, 1936 & its Central Rules/ concerned State Rules if any
- 21) The Payment of Bonus Act, 1965 & its Central Rules/ concerned State Rules if any
- 22) The Payment of Gratuity Act & its Central Rules/ concerned State Rules if any
- 23) The Maternity Benefit Act, 1961 & its Rules
- 24) The Equal Remuneration Act, 1976
- 25) The Employee's Compensation Act, 1923
- 26) The Karnataka Shops & Establishments Act, 1961 and Rules made thereunder
- 27) Information Technology Act, 2000
- 28) The Industrial Dispute Act, 1947
- 29) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- 30) Tamil Nadu Industrial Establishments (National & Festival Holidays) Act, 1958 read with The Tamil Nadu Industrial Establishments (National & Festival Holidays) Rules, 1959
- 31) Tamil Nadu Labour Welfare Fund Act, 1972 read with Tamil Nadu Labour Welfare Fund Rules, 1973

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 and the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited

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 Managing Director & CEO, Executive Director – Finance & CFO and 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.

We further report that during the audit period, there were 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. LLP,  
Company Secretaries

Place: Bangalore  
Date: April 26, 2022  
UDIN: F007834D000212599

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

*This report to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.*

## **Annexure A**

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 process 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, and authorised representatives during the conduct of the audit and also on the review of quarterly compliance report issued by the respective departmental heads/Company Secretary/Managing Director & CEO, 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. LLP,  
Company Secretaries

Place: Bangalore  
Date: April 26, 2022  
UDIN: F007834D000212599

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

## Annexure – D

### ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

1. A brief outline on Corporate Social Responsibility (CSR) Policy of the Company:

The focus areas of the CSR Policy of the Company are as follows:

- Reduction of carbon and water footprint through inclusive and sustainable business practices.
- Renewable Energy, Water Conservation & Waste Management to support Environmental Sustainability.
- Ensuring protection and restoration of wildlife within the scope of operations.
- Undertaking programs focused on Education and Skill Development, Healthcare & Gender Equality.
- Actively participating in programs for Volunteering and Affirmative Actions.

2. Composition of CSR Committee:

Name of the Member	Category of Directors	No. of meetings attended	No. of meetings held <sup>^</sup>
Ms. Sunalini Menon Chairperson	Non-Executive, Independent	2	2
Mr. V Leeladhar*	Non-Executive, Independent	1	1
Mr. Siraj Azmat Chaudhry (upto December 6, 2021)	Non-Executive, Independent	1	1
Dr. P. G. Chengappa	Non-Executive, Independent	2	2
Mr. Chacko Purackal Thomas	Managing Director & CEO	2	2

\* Ceased to be a member consequent upon his retirement from the Board of the Company w.e.f. December 6, 2021

<sup>^</sup> Number of meetings held during the tenure of respective member in the Committee.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: <https://tatacoffee.com/sites/default/files/collaterals/investors/csr-policy-and-actionplans-fy2022-23.pdf>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be for set-off for the Financial Year, if any (in ₹)
1	2017-18	Nil	Nil
2	2018-19	Nil	Nil
3	2019-20	Nil	Nil
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>

6. Average Net Profit of the Company as per Section 135(5) of the Act: ₹42.84 crore
7. a. Two percent of average net profit of the Company as per Section 135(5) of the Act for the financial year 2021-22: ₹0.86 crore
- b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- c. Amount required to be set off for the financial year, if any: Nil
- d. Total CSR obligation for the financial year (a+b-c): ₹0.86 crore

**8.a. CSR Amount spent or unspent for the Financial Year (in ₹)**

Total Amount Spent	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6) of the Act			Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act	
	Amount	Date of Transfer	Name of the Fund	Amount	
₹1.75 crore	Nil	NA	NA	NA	Nil
b.	Details of CSR amount spent against ongoing projects for the Financial Year:				Nil
c.	Details of CSR amount spent against other than ongoing projects for the Financial Year				Refer Annexure – D1
d.	Amount spent in Administrative Overheads:				Nil
e.	Total Amount spent on Impact Assessment, if applicable:				Not applicable
f.	Total amount spent for the Financial Year:				₹ 1.75 crore
g.	Excess Amount for set off, if any				
	<b>Sl. No.</b>	<b>Particulars</b>			<b>Amount ₹</b>
	(i)	Two percent of average net profit of the company as per section 135(5)			₹0.86 crore
	(ii)	Total amount spent for the Financial Year			₹1.75 crore
	(iii)	Excess amount spent for the Financial Year [(ii)-(i)]			₹0.89 crore
	(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any			Nil
	(v)	Amount payable for set off in succeeding financial years [(iii)-(iv)]			₹0.89 crore
9.	a.	Details of Unspent CSR Amount for the preceding three financial years:			Nil
	b.	Details of CSR amount spent in the Financial Year for ongoing projects of the preceding financial year(s)			Nil
10.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year:				Nil

Place: Bengaluru  
Date: April 26, 2022

**Chacko Purackal Thomas**  
Managing Director & CEO

**Sunalini Menon**  
Chairperson – CSR Committee

## Annexure D1

Sl. No.	Name of Projects	Item from the list of activities in Schedule VII to the Act	Locations / Districts (State)	Amount Spent for the Project (₹ Lakh)	Mode of implementation – Direct Yes / No	Mode of Implementing through implementing Agency	
						Name	CSR Registration
1	Promoting Preventive Health Care	Health	Coorg, KA*	99.66	Direct	-	-
2	Promoting Preventive Health Care	Health	Coorg, KA*	35.00	No	Rural India Health Project	CSR00005505
3	Providing Soft Skill	Skill Development	Toopran, TEL *	5.96	No	Institution of Resource Development and Social Management	CSR00016222
4	Promoting education by providing contributions	Education	Theni, TN * Anamallais, TN *	22.84	Direct	-	-
5	Providing Career Counselling for poor children of Govt School	Employment enhancing	Bangalore, KA*	1.00	No	Kinship for Humanitarian Social & Holistic Intervention in India	CSR00001135
6	Promoting sanitation and making available safe drinking water	Sanitation and Water	Coorg, KA* Theni, TN *	6.02	Direct	-	-
7	Waste management to environmental sustainability	Environment	Toopran, TEL *	2.00	No	Institution of Resource Development and Social Management	CSR00016222
8	Others	Infrastructure/ Others	Bengaluru, KA*	2.24	Direct	-	-
		<b>Total</b>		<b>174.72</b>			

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

## Annexure – E

### 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

- 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 Executive Officer, Chief Financial 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	1.01	33
Mr. Sunil A. D'Souza	0.72	21
Mr. V. Leeladhar <sup>^</sup>	10.31	-
Mr. S. Venkatraman <sup>^</sup>	10.86	-
Ms. Sunalini Menon	11.62	5
Mr. Siraj Azmat Chaudhry	13.57	5
Dr. P. G. Chengappa	11.94	4
<b>Executive Directors &amp; Key Managerial Personnel</b>		
Mr. Chacko Purackal Thomas	128.22	13
Mr. K. Venkataramanan	93.90	7
Mr. N. Anantha Murthy	27.59	16

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

- The percentage increase in the median remuneration of employees in the Financial Year: 5%
- The number of permanent employees on the rolls of Company: 6121
- Average percentile increases 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 2021-22 was 5%. The increments given to employees are based on their potential, performance, and contribution, which are benchmarked against applicable Industry norms.

- 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 – F

### 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)

#### INSTANT COFFEE DIVISION [ICD] -THENI & TOOPRAN

##### A. CONSERVATION OF ENERGY

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

- a) Specific fuel consumption has reduced by 10% at Toopran through focused interventions by Process improvement. Improved boiler bed coils & refractory condition has enabled the use of excess boiler spent.
- b) Wind energy utilization continued through Group Captive Power (GCP) concept being a major initiative, which caters 28.5% of total energy requirement at ICD Theni over PY 16%
- c) Specific power consumption has reduced 8.7% in Freeze Dried Coffee (FDC) Unit and 4.4% in Spray Dried Coffee (SDC) Unit, Theni through focused interventions by Process improvement teams and Installation of Energy efficient motors and pumps
- d) Specific fuel consumption has reduced by 7.4% in FDC Unit through multiple energy saving projects and use of condensate recovery system
- e) Fly ash generated from the boiler is being disposed in an eco-friendly manner for brick manufacturing.
- f) 13.5% Specific Water Consumption reduction at FDC Unit and 5% reduction in SDC Unit through water conservation initiatives at Theni
- g) The freshwater intake in ICD Toopran has reduced by 20% leveraging scale ban technology with 'NIL' discharge

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

- a) Additional 60 Lakh unit of Wind power has been connected at ICD Theni to improve the renewable sourcing from 24% to 80% of total power consumption.
- b) Focus on Various Biofuel utilization as Boiler Fuel have been trialed during the year.

##### 3. The capital investment on energy conservation equipment

- a) ICD Toopran Unit of Instant Coffee Division invested of ₹105 Lakh towards energy efficient pumps and capacitor bank, VAM chillers replacing electrical chillers and 200 kVA UPS for continuous operation of evaporators and spray drying equipment.
- b) The Theni Unit of Instant Coffee Division invested ₹43 Lakh in projects on energy efficient pumps and motors. The energy reduction initiative led to 3.6 Lakh units in FY 2021-22
- c) The Theni Unit of Instant Coffee Division invested ₹20 Lakh in installation of Condensate Recovery System with saving potential of 20 KL Water per day and additional Coal Saving, amounting to a saving potential of ₹14 Lakh

#### TECHNOLOGY ABSORPTION:

##### 1. The Company has introduced the following technologies to conserve energy, water and improve process yields:

- a) Energy Efficient Pumps to reduce high energy consumption in place of low efficiency pumps
- b) 160TR VAM chiller replacing electrical chillers.
- c) Capacitor bank in agglomeration plant at Toopran to increase the power factor and reduce the power wastages.
- d) Condensate recovery systems in SDC Unit at Theni

##### 2. Efforts made for Technology Absorption:

- a) Automation of Evaporator and ARS systems with PLC to synchronize feed flow and steam flow.

- b) Alternate Heat Energy System introduction in SDC to enable plant to operate in absence of steam energy for short intervals
- c) Conducted energy audit to analyse the energy consumption and action plan for reduction in consumption of energy is under progress
- d) Energy audit of pumping system and replacement of low efficiency pumps

## PLANTATIONS

**1. Introduction** – TCL- R&D was established in the year 1982 and is mainly providing technical support on all aspects of Plantation including Combating Climate change, Post-harvest processing in preserving the intrinsic quality of Plantation products and assisting the Estates in certifications which is validating our Cultural operations on par with International Standards. Training and knowledge sharing, both in-house and with customers is a routine activity. Annual R&D Day – INVENTICA is held, where updates of R&D research are discussed and new “Need of hour Projects” are undertaken to improve on “Standard Operating Procedure”, “better utilization of unit area profit through Crop Diversification”. **R&D department has been recognized by Department of Scientific and Industrial Technology, Government of India.**

**2. Mission of the Department** – To develop, improve and innovate technologies or solutions for sustainable production and productivity of Quality Coffee, Pepper and other allied products adopting green processes at economical cost.

**3. R&D Faculty:** Our R&D Team has expertise in the fields of Analytical chemistry, Agricultural Entomology, Microbiology & Pathology, Agronomy, Plant breeding, Apiculture, Pisciculture, Value Addition, Diversification and Quality Evaluation.

### 4. R&D Highlights

#### A. Crop Nutrition Research:

- a. R&D Laboratory is well equipped to conduct Crop Nutrient Research. Microwave Plasma Atomic Emission Spectrophotometer has been installed in 2018-19 to carry out Micro-nutrient analysis. R&D is conducting Soil Fertility Evaluation through annual soil nutrient analysis and leaf micronutrient diagnostic analysis and the results are 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 optimized to provide adequate nutrients to enhance crop production and productivity.

- c. Monitoring the availability of micronutrients and secondary nutrients to improve Coffee, Pepper, Cardamom and fruit crop productivity and quality.
- d. Working on various Agro input trials in collaboration with different organization and institutes.
- e. Rationalization of fertilizer application for the future. Experimenting on identification of potential ‘fertilizer formulation’ for better absorption of applied nutrients, and quality enhancement.

**B. Varietal Trial Experiment:** Identified ‘Location specific’, high yielding, pest, disease, and drought tolerant plants for planting in our estates. Initiated coffee vegetative clonal propagation & targeting 70000 plants for the forthcoming year.

**C. Bio- control Research & IPM Strategy:** For reducing dependency over chemical inputs and promoting sustainable Agriculture, R&D has adopted unique IPM strategy where Pheromone traps, Microbial and Organic formulations are utilized to fulfil the estate specific requirement. Some of the initiatives are mentioned below.

- a. **Culturing of beneficial fungus Trichoderma for integrated disease management** R&D pioneered and scaled up the culturing of pure line Trichoderma fungus in different formulations as per estate requirements and introduced Concentrated Vial formulation in deliverable form for hassle free transport to far off estates. TCL-R&D has developed economic solid formulation for the easy application of biocontrol agents.
- b. **Culturing of Beneficial strains viz., Pseudomonas, Bacillus, Azotobacter** for improving plant systemic resistance & for nutrient solubilization, Panceilomyces and Pochonia for soil Nematode control.
- c. **Organic formulation** – R&D is working on various organic solutions and has developed its own organic formulation to mitigate pest and disease challenges in coffee and allied crops based on the concept of Vedic Agriculture and Vrukshayurveda.
- d. **Coffee Berry Borer Control:** Large-scale installation of Berry Borer traps and culturing of entomo-pathogenic fungus **Beauveria bassiana** & **B. brongiarthii**, as a part of Integrated Pest Management.
- e. **Compost Preparation using Coffee waste-** Culturing of specific strains of **Streptomyces**,

**Bacillus & Phanerochete** for compost raw material degradation & enrichment. Trials are underway for exploring new commercial biological formulations for effective utilization of farm wastes.

- f. **Coffee White Stem Borer Control:** Monitoring WSB by installing Pheromone traps, 'Lime spray' and intensive tracing. R&D has introduced Impregnated Non-woven fabric wraps to emphasize the population suppression as a part of Integrated Pest Management [IPM] to keep sustainability.
- g. **Management of Tea Mosquito Bug:** - Trials are underway to explore new botanical formulations for the TMB control.
- h. **Topee grafting** - Topee grafted plants with Robusta rootstock were produced for Nematode Management.
- i. **Wild animal repellent** – To reduce Man-animal conflict in our estates R&D has initiated trials using organic repellents.

#### D. Organic cultivation

Coffee and Pepper cultivation follows Organic Farming Standards as per NPOP and NOP – US technical standards. Agro-waste management and recycling through large-scale production of quality compost with improvised technology by incorporating microbial consortium has been done to enhance the soil fertility and vigor of the plants.

- E. **Mono Cultivation of Pepper and Crop Diversification:** Intensive Pepper cultivation with improved package of practices. R&D has introduced unique economic method for pepper cultivation by using Pepper Procliners. Areca nut and Oil palm planted along the valleys and marginal areas have established and contributing to substantial revenue.

- F. **Good Manufacturing practices-** R&D's main focus is constantly working towards increasing the scope of improvement with Preparation of Standard Operating Procedure (SOP) and package of practices based on Good Agricultural practices (GAP) and Good Processing Practices (GPP).

#### G. Knowledge sharing –

Periodical training programs on critical cultural operations for estate personnel. Monthly Advisory Circulars are sent to the estates and to our customers including Arakku valley farmers and tribal growers to update current/new trends in cultivation practices, pest, disease management and post-harvest technology which is available in English and Kannada languages.

As a part of CSR programme R&D has extended its technical support and training session to Tribal welfare.

- H. **Certifications** – All our cultural operations are validated through international certifications such as UTZ, Rainforest Alliance, SA 8000, ISO 22000 and Cafe Practices. 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, Export inspection agency certification for Pepper Export. Our R&D Laboratory is recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology. R&D honey processing unit is registered under FSSAI.

#### I. Plan of action In-House

##### 1. Improved crop varieties:

Field evaluation of location specific plants for high yielding, pest, disease, and drought tolerant selection in Coffee. Purity of the estate varieties are being assessed through **DNA fingerprinting Technology**. In house production and supply of Seed coffee has been initiated.

##### 2. Improving Productivity:

Top working of old/moribund/un-productive plants with productive scions to improve productivity.

##### 3. Crop Diversification:

Assessing the potential of very low yielding coffee areas and identifying other alternate suitable commercial crops and fruit trees. Horticulture crops like Avocado, Mangosteen, Rambutan, Dragon fruit and tree spice – Nutmeg, Bixa-annata are experimented.

- 4. **Value addition trials** - The experiments are under way to develop unique formulation from coffee and coffee by products.

- 5. **Digitalization** – R&D is exploring Digital apps and tools for Plant selection, Environment monitoring, Pest and disease management.

#### J. Coffee 'Wastewater' Management Research:

R&D always recommends eco-friendly neutralization agents and biological processes for wastewater treatment and energy recovery from wastewater. TCL estates are practicing economical wastewater treatment through eco-friendly Organic and Microbial products which is recommended based on R&D research.

#### K. Water conservation:

R&D is working to develop an economically viable technique for recycling of treated wastewater for agricultural use.

- L. 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 microbial contamination.
- M. 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.
- N. Apiculture** - To enhance productivity through insect pollination in Coffee, to revive the diminishing population of honeybees and to preserve the biodiversity. R&D is processing estate produced honey as per FSSAI standards.
- O. Pisciculture** – Scaling up of Fish farming in Irrigation tank, to preserve the aquatic eco system and also for Revenue generation.
- P. Collaborative Research:** R&D is collaborating with various research institutions as well as technical firms for the benefit of plantation community.
- R&D team is in touch with International Research Scientists from World Coffee Research, Ohio State University, INTERTEK, RD2 Vision, etc. for exploring new advanced technologies for Sustainable Agriculture.
  - R&D team is trying to explore the possibilities of utilizing ‘Drone Technology’ for various aspects of coffee plantation.

**Collaboration with Research Institutes: -**

- Central Coffee Research Institute, Balehonnur.
- Tamil Nadu Agriculture University, Coimbatore.
- University of Agricultural Sciences, Bangalore.
- Indian Institute of Spices Research (IISR), 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.

- College of Forestry Science, University of Agricultural Sciences, Bangalore.
- Scientific technical guidance to students pursuing higher studies both National and International.

**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 / Instrument imported: Not Applicable
- (b) the year of import: Not Applicable
- (c) whether the technology been fully absorbed: Not Applicable
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

**6. Expenditure incurred on Research and Development [R&D]:**

(₹ in Lakh)		
Particulars	2021-22	2020-21
Capital Expenditure	2.53	0.10
Revenue Expenditure	88.63	76.25
<b>Total</b>	<b>91.16</b>	<b>76.35</b>
<b>Total R&amp;D expenditure as a % of net sales</b>	<b>0.11%</b>	<b>0.10%</b>

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(₹ in Lakh)		
Particulars	2021-22	2020-21
Foreign Exchange Earned	47016	44454
Foreign Exchange Outgo	18057	15878

For and on behalf of the Board

Place: Bengaluru  
Date: April 26, 2022

**R. Harish Bhat**  
Chairman

# Report on Corporate Governance

## 1. Company's Philosophy on Code of Governance:

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. 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. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Tata culture and ethos.

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 of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices. The Company has in place a Policy that ensures proper utilization of IT resources.

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 community in which the Company operates. These actions have become an integral part of your Company's operating plans for performing social responsibilities too.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter called "the Listing Regulations" as applicable, with regard to corporate governance and also the Guidance Note on Board Evaluation as prescribed by the Securities and Exchange Board of India (SEBI) .

## 2. Board of Directors and governance framework:

### (I) Composition & Category of 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 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 Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Director. The Board of Directors as at the end of March 31, 2022, comprised of 8 Directors, out of which 2 were Executive Directors and 6 were Non-Executive Directors, which includes 4 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 Independent Directors constitute one-half of the total Board strength.

Mr. S. Venkatraman was appointed as an Additional Director (Non-Executive Independent Director) effective July 28, 2021. Mr. V. Leeladhar retired as Director of the Company, effective from the close of business hours of December 6, 2021, consequent upon his completion of tenure of office.

The composition of the Board is in conformity with Regulation 17 of Listing Regulations read with Section 149 of the Companies Act, 2013 ("the Act").

The Composition of the Board as of March 31, 2022, is given below.

Category of Directors	Name of Directors	No. of Directors	%
Non-Independent Non-Executive Directors	1. Mr. R. Harish Bhat (Chairman)	2	25%
	2. Mr. Sunil A. D'Souza		
Independent Directors	1. Mr. S. Venkatraman	4	50%
	2. Ms. Sunalini Menon		
	3. Mr. Siraj Azmat Chaudhry		
	4. Dr. P. G. Chengappa		
Executive Directors	1. Mr. Chacko Purackal Thomas (Managing Director & CEO)	2	25%
	2. Mr. K. Venkataramanan (Executive Director-Finance & CFO)		

None of the Directors of the Company are related to each other and there are no inter-se relationships between the Directors. As on March 31, 2022, none of the Directors hold equity shares in the Company. The Company has not issued any convertible instruments.

None of the Directors on the Board is a Director in more than 7 listed entities. None of the Non – Executive Directors is an Independent Director in more than 7 listed entities as required under the Listing Regulations. Further, the Managing Director and the Executive Director do not serve as Independent Directors in any listed company. None of the Directors held Directorships in more than 20 Indian companies, with more than 10 public limited companies. None of the Directors on the Board is a member of more than 10 Committees or Chairman of 5 Committees (committees being Audit Committee and Stakeholder Relationship Committee) across all Public Companies in India, in which he/she is a Director. Necessary disclosures regarding their Committee positions have been made by all the Directors.

All Directors are in compliance with the limit on Directorships/Independent Directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations.

Independent Directors are Non-executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act and the Rules framed thereunder. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

## (II) Board meetings:

During FY 2021-22, 6 meetings of the Board were held. The said meetings were held on April 29, 2021, July 28, 2021, October 18, 2021, January 28, 2022, March 22, 2022 and March 29, 2022 and the maximum time gap between two Board meetings was less than 120 days. The minutes of the meetings of all the Board and Committees are circulated to all the Directors after incorporating the comments of the Directors.

## (III) Details of the attendance of Directors and other Directorship/Committee positions, etc.:

The names and categories of the Directors on the Board, their attendance at the Board meetings held during the year and at the last Annual General meeting ("AGM") held through Video-Conferencing/ Other Audio-Visual Means and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2022 are given below. Other directorships do not include directorships of associations, private limited companies, foreign companies, companies incorporated under Section 8 of the Act, Government Bodies and Alternate Directorships. For the purpose of determination of limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

**a. Details of attendance of each Director at Board meetings and at the last year's Annual General meeting:**

Name of Directors	AGM			Date of Board Meetings				% of Attendance
	14.06.2021	29.04.2021	28.07.2021	18.10.2021	28.01.2022	22.03.2022	29.03.2022	
Mr. R. Harish Bhat Chairman (Non-Executive, Non- Independent) DIN: 00478198	Y	Y	Y	Y	Y	Y	Y	100
Mr. Sunil A. D'Souza (Non-Executive, Non- Independent) DIN:07194259	Y	Y	Y	Y	Y	Y	Y	100
Mr. S. Venkatraman# (Non- Executive, Independent) DIN: 00246012	NA	NA	Y	Y	Y	Y	Y	100
Mr. V. Leeladhar* (Non- Executive, Independent) DIN: 02630276	Y	Y	Y	Y	NA	NA	NA	100
Ms. Sunalini Menon (Non- Executive, Independent) DIN: 06983334	Y	Y	Y	Y	Y	Y	Y	100
Mr. Siraj Azmat Chaudhry (Non- Executive, Independent) DIN: 00161853	Y	Y	Y	Y	Y	Y	Y	100
Dr. P.G. Chengappa (Non- Executive, Independent) DIN: 06771287	Y	Y	Y	Y	Y	Y	Y	100
Mr. Chacko Purackal Thomas (Managing Director & CEO) DIN: 05215974	Y	Y	Y	Y	Y	Y	Y	100
Mr. K. Venkataramanan (Executive Director – Finance & CFO) DIN: 01728072	Y	Y	Y	Y	Y	Y	Y	100

# Mr. S. Venkatraman was appointed as an Additional Director (Non -Executive, Independent) on the Board of the Company w.e.f. July 28, 2021.

\* Mr. V. Leeladhar ceased to be an Independent Director consequent upon his retirement w.e.f. close of business hours on December 6, 2021.

**b. The composition and category of Directors, the number of Directorships and Committee Chairpersonships / Memberships held by them and Directorships held by them in other listed entities as on March 31, 2022:**

Name of Director	Directorships in other Public Companies (excluding Tata Coffee Limited)	Number of Committee Positions held in Other Public Companies (excluding Tata Coffee Limited)		Directorship in other listed Companies (category of directorships) as on March 31, 2022	
		Member	Chairman	Name of Listed Entity	Category of Directorship
Mr. R. Harish Bhat (Chairman) DIN: 00478198	4	1	1	Trent Limited	Non – Executive Non – Independent
Mr. Sunil A. D'Souza DIN:07194259	2	1	-	Tata Consumer Products Limited	Managing Director & CEO
Mr. S. Venkatraman DIN: 00246012	3	2	3	1. Mahanagar Gas Limited 2. Fairchem Organics Limited 3. HDB Financial Services Limited^	Non – Executive, Independent Non – Executive, Independent Non – Executive, Independent
Ms. Sunalini Menon DIN: 06983334	-	-	-	-	-
Mr. Siraj Azmat Chaudhry DIN: 00161853	6	2	2	1. Tata Consumer Products Limited 2. Dhanuka Agritech Limited 3. Jubilant Ingrevia Limited	Non – Executive, Independent Non – Executive, Independent Non – Executive, Independent
Dr. P. G. Chengappa DIN: 06771287	3	2	-	Tasty Bite Eatables Limited	Non – Executive, Independent
Mr. Chacko Purackal Thomas (Managing Director & CEO) DIN: 05215974	-	-	-	-	-
Mr. K. Venkataramanan (Executive Director – Finance & CFO) DIN: 01728072	1	-	-	-	-

^ Regulation 17A of the Listing Regulations provides for the inclusion of only listed entities for reckoning the directorship in the listed entities. However, directorships held in equity as well debt listed entities have been considered for reporting as above.

**(IV) Skills/expertise/competencies identified by the Board of Directors**

As required under the Listing Regulations, the list of core skills/ expertise/competencies as identified by the Board of Directors in the context of its business and sector for it to function effectively and those available with the Board are as under:

**Matrix of skills / expertise/competencies:**

- a) Knowledge:** Understanding of the Company's business, policies and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates.
- b) Behavioural Skills:** Attributes and competencies to use their knowledge and skills to function well as a team-members and to interact with key stakeholders.

- c) Strategic thinking and Planning:** Appreciation of long-term trends, strategic choices, and experience in guiding and leading management teams to make decisions in uncertain environments.

**d) Financial Skills**

- e) Governance:** Experience in developing governance practices, serving the best interest of all stakeholders, maintaining Board and Management accountability, building long-term effective stakeholders engagements and driving corporate ethics and values.

- f) Technical/Professional skills and specialised Knowledge** to assist the ongoing aspects of the business.

The Board of the Company is highly structured to ensure a high degree of diversity by age, education/ qualifications, professional background, sector expertise and special skills.

**The details of Directors of the Company who possess the above referred skills/expertise/competencies are as given below:**

Director	Knowledge of the Company's business	Behavioural Skills	Strategic thinking and Planning	Financial Skills	Governance Skills	Technical/ Professional skills and specialised Knowledge
Mr. R. Harish Bhat, Chairman	Y	Y	Y	Y	Y	Y
Mr. Sunil A. D'Souza	Y	Y	Y	Y	Y	Y
Mr. S. Venkatraman	Y	Y	Y	Y	Y	Y
Ms. Sunalini Menon	Y	Y	Y	Y	Y	Y
Mr. Siraj Azmat Chaudhry	Y	Y	Y	Y	Y	Y
Dr. P.G. Chengappa	Y	Y	Y	Y	Y	Y
Mr. Chacko Purackal Thomas	Y	Y	Y	Y	Y	Y
Mr. K. Venkataramanan	Y	Y	Y	Y	Y	Y

**(V) Board Procedure**

The annual tentative calendar of Board and Committee 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 take informed decisions. The agenda and related information are circulated in electronic form through a highly secured web-based application, which is accessible to the Board members through iPad.

The Company Secretary tracks and monitors Board and Committee proceedings to ensure that the Terms of Reference/Charters are adhered to, decisions are properly recorded in the minutes and actions on the decisions are tracked. The Terms of Reference/Charters are amended and updated from time to time in order to keep the functions and role of the Board and Committees at par with the changing statutes. Meeting effectiveness is ensured through clear agenda, circulation of agenda material in advance, detailed presentations at the meetings and tracking of action taken reports at every meeting. Additionally, based on the agenda, meetings are attended by members of the senior leadership as invitees, which brings in the requisite accountability and also provides developmental inputs.

The Board plays a critical role in strategy development of the Company. The Managing Director & CEO apprises the Board on the overall performance of the Company every quarter including the performance of the overseas subsidiary company.

The Board periodically reviews the strategy, annual business plan, business performance of the Company and its Subsidiary company, Capex Budget, Risk

Management, Safety, Business Sustainability and Environmental matters.

The Board also reviews the compliance reports of the laws applicable to the Company, Internal Financial Controls and Financial Reporting Systems, Minutes of the Meeting of the Subsidiary companies, adoption of quarterly/half-yearly/annual results, transactions pertaining to disposal of property, minutes of committees of the Board.

The Board also reviews the declarations made by the Managing Director & CEO, the Executive Director – Finance & Chief Financial Officer and the Company Secretary regarding compliance with all applicable laws and reviews the related compliance reports, on a quarterly basis.

The information as required under Part A of Schedule II to the Listing Regulations is also made available to the Board, wherever applicable, for their consideration.

Video conferencing facility is used as and when required to facilitate Directors at other locations to participate in the meetings.

**(VI) Code of Conduct**

The Company has adopted the 'Tata Code of Conduct' which is applicable to 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 the web link:

[https://tatacoffee.com/sites/default/files/collaterals/investors/Code\\_of\\_Conduct\\_of\\_Independent\\_Directors\\_and\\_Non\\_Executive\\_Directors.pdf](https://tatacoffee.com/sites/default/files/collaterals/investors/Code_of_Conduct_of_Independent_Directors_and_Non_Executive_Directors.pdf)

All the Board Members and Senior Management Personnel have affirmed compliance with the applicable Code of Conduct for the financial year 2021-22. 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 pecuniary relationship or transactions with the Company, its Promoters or Directors, its Senior Management or its Subsidiaries.

The 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.

#### **(VII) Tata Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors of the Company has adopted the revised Tata Code of Conduct for prevention of Insider Trading and the Code of Corporate Disclosure Practices (Insider Trading Code). All the Directors, Employees of the Company and their immediate relatives and other connected persons who could have access to the Unpublished Price Sensitive Information of the Company, are governed under this Insider Trading Code. Mr. K. Venkataramanan, Executive Director – Finance & CFO of the Company is the 'Compliance Officer' for the purpose of this Regulation.

#### **(VIII) Independent Directors**

The Independent Directors of the Company have been appointed in terms of the requirements of the Act, the Listing Regulations and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters 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 the web link: [https://tatacoffee.com/sites/default/files/collaterals/investors/appointment\\_letter\\_independent\\_director.pdf](https://tatacoffee.com/sites/default/files/collaterals/investors/appointment_letter_independent_director.pdf)

The Company has received declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board is of the opinion that the Independent Directors fulfil the conditions specified in the Act and the Listing Regulations and that they are independent of the management.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

No Independent Director had resigned during the financial year 2021-22.

#### **(a) Meeting of Independent Directors**

A separate meeting of Independent Directors of the Company without the presence of the Executive Directors & the Management Representatives was held on March 21, 2022 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. At the said meeting, the Independent Directors:

- (a) reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;
- (b) reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- (c) assessed the quality, quantity and timeliness of flow of information between the Management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

All the Independent Directors of the Company attended the Meeting of Independent Directors held on March 21, 2022. The Independent Directors expressed their satisfaction to the desired level on the governance of the Board.

During the financial year 2021-22, the Company had constituted a Committee of Independent Directors to consider the Composite Scheme of Arrangement amongst Tata Consumer Products Limited ("TCPL"), the Company and TCPL Beverages and Foods Limited ("TBFL"), and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and/or regulations made thereunder ('the

Scheme'). The said Committee discussed and approved the Composite Scheme of Arrangement at its meeting held on March 29, 2022 and recommended the same to the Board.

**(b) Familiarization Programme for Independent Directors**

The Company familiarizes its Independent Directors with 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. During the financial year 2021-22, the Company organized a familiarization programme for Mr. S. Venkatraman, who was inducted to the Board w.e.f., July 28, 2021, as an Independent Director.

Further, the Company also makes periodic presentations at the Board and Committee meetings on various aspects of the Company's operations including on Health and Safety, Sustainability, Performance updates of the Company, Industry scenario, Business Strategy, Internal Control and risks involved and Mitigation Plan.

The details of the Familiarization Programme for Independent Directors for 2021-22 is disclosed on the Company's website at the web link: <https://tatacoffee.com/sites/default/files/collaterals/investors/tatacoffee-familiarisation-fy2021-22.pdf>

**(IX) Board and Directors' Evaluation and Criteria for Evaluation**

During the year, the Board carried out an Annual Evaluation of its own performance and the performance of individual 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, qualifications, 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 quality 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 of the Committee 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 Board's Report, which forms part of the Annual Report.

The Nomination and Remuneration Committee (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.

**3. Audit Committee:**

A qualified and independent 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.

**I. Brief description of terms of reference**

The terms of reference of the Audit Committee covers the areas mentioned in 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 are 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;
- iii. Reviewing the utilization of loans and /advances from/investment by the holding company in the subsidiary exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- iv. Review with the management and statutory auditors of the annual financial statements before submission to 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 Act ;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) 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;
- v. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
- vi. Examination of the financial statement and the auditors' report thereon;
- vii. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Review of valuation of undertakings or assets of the company wherever it is necessary;
- xi. Evaluation of Internal Financial Controls and Risk Management Systems;
- xii. 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;
- xiii. 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;
- xiv. 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;
- xv. Consideration of the reports of the Internal Auditors and discussion about their findings with the Management and suggesting corrective actions wherever necessary;
- xvi. Looking into the reasons for any substantial defaults in payment to the Depositors, Debenture-holders, Shareholders (in case of non-payment of declared dividend) and Creditors, if any;
- xvii. Review the functioning of the Whistle Blower Mechanism;
- xviii. Review and monitor the end use of funds raised through public offers and related matters;
- xix. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading and supervise its implementation under the overall supervision of the Board;
- xxi. Review of the following information:
  - (1) Management Discussion and Analysis of financial condition and results of operations;
  - (2) 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.
- xxii. Carrying out any other function as may be referred to the Committee by the Board.
- xxiii. 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 of the Listing Regulations.
- xxiv. Consider matters relating to Company's Code of Conduct and such matters as may be referred by the Board, from time to time

## II. 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 reports to the Audit Committee for their consideration.

## III. Composition of the Committee, attendance of members at the meeting and other details

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. Consequent to the retirement of Mr. V. Leeladhar from the Board w.e.f. December 6, 2021, Mr. S. Venkatraman was appointed as the Chairman of the Committee effective 7<sup>th</sup> December 2021. Mr. S. Venkatraman is a Chartered Accountant having 35 years of experience and possesses the relevant accounting and financial management expertise.

The Audit Committee met nine (9) times during the Financial Year 2021-22 and the gap between any two meetings did not exceed 120 days. The dates on which the Audit Committee Meetings held were: April 28,

2021, July 27, 2021, August 6, 2021, September 15, 2021, October 18, 2021, December 16, 2021, January 27, 2022, March 21, 2022 and March 29, 2022. Requisite quorum was present at the above Meetings.

The composition of the Audit Committee and the details of the meetings attended by its members during the Financial Year ended March 31, 2022 are as under:

Name of Director	Category of Directors	No. of meetings attended	No. of meetings held <sup>^</sup>
Mr. V. Leeladhar* Chairman	Non-Executive, Independent	5	5
Mr. S. Venkatraman** Chairman	Non-Executive, Independent	7	7
Ms. Sunalini Menon	Non-Executive, Independent	9	9
Mr. Siraj Azmat Chaudhry	Non-Executive, Independent	9	9
Dr. P. G. Chengappa	Non-Executive, Independent	9	9

\* Ceased to be a member consequent to his retirement from the Board of the Company w.e.f. December 6, 2021

\*\* Inducted to the committee w.e.f. July 28, 2021 and appointed as the Chairman of the Committee w.e.f. December 7, 2021

<sup>^</sup>Number of meetings held during the tenure of respective member in the Committee

The Audit Committee meetings are usually attended by the Managing Director & CEO, Executive Director – Finance & CFO, 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 made in the financial year 2021-22 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.

Mr. V. Leeladhar, as Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on June 14, 2021.

## 4. Nomination and Remuneration Committee:

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

**I. Brief description of terms of reference**

The terms of reference of the NRC covers the areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II to the Listing Regulations. The terms of reference of the NRC, *inter-alia* are as follows:

- (a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- (c) devising a policy on diversity of Board of Directors;
- (d) identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- (e) 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) recommending to the Board, the remuneration of Managing and Whole-time Directors, including their annual increment and commission after reviewing their performance;
- (g) recommend to the Board, all remuneration, in whatever form, payable to Senior Management;
- (h) identify Independent Directors to be inducted into the Board from time to time and take steps to refresh the composition of the Board from time to time;
- (i) such other matters as may be specified by the Board from time to time;

**II. Composition of the Committee, attendance of members at the meeting and other details**

The NRC met three times during the financial year 2021- 22 i.e., on April 29, 2021, July 23, 2021 and March 22, 2022. The composition of the NRC and details of meetings attended by its members during the financial year ended March 31, 2022, are given below:

Name of the Member	Category of Director	No. of meetings attended	No. of meetings held^
Mr. Siraj Azmat Chaudhry – Chairman	Non-Executive Independent	2	3
Mr. V. Leeladhar*	Non-Executive Independent	2	2
Mr. R. Harish Bhat	Non Independent Non-Executive	3	3
Mr. S. Venkatraman**	Non-Executive Independent	1	1

\*Ceased to be a member consequent upon his retirement w.e.f. December 6, 2021

\*\*inducted as a member of the committee w.e.f. December 7, 2021

^Number of meetings held during the tenure of respective member in the Committee

Mr. Siraj Azmat Chaudhry, as Chairman of the NRC was present at the Annual General Meeting of the Company held on June 14, 2021.

**III. 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 2021-22 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 and Corporate Social Responsibility Committees. 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 no, CMD/CIR/P/2017/004 dated January 5, 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, excluding the Director being evaluated. The Performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

#### IV. 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;
- 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 and also taking into consideration the performance of the Company during the year and for the Managing and Executive Directors on certain parameters, such as condition of the industry, achievement of budgeted targets, growth & diversification, remuneration in other companies of comparable size and complexity, performance of the directors at meetings of the Board and of the Board Committees etc.

The Company does not have any Employee Stock Option Scheme.

#### V. Remuneration of directors

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

- (i) Independent Directors and Non-Executive Non-Independent Directors
  - a) Independent Directors ('ID') and Non-Executive Non-Independent 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 is 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 recommends to the Board, the quantum of Commission payable 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) Managing Director ('MD')/ Executive Director ('ED')/ Key Managerial Personnel ('KMP')/ rest of the employees

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 mentioned above, the Company provides to its MD/ ED, 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/ ED would be based on performance as evaluated by the NRC and recommended by them and approved by the Board.

**Details of remuneration paid during the financial year 2021-22**
**a) Non-Executive Directors (NEDs')**

(₹ in Lakh)

Name of Non-Executive Director	Commission relating to FY 2020-21 (paid in FY 2021-22)	Commission relating to FY 2021-22 (payable in FY 2022-23)	Sitting fees (paid in FY 2021-22)
Mr. R. Harish Bhat *	-	-	2.40
Mr. Sunil A. D'Souza*	-	-	1.70
Ms. Sunalini Menon	21.50	22.00	5.50
Mr. V. Leeladhar (upto December 06, 2021)	32.00	21.00	3.40
Mr. Siraj Azmat Chaudhry	25.00	26.00	6.10
Dr. P. G. Chengappa	21.50	22.00	6.25
Mr. S. Venkatraman (from July 28, 2021)	-	21.00	4.70

\*Mr. R. Harish Bhat and Mr. Sunil A. D'Souza have not drawn any commission from the Company, as they are full-time employees of other companies in Tata Group.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on July 28, 2021, revised the sitting fees payable to Non-Executive Directors for attending the Board / Committee meetings, as detailed hereunder:

- For Meetings of the Board, Audit Committee, the Nomination & Remuneration Committee and Meeting of Independent Directors - ₹30,000/- per meeting.
- For Meetings of Stakeholders' Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee - ₹20,000/- per meeting.

Prior to the above referred revision, the Company had paid 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 (except for CSR Committee, as no sitting fee was being paid for meetings of the said Committee).

The Members had earlier 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.

**b) Managing Director and Executive Director**

(₹ in Lakh)

Name of Managing/Executive Directors	Salary	Perquisites and Allowance	Contribution to Retiral Funds	Commission for FY 2021-22 (payable in FY 2022-23)	Total
Mr. Chacko Purackal Thomas, Managing Director & CEO	166.36	21.40	18.73	115.60	322.09
Mr. K. Venkataramanan, Executive Director – Finance & CFO	130.64	9.51	15.07	82.00	237.22

The services of the Managing Director and Executive Director 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 provision for payment of severance fees.

## 5. Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee has been constituted by the Board in compliance with the requirements of Section 178 (5) of the Act and Regulation 20 of the Listing Regulations. Dr. P. G. Chengappa, Independent Director is the Chairman of this Committee.

### (I) Brief description of terms of reference

The terms of reference of the Stakeholders Relationship Committee (SRC) covers the areas mentioned in Section 178 (5) of the Act and Regulation 20 read with Part D (B) of Schedule II to the Listing Regulations. The terms of reference of the SRC, *inter-alia* are as follows:

- (a) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- (b) Approve issue of duplicate share certificates either at meetings or through circular resolution;
- (c) Review of measures taken for effective exercise of voting rights by shareholders;
- (d) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- (e) Frame guidelines for waiver of documents/ requirements prescribed in cases of:
  - a) Transmission of shares
  - b) Issue of duplicate share certificates
  - c) Recording of updation of signatures by shareholders
- (f) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;

### (II) Composition of the Committee, attendance of members at the meeting and other details:

During the financial year 2021-22, the Committee met three times i.e., on April 28, 2021, October 18, 2021 and January 27, 2022. The composition of the Stakeholders Relationship Committee and the details of the meetings attended by its members during the financial year ended March 31, 2022 are as under:

Name of the Member	Category of Directors	No. of meetings held	No. of meetings attended
Dr. P. G. Chengappa – Chairman	Non-Executive Independent	3	3
Mr. Chacko Purackal Thomas	Managing Director & CEO	3	3
Mr. K. Venkataramanan	Executive Director - Finance & CFO	3	3

The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of Investors' service. Mr. N. Anantha Murthy, Head - Legal & Company Secretary is designated as Compliance Officer of the Company.

Details of complaints / queries / requests / other correspondence received and attended to during the financial year 2021-22 are given below:

	Complaints	Queries/Requests/ Other Correspondence
No. of complaints / queries / requests / other Correspondence pending as on April 1, 2021	0	10
No. of complaints / queries / requests / other Correspondence received during the year	11	1208
No. of complaints / queries / requests / other Correspondence resolved during the year	11	1163
No. of complaints / queries / requests / other Correspondence pending as on March 31, 2022	0	*55

\*These requests were received in March 2022 and were subsequently addressed.

The equity shares of the Company are traded in dematerialized form. During financial year 2021-22, 78 demat requests for dematerialization covering 49690 shares were received and processed and 7 requests for Transmission of shares covering 3900 shares were received and processed.

As on March 31, 2022, there was 1 request for transmission covering 330 shares which was pending and 3 requests for dematerialization covering 1790 shares which were pending. These requests were received in the last week / second fortnight of March 2022 respectively and have subsequently been processed.

### Transfer of Unclaimed/Unpaid Amounts to the Investor Education and Protection Fund:

In accordance with the provisions of the Act, read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('Rules'), the dividends, unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to the IEPF. Accordingly, unclaimed dividends of Shareholders for financial year 2014-15 lying in the unclaimed dividend account of the Company as on September 2, 2022 will be transferred to IEPF Account within one month from the said date. Further, the shares (excluding the disputed cases) pertaining to which dividend remains unclaimed for a consecutive period of seven years from the date of transfer of the dividend to the unpaid dividend account is also required to be transferred to the IEPF Authority established by the Central Government.

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 unclaimed dividends and the corresponding shares held by them shall be transferred to IEPF Authority.

The following table gives information relating to outstanding dividend accounts and the dates when due for transfer to IEPF:

Financial year ended	Date of declaration of dividend	Last date for claiming unpaid dividend	Transfer to IEPF Fund during
March 31, 2015	August 3, 2015	02-Sep-2022	October 2022
March 31, 2016	July 26, 2016	25-Aug-2023	October 2023
March 31, 2017	July 17, 2017	16-Aug-2024	September 2024
March 31, 2018	July 2, 2018	01-Aug-2025	September 2025
March 31, 2019	June 3, 2019	02-Jul-2026	August 2026
March 31, 2020	June 29, 2020	28-Jul-2027	September 2027
March 31, 2021	June 14, 2021	13-Jul-2028	August 2028

Shareholders are requested to get in touch with Registrar and Transfer Agent (RTA) for encashing the unclaimed dividend amount, if any, standing to the credit of their account.

During the financial year 2021-22, the Company has transferred following amounts and shares to Investor Education and Protection Fund Authority (IEPF):

Financial year	Amount of unclaimed dividend (₹)	Number of shares transferred
2013-14	33,08,344	93,635

Details of shares transferred have been uploaded on the Company's website at [www.tatacoffee.com](http://www.tatacoffee.com).

## 6. Corporate Social Responsibility Committee:

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Act.

(I) **Brief description of terms of reference** The terms of reference of the CSR Committee are:

- Formulate and recommend to the Board, a CSR Policy including the Annual Action Plans for CSR Projects to be undertaken by the Company as specified in Schedule VII to the Act.
- Recommend the amount to be spent on CSR activities referred to in clause (a).
- Monitor implementation and adherence to the CSR Policy of the Company from time to time.
- 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 the web link: <https://tatacoffee.com/sites/default/files/collaterals/investors/csr-policy-and-actionplans-fy2022-23.pdf>. The Annual Report on CSR activities for the financial year 2021-22 forms part of the Board's Report.

(II) **Composition of the Committee, attendance of members at the meeting and other details:**

During the financial year 2021-22, the Committee met two times i.e., on September 15, 2021 and March 21, 2022. Requisite quorum was present at these Meetings.

The composition of the CSR Committee and the details of the meetings attended by its members during the financial year ended March 31, 2022, are as under:

Name of the Member	Category of Directors	No. of meetings attended	No. of meetings held <sup>^</sup>
Ms. Sunalini Menon Chairperson	Non-Executive, Independent	2	2
Mr. V Leeladhar*	Non-Executive, Independent	1	1
Mr. Siraj Azmat Chaudhry (upto December 6, 2021)	Non-Executive, Independent	1	1
Dr. P. G. Chengappa	Non-Executive, Independent	2	2
Mr. Chacko Purackal Thomas	Managing Director & CEO	2	2

\* Ceased to be a member consequent upon his retirement from the Board of the Company w.e.f. December 6, 2021

<sup>^</sup> Number of meetings held during the tenure of respective member in the Committee.

## 7. Risk Management Committee:

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

### (I) Brief description of terms of reference

The Risk Management Committee of the Board of Directors has been entrusted with the responsibility to assist the Board in overseeing and approving the Company's risk management framework. The Company has a comprehensive Risk Policy and a Risk Register detailing the risks that the Company faces under various categories like strategic, financial, commercial, operational, IT, legal, regulatory, people, reputational and other risks and these have been identified and suitable mitigation measures have also been formulated. The functions of the Risk Management Committee shall inter-alia includes cyber security. The Risk Management Committee reviews the key risks and the Risk Register and the mitigation measures periodically.

The role of the Committee are as below:

- i. Assessing the risk management procedures relating to identification and evaluation of all types of risks, namely, strategic, operational, legal and regulatory, Information systems and external risks that the Company / Group is exposed to;
- ii. Review and oversee the risk management, compliance, and control procedures;
- iii. Review the risk assessment and mitigation procedures;
- iv. Recommend to the Board a risk management plan for the Company and monitor the functioning of the said plan;
- v. Determine and finalize the risks that the Company and that of its subsidiaries is exposed to and review their mitigation measures;
- vi. Review the legal compliance system;
- vii. Such other terms as the Board may indicate from time to time.

### (II) Composition of the Committee, attendance of members at the meeting and other details

During the financial year 2021-22, the Committee met two times i.e., on September 15, 2021 and March 11, 2022. Requisite quorum was present at these Meetings.

The composition of the Risk Management Committee and the details of the meetings attended by its Members during the financial year ended March 31, 2022, are as under:

Name of the Member	Category of Directors	No. of meetings attended	No. of meetings held <sup>^</sup>
Mr. S. Venkatraman Chairman* (w.e.f. December 7, 2021)	Non-Executive, Independent	2	2
Mr. Siraj Azmat Chaudhry (Chairman - upto December 6, 2021, but continue as Member thereafter)	Non-Executive, Independent	2	2
Mr. V. Leeladhar**	Non-Executive, Independent	1	1
Dr. P. G. Chengappa	Non-Executive, Independent	2	2
Ms. Sunalini Menon***	Non-Executive, Independent	1	1
Mr. Chacko Purackal Thomas	Managing Director & CEO	2	2
Mr. K. Venkataramanan	Executive Director- Finance & CFO	2	2

\*Inducted to the committee w.e.f. July 28, 2021, and appointed as the Chairman of the Committee w.e.f. December 7, 2021

\*\*Ceased to be a member consequent upon his retirement from the Board of the Company w.e.f. December 6, 2021

\*\*\* inducted as a member of the Committee w.e.f. December 7, 2021

<sup>^</sup> Number of meetings held during the tenure of respective member in the Committee.

## 8. Subsidiary Companies:

The Company has a material unlisted Subsidiary as defined under Regulation 16 of the Listing Regulations. Accordingly, the corporate governance requirements as applicable with respect to material unlisted subsidiary has been complied with.

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, as applicable, 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 the web link: [https://tatacoffee.com/sites/default/files/collaterals/investors/Policy\\_for\\_determining\\_Material\\_Subsiary.pdf](https://tatacoffee.com/sites/default/files/collaterals/investors/Policy_for_determining_Material_Subsiary.pdf)

## 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
2018-19	June 3, 2019 at 11:00 AM	Registered Office : Pollibetta – 571215, Kodagu
2019-20	June 29, 2020 at 11:00 AM	Meeting held through Video Conferencing ("VC")/ other Audio- Visual Means("OAVM")
2020-21	June 14, 2021 at 11:00 AM	Meeting held through Video Conferencing ("VC")/ other Audio- Visual Means("OAVM")

- ii. Whether any special resolutions passed in the previous three AGMs – Three Special Resolutions were passed at the AGM held on June 29, 2020, with regard to re-appointment of Ms. Sunalini Menon (DIN: 06983334), Mr. V Leeladhar (DIN: 02630276) and Mr. Siraj Azmat Chaudhry (DIN: 00161853) as Independent Directors of the Company for a second term of office. No Special Resolutions were passed at the AGMs held on June 3, 2019 and June 14, 2021.
- iii. Whether any Special Resolution passed last year through postal ballot and details of voting pattern - No special resolution was passed through postal ballot in the last year.
- iv. Person who conducted the postal ballot exercise - Not Applicable
- v. 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.
- vi. Procedure for Postal Ballot – Not Applicable

## 10. Means of Communication:

### (a) Financial Results

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 requirements of 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](http://www.tatacoffee.com). In terms of the Listing Regulations, the Company has a designated email ID for dealing with Investors' complaints viz., [investors@tatacoffee.com](mailto:investors@tatacoffee.com).

### (b) Annual Report

Pursuant to the MCA circulars and SEBI Circulars, the Annual Report for FY 2021-22 containing the Notice of AGM was sent through e-mails to all those Members whose e-mail IDs were registered with the Company/ Depository Participants.

### (c) Press Release/ Analyst Call

The official media releases and presentations made to Institutional Investors / Analysts and audio recording of Analyst Calls, and transcripts are posted on the Company's website.

### (d) Communication related to Dividend and updation of records

The Company issues various reminder letters to Stakeholders whose dividend is outstanding and those whose shares are liable to transfer to IEPF. The Company has issued letters to the shareholders asking to update their KYC.

## 11. General Shareholder information:

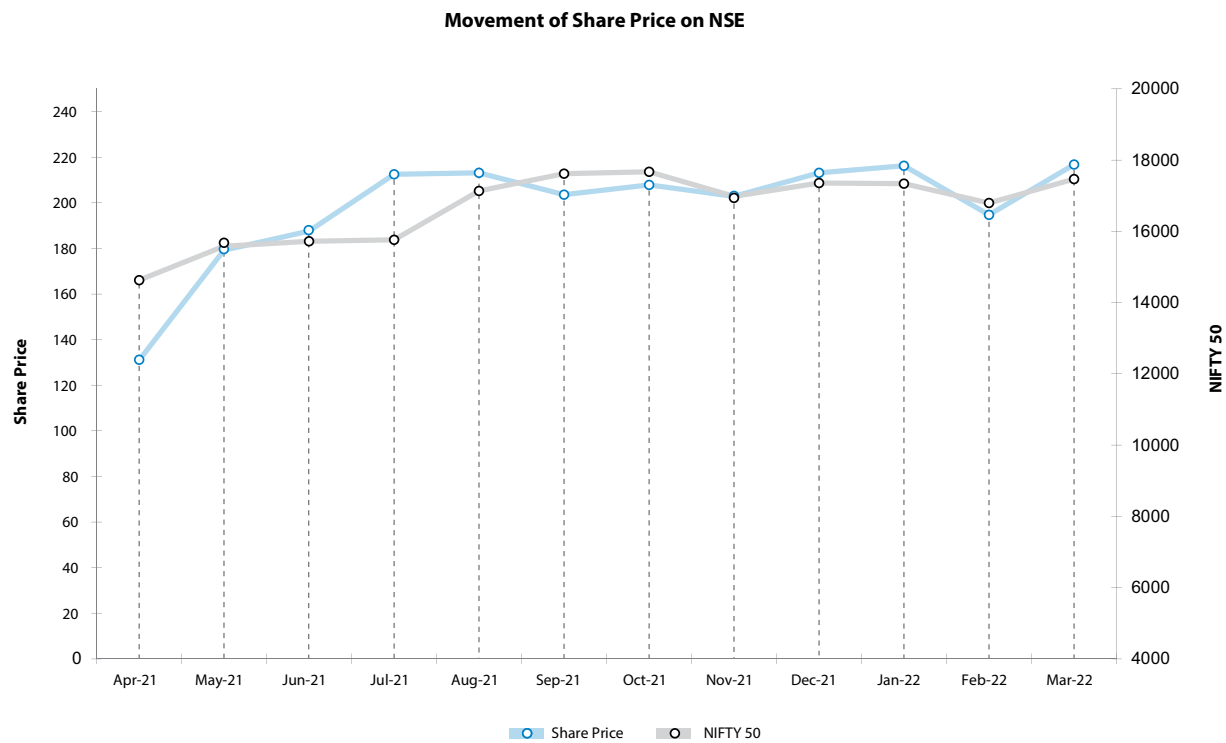
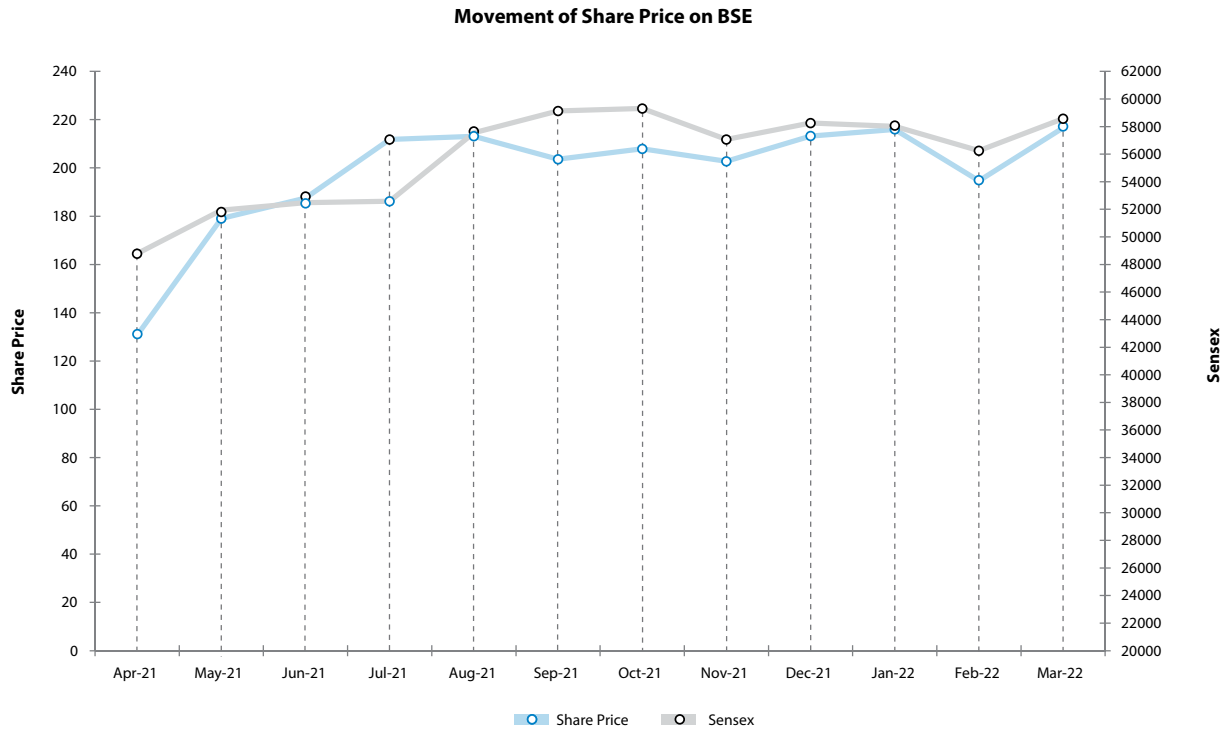
<b>I. AGM: Date Time and Venue</b>	Monday, June 20, 2022 11.00 A.M The Company is conducting AGM through VC / OAVM pursuant to the MCA General Circular No.21/2021 dated December 14, 2021 read with circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars") and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.	
<b>II. Financial Calendar (tentative)</b>	Board Meetings for approval of: Financial Results for the first quarter ending June 30, 2022 Financial Results for the second quarter ending September 30, 2022 Financial Results for the third quarter ending December 31, 2022 Annual Accounts for financial year 2022-2023 Annual General Meeting for the year ending March 31, 2023	Before August 14, 2022 Before November 14, 2022 Before February 14, 2023 In April / May 2023 In June/July 2023
<b>III. Dates of Book Closure</b>	June 4, 2022 to June 13, 2022 (both days inclusive)	
<b>IV. Dividend Payment Date</b>	The Dividend, if declared at AGM, will be paid on or after June 23, 2022.	
<b>V Listing on Stock Exchanges and Stock Code</b>	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street Mumbai - 400 001 Tel: 022-22721233/34; Fax: 022-22721919 Stock Code: 532301	National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G Bandra Kurla Complex, Bandra (E) Mumbai - 400 051 Tel No: (022) 26598100-14 / 66418100 Fax No: (022) 26598120 Stock Code: TATACOFFEE

The Company has paid Listing Fees for the financial year 2022 - 23 to each of the Stock Exchanges, where the equity shares of the Company are listed.

## VI. Market Price Data: High and Low during each month in the financial year 2021 -22:

Month	BSE Ltd.			National Stock Exchange of India Ltd.		
	High	Low	No. of Shares traded	High	Low	No. of Shares traded
April, 2021	139.70	113.80	6629112	139.85	114.00	55603143
May, 2021	188.55	127.80	16045528	188.60	127.40	184770886
June, 2021	193.45	168.05	7318654	193.40	168.00	70673553
July, 2021	246.75	182.05	13680498	246.70	182.15	153341342
August, 2021	216.95	178.90	8182152	216.95	178.60	76779260
September, 2021	216.95	197.30	4491617	217.00	197.30	43101776
October, 2021	254.00	200.70	9429370	254.40	200.70	90514303
November, 2021	232.20	192.40	3447534	231.95	192.15	38108150
December, 2021	221.85	190.60	3077826	222.00	190.30	34976871
January, 2022	225.70	201.45	3077758	225.70	200.00	37933625
February, 2022	221.70	181.70	2212991	221.65	181.65	19311349
March, 2022	221.60	182.25	3659974	221.90	182.15	35775798

VII. Performance of the Company’s equity shares (closing share price) in comparison to BSE Sensex and NSE Nifty during the financial year 2021-22:



<b>VIII. Name of the Depository with whom the Company has entered into Agreement:</b>	ISIN Number
1. National Securities Depository Limited	INE493A01027
2. Central Depository Services (India) Limited	INE493A01027

**IX. Registrar and Share Transfer Agent:**

**Share Transfer System:**

Share transfers, dividend payments and all other investor related activities are attended to and processed at the Office of the Company's Registrar and Share Transfer Agent. For lodgment of transfer deeds and any other documents or for any grievances/complaints, kindly contact any of the offices of TSR Consultants Private Limited which are open from 10.00 a.m. to 3.30 p.m. between Monday to Friday (except on bank holidays).

**Share Transfer Physical System:**

As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form. Effective April 1, 2019, transfer of shares in physical form has ceased. Shareholders who had lodged their request for transfer prior to March 31, 2019 and, have received the same under objection can relodge the transfer request after rectification of the documents. Request for transmission of shares and dematerialization of shares will continue to be accepted.

**Dematerialization of Shares and Liquidity:**

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

**TSR Consultants Private Limited**

**Registered Office**

TSR Consultants Private Limited  
C-101, 1<sup>st</sup> Floor, 247 Park  
L.B.S. Marg, Vikhroli (West)  
Mumbai - 400 083  
Tel: +91-22-66568484, Fax: +91-22-66568494  
Email : [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in)  
Website : <https://www.tcplindia.co.in>

**Collection centers**

**Mumbai:**

TSR Consultants Private Limited  
Building 17/19, Office No. 415 Rex Chambers  
Ballard Estate, Walchand Hirachand Marg  
Fort, Mumbai - 400 001  
Tel: +91 73048 74606

**Jamshedpur:**

TSR Consultants Private Limited  
Bungalow No. 1, 'E' Road  
Northern Town Bistupur  
Jamshedpur - 831 001  
Tel: +91-657-2426937  
Email : [tcpljsr@tcplindia.co.in](mailto:tcpljsr@tcplindia.co.in)

**Kolkata:**

TSR Consultants Private Limited  
C/o Link Intime India Private Limited  
Vaishno Chamber,  
Flat No. 502 & 503  
5<sup>th</sup> Floor, 6, Brabourne Road  
Kolkata - 700 001  
Tel: +91-33-40081986  
Email : [tcplcal@tcplindia.co.in](mailto:tcplcal@tcplindia.co.in)

**New Delhi:**

TSR Consultants Private Limited  
C/o Link Intime India Private Limited  
Noble Heights, 1<sup>st</sup> Floor  
Plot No NH-2, C-1 Block, LSC  
Near Savitri Market, Janakpuri  
New Delhi - 110 058  
Tel: +91-11-49411030  
Email : [tcpldel@tcplindia.co.in](mailto:tcpldel@tcplindia.co.in)

**Bangalore**

TSR Consultants Private Limited  
C/o. Mr. D. Nagendra Rao  
"Vaghdevi" 543/A, 7<sup>th</sup> Main  
3<sup>rd</sup> Cross, Hanumanthnagar  
Bengaluru - 560 019  
Tel: +91-80-26509004  
Email : [tcplbang@tcplindia.co.in](mailto:tcplbang@tcplindia.co.in)

**Ahmedabad**

TSR Consultants Private Limited  
C/o Link India Intime Private Limited  
Amarnath Business Centre-1 (ABC-1)  
Beside Gala Business Centre, Off. C. G. Road, Ellisbridge  
Ahmedabad - 380 006  
Tel: +91-79-26465179  
Email : [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in)

**Shareholders' Relations Cell**

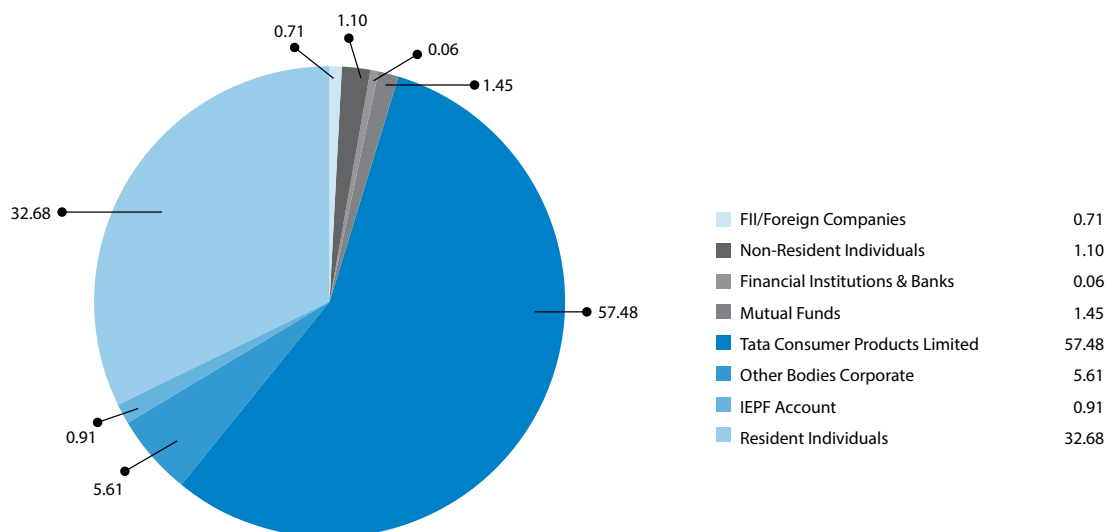
Contact Person	Address	Contact details
Mr. N Anantha Murthy Head - Legal & Company Secretary	Tata Coffee Limited No. 57, Railway Parallel Road Kumara Park West Bangalore - 560 020	Tel: + 91 80 23561976/81 Fax: + 91 80 23341843 e-mail ID: <a href="mailto:investors@tatacoffee.com">investors@tatacoffee.com</a> website: <a href="http://www.tatacoffee.com">www.tatacoffee.com</a>

**X. Distribution of Shareholding as on March 31, 2022:**

No. of Equity Shares	No. of Shareholders	% to Shareholders	No. of Shares	% of Shares
1 – 500	260428	93.81	19579320	10.48
501 - 1000	9038	3.26	7375930	3.95
1001 - 2000	4081	1.47	6290805	3.37
2001 - 3000	1354	0.49	3519077	1.88
3001 - 4000	587	0.21	2129105	1.14
4001 - 5000	562	0.20	2663439	1.43
5001 - 10000	836	0.30	6222053	3.33
10001 & above	718	0.26	138990641	74.42
<b>TOTAL</b>	<b>2,77,604</b>	<b>100.00</b>	<b>18,67,70,370</b>	<b>100.00</b>

**XI. Category-wise Shareholders as on March 31, 2022:**

Sl. No.	Category of Shareholders	No. of Shares	Percentage
1	FII/Foreign Companies	13,34,913	0.71
2	Non-Resident Individuals	20,37,279	1.10
3	Financial Institutions & Banks	1,18,460	0.06
4	Mutual Funds	27,10,736	1.45
5	Holding Company - Tata Consumer Products Limited [formerly known as Tata Global Beverages Limited]	10,73,59,820	57.48
6	Other Bodies Corporate	1,04,84,284	5.61
7	IEPF Account	17,07,934	0.91
8	Resident Individuals	6,10,16,944	32.68
	<b>TOTAL</b>	<b>18,67,70,370</b>	<b>100.00</b>

**Categories of Shareholders as on March 31, 2022**


<b>XII. Shares in Physical and Demat form as on March 31, 2022:</b>		<b>No. of Shares</b>	<b>Percentage</b>
	In Physical Form	3133140	1.68
	In Dematerialized Form	183637230	98.32
	<b>Total</b>	<b>186770370</b>	<b>100</b>
<b>XIII. No. of shareholders whose shares as on March 31, 2022 are in Physical and Demat form:</b>		<b>No. of Shareholders</b>	<b>Percentage</b>
	In Physical Form	4764	1.72
	In Dematerialized Form	272840	98.28
	<b>Total</b>	<b>277604</b>	<b>100</b>
<b>XIV. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:</b>			Nil
<b>XV. Plant Locations:</b>			
17 Coffee Estates in Kodagu, Hassan and Chickmagalur District 1 Tea Estate in Kodagu District and 1 Tea and Coffee (mixed) in Chickmagalur District		State of Karnataka	
4 Tea Estates in Pachaimallai, Pannimade, Uralikal & Velonie and 1 Coffee Estate in Valparai		State of Tamil Nadu	
1 Tea Estate in Malakiparai		State of Kerala	
Curing Works, R&G factory and Pepper processing Unit in Kudige, Kushalnagar		State of Karnataka	
1 Instant Coffee Plant at Brahmanpally Village, Toopran		State of Telangana	
1 Instant Coffee Plant at Jeyamangalam Village, Theni		State of Tamil Nadu	
<b>XVI. Address for correspondence:</b>		As stated in 11 (IX) above	
<b>XVII. The Company has not issued any global depository receipts or American depository receipts. There are no warrants or any convertible instruments outstanding as on March 31, 2022.</b>			
<b>XVIII. The details of credit rating of the Company as at March 31, 2022 is given below:</b>			

<b>Instrument(s)</b>	<b>Amount (₹ In Crore)</b>	<b>Rating</b>
Fund-based Bank Facilities	150.00	[ICRA]AA+(Stable)
Commercial Paper	30.00	[ICRA]A1+
<b>Total</b>	<b>180.00</b>	

## 12. Other disclosures:

### a. Related Party Transactions:

All transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations, during the financial year 2021-22 were in the ordinary course of business and on arm's length pricing basis and do not attract the 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 interests of the Company. Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements. The Board has approved a policy on materiality of related party transactions and on dealing with related party transactions and the same is disclosed on the website of the Company at the link <https://tatacoffee.com/sites/default/files/collaterals/investors/related-party-transaction-policy-april2022.pdf>

### b. Declaration of compliance by the Company

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 any of these authorities. None of the Company's listed securities were suspended from trading during the financial year 2021-22.

### c. Establishment of Vigil mechanism, Whistle blower policy

The Company has adopted a Whistle Blower Policy and has established necessary Vigil Mechanism as required 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 [https://tatacoffee.com/sites/default/files/collaterals/investors/Whistle\\_Blower\\_Policy\\_24032022.pdf](https://tatacoffee.com/sites/default/files/collaterals/investors/Whistle_Blower_Policy_24032022.pdf)

**d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has complied with all the mandatory requirements of the Listing Regulations. The Company has also adopted the following discretionary requirements as provided 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.
- e.** The policy to determine a material subsidiary has been framed and the same is disclosed on the Company's website at the link [https://tatacoffee.com/sites/default/files/collaterals/investors/Policy\\_for\\_determining\\_Material\\_Subsiary.pdf](https://tatacoffee.com/sites/default/files/collaterals/investors/Policy_for_determining_Material_Subsiary.pdf)
- f.** Commodity price risk, foreign exchange risk and hedging activities: Commodities inventory 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.
- (i) The Risk Management Policy of the Company with respect to commodities including hedging has been framed.
  - (ii) Commodity risks faced by the Company during the year and how they have been managed:  
  
The Plantation exposure of Green Beans consisting of Arabica and Robusta grades, export pricing is directly linked to exchange terminals traded in ICE (Inter Continental Exchange). A decline in exchange traded value results in a decline in the realization, hence a prudent hedge methodology is adopted. Risk Manager has been specifically appointed to execute hedge based on the Risk Management Policy approved by the Board and that the commodity / hedging risk is monitored appropriately.
  - (iii) Mr. K. Venkataramanan, Executive Director-Finance & CFO, continuously monitors the foreign exchange risk management strategy and commodity risk management strategy in light of dynamic market conditions.
- g.** The 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.

The Company's exposure to market risks for commodities and currencies are detailed in Note No. 38 under the head 'Financial Risk Management Framework', forming part of Notes to Financial Statements.

- h.** During the financial year 2021-22, the Board has accepted all the recommendations of its Committees.
- i.** The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements for the financial year 2021-22.
- j.** Disclosure with respect to demat suspense account/unclaimed suspense account: Not applicable.
- k.** The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- l.** Particulars of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting have been provided in the Notice of the Annual General Meeting.
- m.** During the year under review, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations.
- n.** Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

₹ in Lakh

<b>Payment to Statutory Auditors</b>	<b>FY 2021-22</b>
Audit Fees	323.00
Tax Audit Fees	15.00
Other Services (including Quarterly Audit Fees)	49.38
Reimbursement of expenses	1.50
<b>Total</b>	<b>388.88</b>

- o.** Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the financial year 2021-22	5
Number of complaints disposed of during the financial year 2021-22	5
Number of complaints pending as on end of the financial year	Nil

- p. 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 March 31, 2022. The MD & CEO and Chief Financial Officer have also issued compliance certificate to the Board pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said Certificate is annexed and forms part of the Annual Report.

q. **Certificate on Corporate Governance:**

All the Directors of the Company have submitted a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority from being appointed or continuing as Directors of Companies. Mr. V. Madan (ACS 5048, CP 21778), Practicing Company Secretary, has submitted a certificate to this effect.

A compliance certificate from Mr. V Madan (ACS 5048, CP 21778), Practicing Company Secretary, pursuant to the requirements of Schedule V to the Listing Regulations regarding compliance of conditions of Corporate Governance is attached.

**DECLARATION BY THE CEO ON CODE OF CONDUCT AS REQUIRED BY SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

I, Chacko Purackal Thomas, Managing Director and CEO of the Company hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the financial year 2021-22.

**Chacko Purackal Thomas**  
Managing Director & CEO  
DIN: 05215974

Place: Bengaluru  
Date: April 26, 2022

**PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,

**The Members**

**Tata Coffee Limited,**

I have examined the compliance of the conditions of Corporate Governance by Tata Coffee Limited ('the Company') for the year ended March 31, 2022, as stipulated in 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 and considering the relaxations granted by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) in the light of COVID-19 situation, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended March 31, 2022.

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.

**V Madan**  
Practicing Company Secretary  
ACS No. 5048  
CP No. 21778  
UDIN: A005048D000212552

Place: Bengaluru  
Date: April 26, 2022

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**The Members**

**Tata Coffee Limited**

**Pollibetta – 571215, Kodagu**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Tata Coffee Limited having CIN L01131KA1943PLC000833 and having registered office at Pollibetta – 571215, Kodagu (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1	Mr. R. Harish Bhat	00478198	27.07.2012
2	Mr. Sunil A. D'souza	07194259	05.05.2020
3	Mr. V. Leeladhar*	02630276	22.12.2014
4	Mr. S. Venkatraman**	00246012	28.07.2021
5	Ms. Sunalini Menon	06983334	23.09.2014
6	Mr. Siraj Azmat Chaudhry	00161853	15.05.2015
7	Dr. P. G. Chengappa	06771287	18.05.2017
8	Mr. Chacko Purackal Thomas	05215974	04.08.2015
9	Mr. K. Venkataramanan	01728072	25.10.2014

\*Mr. V. Leeladhar (DIN 02630276) retired from the Board w.e.f. the close of business hours on December 6, 2021.

\*\*Mr. S. Venkatraman (DIN: 00246012), was inducted as a Non-Executive Independent Director on the Board w.e.f. July 28, 2021.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate 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.

**V Madan**

Practicing Company Secretary

ACS No. 5048

CP No. 21778

UDIN: A005048D000212662

Place: Bengaluru

Date: April 26, 2022

## CEO /CFO CERTIFICATION IN RESPECT OF FINANCIAL STATEMENTS AND CASH FLOW STATEMENT

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2022)

To,

**The Board of Directors**  
**Tata Coffee Limited**

We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2022 and we hereby certify and confirm to the best of our knowledge and belief the following:

- a. The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations;
- c. There are no transactions entered in to by the Company during the year ended March 31, 2022 which are fraudulent, illegal or violative of Company's Code of Conduct;
- d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same;
- e. There have been no significant changes in the above-mentioned internal controls over financial reporting during the financial year 2021-22;
- f. That there have been no significant changes in the accounting policies during the financial year 2021-22.
- g. We have not noticed any significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting.

Place: Bengaluru

Date: April 26,2022

**K. Venkataramanan**

Executive Director Finance & CFO

**Chacko Purackal Thomas**

Managing Director & CEO

# Management Discussion and Analysis Report

## A) Industry structure and developments

### Coffee

According to the estimates of the International Coffee Organisation (ICO), for the coffee year 2021-22, global production is at 167.17 million bags, a 2.1% decrease as compared to 170.83 million bags during the previous coffee year. Arabica production is at 93.97 million bags, lower by 7% from that of last year and Robusta production is at 73.20 million bags, up by 5% vis-à-vis last coffee year.

The World coffee consumption is projected to grow by 3.3%, to 170.3 million in FY 2021-22, as compared to 164.9 million for the preceding coffee year.

In FY 2021-22, consumption is expected to exceed production by 3.1 million bags. Supply and demand trends may be affected by the downturn in the world economy, increased cost of inputs and production as well as import and consumption fluctuations due to the ongoing conflict in Ukraine.

The New York [Intercontinental Exchange (ICE)] May terminal, representing Arabica settled at 226.40 c/lb on March 31, 2022, as compared to 123.50 c/lb for the same period on March 31, 2021.

As on March 2022, the London Robusta May futures was settled at \$2,165/MT as compared to \$1,342/MT for the same period on March 31, 2021.

### Pepper

Pepper, extensively cultivated along the tropical belt, is native to south India. Until the 18<sup>th</sup> century, pepper's cultivation, and production were limited to India, as it was an important agricultural commodity of commerce and trade, with Kerala contributing a major share. Since then, pepper cultivation has been taken up on a commercial scale by several nations, including Vietnam, Brazil, Indonesia, and Malaysia.

At present, Vietnam is the world's largest pepper producer (38%) followed by Brazil (16%), Indonesia (14%) and India (11%). Except India, all these countries resort to monocropping of pepper, and the vine grows up to 6 metres height. On the contrary, in India, pepper is intercropped on the shade trees of coffee, tea and minor crops such as Areca nut and coconut, without any restriction on vine height. India's pepper, widely known for its quality, pungency and taste has created its own niche in the international market.

As per industry sources, India's pepper production was 66,000 MT in 2021 and is expected to be about 56,000 MT in 2022. During the year, India's local pepper prices were at ₹524/kg.

### Tea

India is the second largest producer of tea globally, after China, with ~1,300 million kgs of tea produced annually in the country. As a leading consumer of the beverage, India also accounts for nearly a fifth of the global consumption while almost 80% of its total output is consumed domestically.

North India is the leading tea producer of the country, accounting for over three-fourths of the industry, while South India accounts for a fifth. By type, Black Tea makes for the largest produce. In terms of processing, the market is mainly divided into CTC and Orthodox, with the former accounting for 90% of the production, and the latter 8.6%. The remaining varieties are Green Tea and Specialty Tea.

During the year under review, India's tea production volume increased by 4% while the sales average of tea reduced by 13.2%, vis-à-vis the previous year. The decline in exports from 30-40 million kgs as compared to calendar year 2020, was due to the availability of low-cost varieties in the global market and trade restrictions in countries that have traditionally been strong importers. COVID-19 induced an economic downturn across the globe, leading to falling shipments rates. It was further exacerbated due to acute shortage of containers, leading to an unprecedented increase in international container rates.

Sri Lanka, which is the largest exporter of Orthodox teas globally, accounting for ~50% of global trade, was impacted in recent months due to the withdrawal of the use of chemical fertilisers around mid-2021. The current economic crisis in Sri Lanka is also likely to impact the production and costs in the calendar year 2022.

In the international market, Orthodox tea supplies from India directly compete with the low grown Orthodox tea in Sri Lanka, which accounts for ~65% of the total production. Important common markets are CIS (mainly Russia), Iran and the UAE. With production in Sri Lanka likely to be impacted, Indian Orthodox players have bagged the opportunity to increase exports in the current year.

### Instant Coffee

The global Instant Coffee market is estimated to be growing at 2% annually for the next five years, fueled by increasing popularity of coffee across consumption formats.

During FY 2021-22, trade flows were disrupted due to ocean freight surges, non-availability of shipping containers, and unprecedented increase in energy and packing material costs. The resultant increase in costs is beginning to influence consumption buying behavior across markets.

## B) Opportunities

### Green Beans, Instant Coffee and Pepper

Global economies are in varying stages of recovery, following the recurrent waves of the pandemic. The emphasis on food safety and sustainability is more pronounced, and the Company believes that it is well-positioned to serve the trend, given the quality of its customer base, the assets, and the capabilities available within the company.

We believe that our efforts in converting prospective customers and entering new geographies along with strengthening our diverse product portfolio further will help to ward off risks.

To add to this, a significant portion of our business comes through relationships with some of the biggest names in instant coffee – brand owners and importers – who continue to be well positioned and have tided through such commodity cycles in the past. These relationships, we believe, will hold us in good stead.

As markets progressively open and travel commences, demand from institutional and food service industries will provide a further fillip to the instant coffee industry.

### Monsooned Coffee

Monsooned coffee is the Company's premium product offering. The Company's facility, situated in Mangalore, on the western coast of India, experiences favourable ambient climatic conditions, which enable the production of Monsooned Malabar, a 'Geographical Indication' (GI) tagged product.

During FY 2021-22, despite the pandemic, the Company serviced its customers well and on time across markets, by leveraging production expertise and flexible operations. The Monsooning Unit is well prepared to boost operations and enhance quality, with the installation of state-of-the-art technologies, including digital capabilities for the upcoming seasons.

### Plantations - Tea

The Company's estates, supported by advanced facilities, produce CTC, Orthodox and Specialty Tea. The estates are certified with Rain Forest Alliance, Trustea, SA 8000 and Ethical Tea Partnership. Superior quality tea continues to command good prices. Orthodox prices are likely to be bullish in the near term, due to the ongoing crisis in Sri Lanka.

## C) Risks, concerns, and threats

With several countries in the European Union still struggling with the pandemic and given the large traditional reliance of Indian coffees on these markets, we foresee a concern on short term liquidity for certain types of coffees which are aimed at these markets. Additionally, a rebound in geographies like Russia and Japan, is critical for sustaining instant coffee sales.

There is an emergence of inflation be it input costs – spanning across packing material, fuel and ocean freights which is a cause of concern to us. The spike in ocean freights

is particularly sharp in Vietnam and India which is a challenge to our global competitiveness.

On the origin side, Brazil continues to be an extremely competitive coffee source – both instant and green coffee driven by their increasing Robusta crop and a weaker currency advantage.

### Ecological concerns and responsive measures

The entire plantation industry is dependent on nature, making it susceptible to climatic parameters. The major weather factors that influence coffee yield are rainfall, temperature, light intensity, and relative humidity. As the plantations are susceptible to vagaries of weather, the Company has mitigated this dependency by irrigating its Robusta areas. All the estates are equipped to irrigate their whole area of Robusta for blossom, and black pepper vine population. White stem borer in Arabica, which is a major threat across plantations, is monitored by tracing to keep the pest under check and below the threshold. Various initiatives are undertaken by the R&D team, to overcome pest infestation.

The Company has been increasingly focusing on labour optimisation initiatives, and mechanisation of critical cultural operations to achieve better operational efficiency. Efforts to retain the Company's workforce has also been stepped up.

The encroachment of wild animals into plantations is an ongoing concern. The Company has taken effective measures to minimise man-animal conflict. The Company's Wildlife Cell has been conducting regular awareness programmes across all estates to ensure that systems are in place to track the movement of wild animals and support workers' safety.

## D) Performance by major products

(₹ in Lakh)

Particulars	FY 2021-22	FY 2020-21
Coffee	21239	20255
Pepper	3193	2568
Tea	6433	9085
Instant Coffee	44997	36090
Others [Plantations Allied/Roast & Ground/Inter Unit Transfers]	5827	5666
<b>Total Revenue from Operations</b>	<b>81689</b>	<b>73664</b>

## E) Outlook

### Green Beans and Instant Coffee

The Company has major production of premium differentiated coffees. It has undertaken a host of initiatives to produce micro lot coffees in substantial quantities, nurtured by a combination of flora and fauna with distinctive soil conditions, and elevation that influences the intrinsic quality of the beans.

The Company's focus remains on the following parameters:

- Premium differentiated coffee
- Improve irrigation capability by channelizing rainwater flow to irrigation tanks

- Adhering to timely harvest schedule, with a skilled picking workforce achieved by monitoring the brix meter reading, to enhance inherent quality attributes and productivity
- Aligning to plantation certifications and standard requirements, which are based on eco-friendly practices

The increase in costs of raw material, packing material, overheads and energy is leading to market challenges, even as consumers reconcile to enhanced costs. The freights from Vietnam and India would play a key role in determining liquidity for our instant and green coffees in this financial year.

The Company will continue to focus on emerging markets, development of new products and packaging formats, moving towards renewable energy, to provide value to its customers.

#### **Pepper**

The Company practices a scientific production culture to produce premium quality pepper. Pepper in the Company's estates is cultivated using native shade trees as natural standards for pepper vines. Contemporary pepper nurseries were introduced across the estates to ensure different varieties of pepper, suited for the location, and boost yield.

- The Company's exclusive pepper vertical team is working on the following:
- Pepper cultivation practices with short- and long-term plans
- Focused customer priority in the domestic and international market
- Maximized primary grade by harvesting at the right stage of maturity
- Upgrades in the processing and grading unit

#### **Tea**

The Indian tea market is expected to exhibit a CAGR of 4.5% in the period between 2022 and 2027.

India is among the largest producers and consumers of tea globally. The increasing consumer preference for premium and packaged tea brands is accelerating market growth. Growing consumer awareness regarding the health and medicinal benefits of organic and Green Tea variants are also contributing to market growth.

Over the recent years, the out-of-home market for tea has been expanding as various tea lounges have mushroomed across the globe. Proliferating online retail channels are anticipated to drive market growth, with 5.9% CAGR over the forecast period. The popularity of online apps, coupled with the availability of discounts, and easy product delivery has benefited the market's supply chain. This factor is expected to bode well for the growth of the segment over the forecast period.

The demand for tea in the Middle East and Africa (MEA) is expected to proliferate. Countries such as Turkey and Iran are some of the leading consumers globally.

Good liquoring CTC teas will continue to rule the market. South Indian Orthodox is set to remain bullish for well-made teas.

### **F) Internal control systems and their adequacy**

The Company has laid down procedures and control framework for the governance of orderly and efficient conduct of its business, including adherence to policies, safeguarding of assets, prevention and detection of fraud and errors, accuracy and completeness of accounting records and timely preparation of reliable financial reports. These include regulations in manual or automated (ERP applications including other IT applications, wherein transactions are approved and recorded). Appropriate review and control mechanisms are one of our mandates in ensuring that such control systems are adequate and are operating effectively on an ongoing basis. The Company is responsible for establishing and maintaining optimal internal controls in preparation and presentation of financial statements, including assertions on the internal financial controls.

#### **Evaluation framework**

The operating management has analysed the effectiveness of the Company's internal control over financial reporting as on March 31, 2022. M/s. Deloitte Haskins & Sells LLP, the Statutory Auditors, have audited the financial statements included in this Annual Report and issued their report on internal control over financial reporting (as defined under Section 143 of the Companies Act, 2013).

The Company has a collaboration of in-house and outsourced internal auditors who report to the Audit Committee, thereby maintaining its objectivity. The internal audit plan is approved by the Audit Committee and the Internal Auditors directly present their report to the committee for its consideration. The Audit Committee, comprising Independent Directors, reviews issues raised by the Internal and Statutory Auditors and the status of rectification measures regularly, to ensure that risks are addressed and mitigated appropriately and in a timely manner.

The Audit Committee meets the Company's Statutory Auditors to determine, inter alia, their views on the adequacy of internal control systems and keeps the Board of Directors informed of their 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 concluded that as on March 31, 2022, the internal financial controls were adequate and operating effectively.

### **G) Business excellence**

The year under review posed various business challenges, which the Company successfully mitigated, by engaging

employees in various engagement initiatives and process improvement strategies across the organisation.

During the year, the Company continued to focus on operational excellence initiatives across business units through Lean Six Sigma, Canvas projects, and process improvements through cross-functional team approach. These initiatives have significantly improved operational performance for capacity utilisation, and rationalised resource consumption, including natural resources. The Company has formalised a 3-tier improvement philosophy, promoting total employee involvement, and driving strategic options in a holistic manner. The Company has strengthened its improvement framework by introducing various tools like quality circles, rejuvenation of suggestion schemes and aligning an organisational 'Rewards & Recognition' policy.

In addition to the above excellence projects, the Company has undertaken initiatives to strengthen avenues for leadership communication, establish band structure among employees, develop, and align global Sustainable Development Goals (SDGs) to practices, and improvise wage settlement processes to the next level. These improved processes will help the Company strengthen leadership systems, achieve and sustain long-term objectives, including career progression opportunities.

During FY 2021-22, the Company focused on capability building in Business Excellence, Q-graders as well as Lean Six Sigma across business units, for practicing excellence principles. These practitioners will drive various improvement and innovation initiatives at the organisation to heighten business excellence.

## H) Mission and values

**Mission:** Create distinctive, long-term value for all stakeholders with coffee and allied plantation products, embracing sustainable practices

**Values:** Safety; Customer focus; Responsibility; Innovation & Agility; People-centric; Transparency

## I) Financial and operational performance

The total income for the current year stood at ₹887 crore, as compared to ₹815 crore in the previous year. Profit before Tax for the year under review was ₹122 crore as against ₹119 crore in the previous year. Profit after Tax during FY 2021-22 stood at ₹102 crore as against ₹101 crore in the previous year.

## J) Significant changes in financial ratios

During FY 2021-22, on a stand-alone as well as consolidated basis, there was no significant change in the financial ratios compared to that of the previous year.

## K) Human assets and industrial relations

The workforce strength of the Company as on March 31, 2022, stood at 6,121 permanent employees, including 153 management staff across different locations. The Company maintained harmonious industrial relations across all its units during FY 2021-22.

### Capacity building programmes

The Company is building capabilities for its workforce, through adoption of specific and targeted interventions across diverse categories. With respect to the Management staff cadre, the Company is running development programmes in partnership with Tata Management Development Centre and in-house training programmes, aligned with business needs. Additionally, the Company implemented a development centre, in association with global talent companies to build a leadership pipeline.

For the junior officers and staff cadre, several programmes were conducted at specific locations with internal and external faculties. The Company adopted various governmental skill developmental programmes to build and enhance plantation and shop-floor related skills. Last year, the Company launched an online training platform, 'Knowledge Brewery', for its management and junior management staff, allowing employees to spearhead their development.

## L) Employee awareness

To improve awareness on business ethics, the Prevention of Sexual Harassment (POSH) Policy and the Whistle Blower Policy, the Company has launched campaigns across locations, with each employee being bestowed with the responsibility of training a designated co-worker. Giving employees that sense of ownership was an effective way to improve awareness across the organisation.

## M) People practices

The Company implemented an online Human Resource Information System (HRIS), which automates several HR processes and leads to better data management.

The Company is focused on strengthening reward and recognition practices through an online portal to encourage and foster employee engagement.

## Forward Looking 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 a significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, any epidemic or pandemic, natural calamities over which the Company may not have any direct/indirect control.*

# Business Responsibility Report

## From the Desk of the CEO

At Tata Coffee Limited, we work to ensure that you feel nature's essence in every sip of delicious coffee and tea and in every taste of the peppercorn from our plantations. Sustainability is embedded in our core operations, allowing us to deliver nature's goodness directly to our customers. We have embraced unit-wide practices that uphold sustainability in our business, environmental, operational, and social interactions. We are committed to contributing to the well-being of both our employees and all the stakeholders within our ecosystem.

Given the combined effect of global lockdowns and physical distancing requirements on our production and sales, it has been quite a challenging year to navigate. We have faced these challenges by pushing sales through focusing our attention on premiumisation, entering new geographies, and strengthening our back-end systems. Throughout FY 2021–22, we kept our customer and stakeholder priorities, and interests close to our hearts.

Our Company's operations are aligned with the sustainable development goals, among which the following are key priorities:

### Environmental sustainability

Water is an essential resource to our business, and we ensure a sustainable approach through water conservation, wastewater treatment and rainwater harvesting. We conserve water using water-efficient technologies and wastewater management systems, and we implement measures to create employee awareness. These actions have reduced water consumption across our operations.

Greenhouse Gas emissions from the Company's operations including purchase of electricity, steam, heat, or cooling to run the operations, for the year, accounted for 68520 MT CO<sub>2</sub> equivalent, which represents significant reduction of 10% (in absolute and intensity terms) compared to the previous year. The overall energy usage for the Tea operations accounts for 82% from renewable sources.

### Business sustainability

Our Company's comprehensive risk management framework covers the identification of risks, the assessment of their business impact, the development of mitigation strategies and the implementation of action plans. The framework also ensures that all risk mitigation plans are monitored, reviewed, and updated by our Risk Management Committee.

We are continually adding value for our customers through new product development, by assessing and addressing the demand in newer geographies and by offering a diversified product portfolio.

### Social sustainability

We are committed to the well-being of the communities local to our operations. Our community initiatives focus on education,

healthcare, ecosystem restoration and employability. We implement these customised initiatives through the Coorg Foundation, the Akshara School, the Developmental Activities for Rehabilitative Education (DARE) School and Swastha. We continually work towards restoration of the hydrological balance in Coorg and Hassan, with the objective of making potable drinking water available from the source to ensure water security.

### Operational sustainability

Our operational sustainability is aligned with our enterprise risk management. To ensure the sustained availability of water, we have built 274 tanks across our coffee plantations, satisfying water requirements of the plantations. In addition, 60% of our energy requirement is catered to, from renewable sources, including wind and solar energy. Six Sigma and lean processes continue to drive further improvements in efficiencies and costs in our Instant Coffee plants.

Through Project Udaan, a pilot programme utilising drones, we are working to ensure the safety of shade lopping and spraying our peppers. We are currently analysing the results of this initiative.

We use the clonal propagation technique to ensure the future availability of high-yield plants. This method identifies and marks elite plants (i.e., high-yield, pesticide-resistant varieties), which are then multiplied using vegetative suckers. To assess the purity of these plants, we have taken early steps towards identifying their DNA fingerprints.

We have weather stations at our plantations for real-time temperature and rainfall monitoring, and we use this data to create appropriate schedules for our plantation operations.

We have strengthened our buying operations by working with small growers in the vicinity of larger estates as well as in newer territories. These smaller growers now utilise more sustainable plantation practices. Through an annual R&D Day, and by circulating a newsletter that discusses good operating practices, we also extend developmental support to small growers.

### People sustainability

We are an equal opportunity employer and abide by the principles of diversity and inclusivity. Our workforce respects all genders, cultures, and religions, meaning that we have a loyal yet vocal and multicultural employee base that continually challenges the status quo. Our 'zero harm' philosophy drives our safety practices. Our Company also ensures the safety of our employees through safety audits, a proactive safety index and consequence management systems.

Sharing this transparent Annual Report is a step towards communicating our honest efforts to build a responsible business that creates value for our stakeholders.

**Chacko Purackal Thomas**  
Managing Director & CEO

## SECTION A: GENERAL DISCLOSURES

Corporate Identity Number (CIN)	L01131KA1943 PLC000833
Company's Name	Tata Coffee Limited
Registered Office Address	Pollibetta, Kodagu, 571215, Karnataka, India
Website	<a href="http://www.tatacoffee.com">www.tatacoffee.com</a>
Email ID	<a href="mailto:investors@tatacoffee.com">investors@tatacoffee.com</a>
Financial year reported	2021–22
Sectors the Company is engaged in	Growing of coffee {SIC - 01272} Manufacturing of coffee products {SIC - 10792} Growing of tea {SIC - 01271} Growing of pepper {SIC - 01284}
Key products/services the Company manufactures/provides	Coffee – Green beans Coffee – Instant coffee Tea Pepper
Number of locations where business activity is undertaken	
International locations	Freeze-dried instant coffee facility at Vietnam, through Tata Coffee Vietnam Company Limited, a wholly owned subsidiary.
National locations	<ul style="list-style-type: none"> <li>✓ 17 coffee estates – in the Kodagu, Hassan and Chikmagalur districts of Karnataka</li> <li>✓ 1 tea estate – in the Kodagu district of Karnataka</li> <li>✓ 1 tea and coffee (mixed) estate – in the Chikmagalur district of Karnataka</li> <li>✓ 4 tea estates – in Pachaimallai, Pannimade, Uralikal and Velonie in the Coimbatore districts of Tamil Nadu</li> <li>✓ 1 coffee estate – in Valparai in the Coimbatore district of Tamil Nadu</li> <li>✓ 1 tea estate – in Malakiparai in the Thrissur district of Kerala</li> <li>✓ 1 curing works, roasting and grinding factory and pepper processing unit – in the Kudige, Kushalnagar and Kodagu districts</li> <li>✓ 1 Instant coffee plant – in the Theni district of Tamil Nadu</li> <li>✓ 1 Instant coffee plant – in Toopran in the Medak district of Telangana</li> <li>✓ Marketing and corporate functions are based in Bengaluru, Karnataka</li> </ul>
Markets served by the Company	Our coffee business provides instant coffee and green beans to buyers across the world. Our main markets for instant coffee are Russia and the CIS, Africa, Southeast Asia, Europe, and MENA. For green beans, our major markets are Western Europe, the Middle East, the USA, and Australia.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

Paid-up capital	₹18.68 Crore
Total turnover	₹816.89 Crore
Total profit after tax	₹101.84 Crore
Total spending on corporate social responsibility (CSR) as a percentage of average net profit for the last three financial years	₹1.75 Crore (This is more than the statutory limit of 2%)
List of activities in which CSR expenditure has been incurred	Please refer to Annexure - D of the Board's Report

## SECTION C: OTHER DETAILS

Does the Company have any Subsidiary Company/Companies?	Yes, the Company has four subsidiaries viz., <ul style="list-style-type: none"> <li>- Consolidated Coffee Inc., USA</li> <li>- Eight O' Clock Holdings Inc., USA</li> <li>- Eight O' Clock Coffee Company, USA</li> <li>- Tata Coffee Vietnam Company Limited, Vietnam</li> </ul>
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/Companies.	Our policies are extended to our four subsidiaries, and they participate in our BR initiatives in line with our policies.
Are there any other entity/entities (e.g., suppliers, distributors, etc.) that the Company does business with that participate in the BR initiatives? If yes, then indicate the percentage of such entity/entities (less than 30%, 30%–60%, over 60%).	Yes, we actively engage with our key stakeholders, including the supplier communities near our operations, our customers and other business partners on transactional issues as well as relationship-building processes. The engagement of the respective stakeholder in BR activities is more than 60%.

**SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION**
**1. Details of the Director responsible for the implementation of the BR policy:**

DIN number	05215974
Name	Chacko Purackal Thomas
Designation	Managing Director & CEO
Telephone number	+91 80 23560695
E-mail ID	<a href="mailto:investors@tatacoffee.com">investors@tatacoffee.com</a>

**2. Principles as per the National Voluntary Guidelines (NVGs) and the BR policy/policies (reply in Y or N):**

Our mission is to create distinctive, long-term value for all our stakeholders by embracing operation-wide sustainable practices.

Nine Principles per the NVGs	Principle 1: Ethics, Transparency and Accountability [P1]
	Principle 2: Product Life Cycle 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]

We have adopted the Tata Code of Conduct, a Tata Group-level policy. Based on the operating geographies and applicable local laws, we have established a range of policies, including our Whistle Blower Policy, Safety Health Environment (SHE) Policy, Quality Policy, CSR Policy, Prevention of Sexual Harassment (POSH) Policy and Code of Conduct for Non-Executive Directors. We have also established investor-related policies, including 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.

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have a policy/policies for the nine principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national/international standards? If yes, specify.	The Policy covers all the requirements as envisaged under the applicable laws.								
Has the policy been approved by the Board? If yes, has it been signed by the Managing Director/Owner/CEO/appropriate Board Director?	Where required by the applicable statutes, policies are approved by the Board and/or the appropriate Committee. Other internal policies are approved by the Managing Director.								
Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Indicate the link for the policy to be viewed online.	All our policies are made available to our stakeholders. In addition, some of our policies are available on the Company's website at <a href="http://www.tatacoffee.com">www.tatacoffee.com</a> .								
Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have an in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have a grievance redressal mechanism to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the Company carried out an independent audit/evaluation of the working of this policy by an internal or external agency?	All policies are monitored, reviewed, and benchmarked with industry players by respective policy owners. Our management systems are also externally certified. Our policies comply with all applicable local laws and are aligned with the principles of the NVGs.								

### 3. Governance related to BR:

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year:

Six Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The Board at its meetings reviews points on sustainability, Corporate Social Responsibility and environment, health, and safety.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published:

Yes, the Company publishes its Business Responsibility Report annually and the same is available at <https://tatacoffee.com/sites/default/files/collaterals/Business-Responsibility-Report-2021-22.pdf>

The BR Report is published, once in a year.

## PRINCIPLE DETAILS

### Principle 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY.

We have a legacy of fair and transparent governance practices, and upholding this approach is an integral part of our pursuit to create value for all stakeholders.

#### Corporate governance

Our Company is committed to the highest standards of corporate governance based on values, fair practices for our stakeholders and creating accountability across the organisation. We have adopted specific guidelines encompassing all aspects of the Company's governance, including the composition and role of the members and senior leaders of the Board, ensuring diversity.

Our Board of Directors is formed with an optimum combination of Executive and Non-Executive Directors, including a female Director. As of March 31, 2022, the Company had eight Directors: two Executive Directors, two Non-Independent Directors, and four Independent Directors. 75% of the Board members, including the Chairman are Non-Executive Directors. The Board of Directors and its sub-committees provide leadership and guidance to the management team, direct and supervise the performance of the Company, enhancing stakeholder value. The Board Committees currently include the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee, the Risk Management Committee, and the Corporate Social Responsibility Committee.

The Company adheres to the requirements of corporate governance as stipulated in the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), as amended from time to time.

### Risk management

Our Company's comprehensive risk management policy functions to ensure that sound practices are in place to address business risks and concerns. The risk management process covers risk identification, assessment, development of mitigation strategies, implementation of action plans, monitoring and reporting. A risk register listing the major risks to our business, including social and environmental issues (e.g., climate change and health and safety), is maintained by the Company and periodically reviewed by the Risk Management Committee.

Our Risk Management Committee is entrusted with the responsibility of assisting the Board in three key areas: (a) providing insights to make our risk management practices more comprehensive; (b) approving the Company's Risk Management Framework; and (c) overseeing all the risks that the organisation faces (strategic, financial, liquidity, security, regulatory, legal, reputational, among others), and taking necessary steps to mitigate these risks. Additionally, the Audit Committee has oversight over the financial risks and controls.

### Tata Code of Conduct

Our Company has institutionalised various processes for ensuring fair practices for all stakeholders across our ecosystem, in line with the Tata Code of Conduct.

The Principal Ethics Officer holds the primary responsibility of implementing the Code of Conduct. The responsibility then cascades down to the Company Ethics Counsellor and the Location Ethics Counsellors (or Estate Ethics Counsellors) at each location. The Audit Committee has Board-level oversight of this process.

The Tata Code of Conduct is communicated to our employees through translated versions and is regularly communicated to all stakeholders. A 24/7 multilingual ethics helpline is available for all stakeholders to report their concerns, and these are addressed in a responsible manner.

We evaluate the effectiveness of the implementation of the Code of Conduct through our Leadership Business Ethics Survey, and many of the Code's practices are benchmark company-wide actions.

We have also developed our Whistle Blower Policy, Gift Policy and POSH Policy to strengthen our business ethics practices.

Tata Code of Conduct concerns for FY 2021-22:

	Number of stakeholder complaints		
	Received	Resolved	Pending for closure
Complaints related to the Tata Code of Conduct	14	12	2

The Tata Business Excellence Model (TBEM) drives excellence in everything we do. TBEM is a holistic Business Excellence Model (an industry agnostic model) which helps the Company enabling culture for improving the business performance continuously encompassing all the stakeholders including the customers,

investors, community, employees, government. The model has helped the Company to sustain the business performance in last 2 years irrespective of tough market conditions.

**PRINCIPLE 2: PRODUCT LIFE CYCLE SUSTAINABILITY**  
**BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE**

A balance of environmental and social factors is critical to the sustainable production of quality coffee. As a business, we are cognisant of our susceptibility to climate change, which threatens the production of our coffee and allied products, thereby affecting business continuity. We remain aware of environmental regulation changes and ensure that our operations are sustainable. We focus on soil conservation, water conservation, energy efficiency and waste management at our plantations and manufacturing facilities.

**Sustainability at our plantations**

Sustainability is embedded in our agricultural practices, including integrated pest and disease management measures. We consistently endeavour to use eco-friendly technologies and work towards enriching soil, water, and biodiversity in and around our plantations. We base our cultivation practices on the scientific mapping of soil nutrition and cropping patterns, coupled with the optimal usage of natural resources. These actions enable us to sustain ecological balance at our locations.

**Sustainable agriculture**

We continually focus on advanced agronomy across our plantations to ensure the sustainability of our crops and their ability to withstand any challenges caused by climate change.

Our key sustainable cultivation practices include the following:

- Using soil nutrient analysis, leaf diagnostic analysis and the Soil Nutrient Index, resulting in the optimised use of fertilisers and soil amendment
- Growing coffee along with intercroops (e.g., pepper) to promote biodiversity and the optimal use of natural resources
- Conducting Varietal Trial Experiments on coffee, pepper, and cardamom to identify a selection of location-specific, high-yield plants that are pest-, disease- and drought-tolerant
- Implementing agricultural waste management systems to produce quality compost, enhancing soil fertility status
- Establishing drip and basin irrigation systems for our Robusta crops
- Adopting apiculture and pisciculture practices
- Undertaking shade management by assessing light intensity, which is critical to our agronomic practices
- Participating in collaborative research to develop eco-friendly agro-chemicals and pheromones

**Water management**

Our sustainable irrigation practices, designed to promote optimal water use, allow us to mitigate and partially manage unexpected weather changes. In addition, our rainwater harvesting assets address a comprehensive range of pre- and post-blossom irrigation requirements.

We have adopted a structured water management programme spanning water conservation, wastewater treatment and rainwater harvesting, and to achieve our objectives, we have invested in water-efficient technologies. Our water conservation approaches and learnings are communicated to our stakeholders.

Following best practice for manufacturing, we do not use groundwater for the irrigation and processing of coffee or pepper. We have installed reservoirs and tanks in our plantation catchment areas, and these are excavated, desilted, or extended to meet our irrigation requirements. The present capacity of these holding areas is 34.75 Lakh cubic metres; this represents sufficient water for the blossoming of our entire Robusta crop volume and for our pepper vines, as well as to satisfy our back irrigation needs.

We monitor and track the amount of water used through water flow meters. While discharging wastewater from the estates, we also ensure that surface water sources are not contaminated.

Other initiatives undertaken to manage water efficiently include the following:

- Introducing GPS technology to enhance the operational efficiency of our irrigation process
- Preventing the discharge of pollutants into natural water bodies
- Supplying our residential colonies with septic tanks to prevent any negative impact on the groundwater
- Using advanced systems (e.g., eco-pulpers and high-efficiency sprayers) to minimise water consumption

**Energy efficiency and renewable energy**

The significant amount of green vegetative cover at our plantations contributes to our negative carbon footprint of 1.85 Lakh tonnes of CO<sub>2</sub> equivalent annually and acts as a huge carbon sink.

During FY 2021–22, we procured 22,56,291 units of wind power for our Anamallais operations. We installed roof-mounted solar panels at our estates. At Coorg, we installed energy-efficient motors to pump water. We enhanced our solar plant capacity to increase the availability of renewable energy; specifically, our Theni unit expanded its solar plant capacity to 500 kWp. These measures have resulted in an increase in renewable energy usage, including both solar and wind sources, to 40.8% of our overall power pattern.

**Knowledge sharing**

In line with our Rainforest Alliance certification, we conduct regular awareness sessions for our local communities on waste management and the conservation of ecosystems, water, and flora and fauna. We issue monthly Advisory Circulars to the estates

and our customers to update them on current and new trends in cultivation practices, pest and disease management, and post-harvest technology.

### **Sustainability at our facilities**

We are committed to building upon our pioneering role in tackling climate change issues by adopting environmentally friendly technologies. Our comprehensive approach to the endeavour of offsetting the effects of our activities on the climate includes the two key elements of measuring our carbon footprint and engaging actively in advocating and shaping climate change regulations.

We have undertaken various environmental protection initiatives over the short and long term by allocating resources and sharpening our focus. These initiatives include rainwater harvesting, the use of renewable energy and solid waste management.

Our integrated management system (IMS) adheres to international standards, enabling alignment across all functional areas and operational aspects. These environmental measures are governed by the overarching ISO 14001:2015 standards.

### **Environmental management in our Instant Coffee Division (ICD)**

Our goal is to establish a culture of care by demonstrating leadership through performance improvements at our manufacturing facilities in Toopran and Theni (our two ICD units). We have demonstrated consistent improvement in this area.

These manufacturing facilities are certified for IMSs, which drive all systems and processes in a unified framework to promote excellence in sustainability. Both units are certified under the latest version of our environmental management system. Focusing on environmental sustainability initiatives, these units are also acknowledged by the UTZ and the Rainforest Alliance certifications.

### **Energy efficiency and renewable energy**

We are cognisant of our role in combating climate change and have been successful in improving the efficiency of our processes by reducing the specific consumption of resources across operations. We aggressively promote renewable energy – from solar and wind energy generation to biomass utilisation – at our manufacturing facilities.

We invested in a condensate recovery system at our Theni Freeze Dried Coffee manufacturing plant. This initiative has led to an increase in the condensate recovery factor from 65% to 70% by reducing our consumption of water and coal.

### **Managing water and waste**

We are constantly seeking to reduce our water consumption volume, expand our water conservation measures at our facilities and replenish the groundwater levels in our communities. Our coffee processing is performed using advanced Colombian and Brazilian pulping technologies, ensuring minimal water usage and pulping discharge. In addition, indigenous pulping units with low water consumption reduce and recycle the treated water for irrigation.

An effluent treatment plant and a reverse osmosis system ensure that our wastewater and liquid effluents are effectively treated following the reduce, recycle and reuse (3R) principle. Our plant at Theni is a zero-liquid-discharge facility that adheres to the 3R principle for all generated wastewater. The significant volume of effluent water is treated and reused in the boiler and other utility equipment at Toopran.

We have installed electrostatic precipitators for our boiler operations to control and improve boiler stack emissions, which is unique to this industry.

### **Sustainable procurement**

We source products and services that are environmentally sustainable, including energy-efficient electrical accessories and appliances such as motors.

In line with our objective of promoting inclusive development, we promote the utilisation of local resources (e.g., Agri-briquettes, agro-inputs, maintenance, and civil works), and we conduct business with small traders at our estates as well as small farmers in remote areas. In addition, we locally source the personnel for our security and other facility management services.

## **PRINCIPLE 3: EMPLOYEES' WELL-BEING**

### **BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES**

Our objective is to create a working environment that supports the holistic development of our employees. As of March 31, 2022, we have 14,441 employees across our operations. Of these, 6,220 are casual labourers engaged in plantation operations during harvesting period.

#### **Employee well-being**

We provide a host of benefits and services to our employees to meet their various needs, exceeding statutory requirements in most areas. We also promote robust employee health and wellness initiatives across all geographies and segments. We conduct periodic health check-ups and de-addiction programmes for our employees at all locations.

#### **Capability-building programmes**

Our Company focuses on the welfare and the improvement of our employees' skills and competencies through training and development programmes aligned with our technical, behavioural, and functional requirements. These programmes focus on skill development or skills gaps for current and future job role requirements, including specific programmes for ethics, values, and animal conflict management.

#### **Employee engagement**

We implement robust processes and programmes that reflect a culture of open communication. Engagement has also been fostered through corporate initiatives such as leadership communication training, knowledge-sharing sessions, volunteer opportunities, and a reward and recognition system. We assess the effectiveness of our employee engagement initiatives through

reviews conducted by our senior leaders with guidance from the Board.

### Diversity and inclusion

We provide equal opportunities to our employees and do not promote any unfair practices on any grounds, including race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, disability, or any other category protected by applicable law. All employee-related decisions are based solely on performance, merit, competence, and potential.

During Women's Day celebration, we had invited renowned women leaders across the group to talk to our employees on diversity and organisational processes for driving these initiatives.

### Safety, Occupational Health and Environment (SHE)

We have embarked on a journey of safety excellence across all locations on the following governing philosophy: 'No one working in our operations gets hurt and all the employees & stakeholder representatives go back to home, in the same condition they came to operating locations'. Safety performance is reviewed by the senior leadership team through SHE Council meetings. The SHE Council includes the lead SHE officer and the safety coordinators at all locations. In addition to ensuring that all safety procedures are followed, the safety coordinators conduct training programmes to educate our employees on performing their tasks correctly and safely, with a focus on the handling of machinery and agro-chemicals.

We work with the business unit location-level teams on risk assessment, training around safety and the operational control plan, mock drills, first aid training and medical check-ups. We cover key safety risks, including working at height, human–elephant conflict, contractor safety and driving safety, and we have appropriate mitigation plans in place. Welfare and safety audits are conducted annually through an external agency covering the workplace and labour lines.

The following are some of the key initiatives undertaken during FY 2021–22:

- ✓ Conducting safety audits, led by the National Safety Council, at each operating location, and developing action plans based on the audit findings
- ✓ Strengthening the consequence management system and creating awareness across locations
- ✓ Taking our Proactive Safety Indicators to the next level
- ✓ Engaging employees in safety awareness through a celebration of National Safety Month
- ✓ Focusing on the elimination of high-risk operations and on emergency planning and mock drills

Details on key performance indicators are listed below:

Safety and health performance	2019–20	2020–21	2021–22
Number of unsafe situations observed – behaviours, conditions and near misses	21,624	26,024	28,278
Total training hours	107,137	130,900	256,903
Number of health awareness sessions conducted	890	2,130	2,439
Number of total recordable cases	78	78	76
Number of lost time injuries	67	70	67
Number of major fires	1	2	1
Number of high potential incidents	26	13	14

## PRINCIPLE 4: STAKEHOLDER ENGAGEMENT

### BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

We strive to be responsible and sensitive to our stakeholders. Depending on a direct relationship of impact, influence and proximity, or relevance, we have identified various stakeholder groups (customers, employees, investors, suppliers, other value chain partners, local communities, and NGOs) for engagement. We believe in building and maintaining long-term relationships with stakeholders through organisational processes.

We regularly communicate our policies and processes to stakeholders and have provided avenues to raise concerns or queries in good faith. By these same channels, the stakeholders can report instances of actual or perceived violations of our Code.

## PRINCIPLE 5: HUMAN RIGHTS

### BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

We respect and uphold the highest principles of human rights.

#### Gender diversity

Of our 14,441 employees across all operations, including our corporate functions, 53% are female employees.

#### Child and forced labour

Our Company strictly prohibits child labour. We do not tolerate forced labour of any form in our operations, and we encourage our suppliers, vendors, contractors, and other business partners to adhere to these same ideals. We conduct welfare audits once every two years, employing external agencies to assess the welfare index of our estates.

### Freedom of association and collective bargaining

We recognise the right of our employees to join associations or involve themselves in civic or public affairs in their personal capacities, provided that such activities do not create an actual or potential conflict with the interests of our Company. We expect our employees to seek prior approval for any such activity as per the Conflicts of Interest clause in the Tata Code of Conduct. Of our employees, ~90% are members of a recognised union.

### POSH Policy

We have zero tolerance for sexual harassment in the workplace and have adopted a policy to ensure the prevention, prohibition, and redressal of sexual harassment. This policy aims to provide protection to employees in the workplace and redress complaints of sexual harassment and any connected or incidental matters, with the objective of providing a safe and secure working environment. We have conducted communication and awareness sessions across our operations through external subject matter experts. We have also formed an Internal Complaints Committee to inquire into complaints of sexual harassment and recommend appropriate action.

Sexual harassment concerns for FY 2021–22:

	Number of complaints		
	Received	Resolved	Pending for closure
Complaints under the terms of the POSH Policy	5	5	0

### PRINCIPLE 6: ENVIRONMENT

#### BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

Our environmental stewardship extends beyond our premises, and we are cognisant of the ecosystem in which we operate. We operate in biodiversity hotspots; therefore, it is important for us to protect the rich environmental heritage of those regions.

#### Forest and wildlife conservation

Our estates and the neighbouring areas are home to ~3,049 native species of flora and 496 species of wildlife. As a standard business practice, we do not harvest threatened or endangered plants or trees. We have established a buffer zone by planting permanent native vegetation (*Acalypha* bushes) to promote biodiversity, minimise any negative visual impact and reduce the drift of agro-chemicals, dust and other substances emanating from our agricultural or processing operations. We also conduct an annual surface water analysis to check drift and erosion of chemicals into water bodies.

We maintain an inventory of the wildlife and wildlife habitats found on our estates through a wildlife-sighting register. The hunting, capturing, extracting, and trafficking of wild animals are strictly prohibited on the estates. Our wildlife enclosures help mitigate potential human–animal conflicts and create feeding sites for animals in our reserve forests.

We have planted Vetiver in the landslide area across the Coorg district as part of our community initiative and volunteering programme.

### Water conservation

We undertake water conservation projects as part of our community initiatives. We partner with the relevant district authorities to rejuvenate lakes, thereby maintaining the hydrological balance in selected areas.

### PRINCIPLE 7: POLICY ADVOCACY

#### BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

We have empowered, authorised, and appropriately trained individuals to interact with our stakeholder groups. Prior internal approval is required for the initiation of any contact between our Company or its representatives and any officials for the purpose of influencing regulation or legislation.

We actively participate in various forums relevant to the industry, our Company, and our stakeholders. We are associated with the following industry bodies in different capacities:

- Coffee Board of India
- Confederation of Indian Industry
- United Planters' Association of Southern India
- Karnataka Planters' Association and Kodagu Planters' Association
- Anamallais Plantations Association
- Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry

### PRINCIPLE 8: INCLUSIVE GROWTH

#### BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

We believe in inclusive growth; therefore, community care and development form an integral part of our agenda. We promote equitable development by working for the socio-economic and environmental well-being of the communities in which we operate.

#### Our approach

Our programmes are aligned with the most critical needs of the communities where we operate. We primarily focus on education, healthcare, ecosystem restoration and employability, and we have identified health, differently abled personnel, restoration of the hydrological balance and skill development as key focus areas for our CSR programmes.

All our programmes are implemented through partnerships with credible NGOs and local government authorities.

### **Natural restoration of the hydrological balance – the ‘lake-in-lake’ model**

Some of our core values like Innovation and Agility is demonstrated through restoration of the hydrological balance. We are working in partnership with district authorities to restore Kadlur village's lake using an innovative ‘lake-in-lake’ technology. The objective of this approach is to harvest both rainwater and a large volume of runoff water to increase underground recharge every year and provide potable drinking water from the source to ensure water security. We educate members of the community to optimise their water usage and treat water as an asset, not a resource. Applying this innovative model has allowed us to recharge both underground water and drinking water supply.

### **Site-specific programmes**

We have implemented several community initiatives in areas where our plantations and factories are located. Details of these programmes are listed below.

#### **Coorg and Hassan**

- **Coorg Foundation:** The foundation has been under the aegis of Tata Coffee since 1994 and promotes the welfare of the local community through a host of economic, environmental, and social initiatives.
- **Swastha:** The Centre for Special Education caters to the needs of the differently abled individuals in the district of Kodagu to rehabilitate residential students and youth in the community. Tata Strive, in partnership with Starbucks, is opening a training centre for imparting skills leading to employability.
- **Rural India Health Project Hospital:** The hospital is the district's only 24/7, residential, speciality hospital offering emergency services, and it has significantly reduced the need of local habitants to travel outside the district for medical treatment. The hospital's vision is to provide healthcare facilities and advice, around the clock and at an affordable cost, to the local community.

This hospital has total of 56 beds, including 7 beds in ICU section, and is well-equipped with modern facilities and equipment, in addition to specialised doctors. In FY 2021–22, the hospital worked on anaemia services, first aid and blood donation camps across the district in partnership with the local health authorities. The doctors also led health camps in indigenous villages, focusing on menstrual hygiene and pregnancy.

We have initiated several new projects at this site, including the following:

1. Plastic upcycling to eliminate low-value plastic going to landfills, thereby decreasing carbon emissions from 10 government schools and educating their students on the importance of sustainability
2. Teaching skills to women and mobilising them to obtain sustainable livelihood by providing skills, materials, and technology for tailoring sessions

3. Under Project Empower, we conducted functional English classes in partnership with Tata Consultancy Services (TCS) to train teachers and students in government schools within the district
4. Capability building for small indigenous planters, focusing on increasing income from diverse plantation products

#### **Valparai**

- **The DARE Project:** Over the last 25 years, DARE has worked to support the well-being of children with special needs from among the workers' population. The centre provides various activities, including meditation, exercises, physiotherapy, arts and crafts, stitching, embroidery, candle making, making washing powder and office covers, and basket weaving, in addition to supervised games and activities. Proceeds from the sale of the products made at the centre are deposited into the post office accounts of the participating children.
- **Uralikal Central Hospital:** This 50-bed hospital is run by our Company in Anamallais and provides free medical aid to our workforce of 6,000+ members. The hospital also extends free medical aid to the indigenous population in the settlements on the periphery of our estates, as well as providing services via medical camps. Medical aid is offered at subsidised rates to those belonging outside of the community.
- **Akshara Vidyasharam:** This primary school opened its doors to the children of Anamallais in 2007 to provide quality education at an affordable cost. The school is run on a not-for-profit basis by Tata Coffee Ladies Welfare & Educational Trust. It caters to children from playschool age to Class 5 level. The school follows Tamil Nadu State Board and has smart class facilities.

We have initiated new projects during FY 2021–22, including the following:

1. **Project Empower:** As part of this, we conduct functional English classes in partnership with TCS to train teachers and students in government schools and colleges within the district
2. **Project MAGEC:** This is a youth employability programme for college graduates from rural areas that provide mathematical, analytical, general, English and computer skills tuition in partnership with TCS
3. Providing internships for economically disadvantaged students in Tata Coffee's Tea factories
4. Strengthening the community centres by supporting the continuous education and welfare of the community and by providing faculty, computers, and free internet access

#### **ICD – Theni and Toopran**

- Remedial coaching classes offered to students from government schools to reduce dropout rates and improve overall performance

- Capability development training for nurses in information technology and computer literacy across government nursing colleges
- Health camps organised in rural areas with a focus on elderly patients and students, in partnership with the Rotary Club/ Lions Club, Titan Eye Plus and district health authorities
- Project Abhyaas to teach functional English classes in partnership with the Institute of Resource and Social Management to train teachers and students in government schools within the district
- Plastic usage reduction by providing steel utensils to multiple panchayats
- Supported Sarva Shiksha Abhiyan – a central government initiative for students with disabilities

#### Group-level community welfare initiatives

- Volunteering activities: We have a Group-level volunteer programme with the objectives of sensitising our employees to social causes, encouraging them to get involved in their communities and providing them with opportunities to contribute to those communities. During FY 2021–22, as part of this programme, 11,590 volunteers across the Company contributed to 63,593 volunteering hours across 233 activities. We remain among the five highest ranked companies in the Tata Group for overall volunteering hours invested.
- Pro-Engage initiatives: Eight volunteers participated in Pro-Engage initiatives, which are long-term volunteering projects (up to six months). These volunteers worked on various projects, including working with and providing career guidance for young people, connecting with elderly members of the community, and reviewing organisational policies.

Volunteering hours since FY 2019–20:

	Hours		
	2019–20	2020–21	2021–22
Volunteering hours	41,232	31,888	63,593

These volunteering efforts have resulted in 5.49 per capita employee volunteering hours and touched 28.5 per capita lives, which is significantly higher compared to the previous year.

## PRINCIPLE 9: CUSTOMER VALUE

### BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

One of the operational pillars of our Company is customer excellence. We utilise a range of mechanisms to build relationships with our customers and continuously engage with them to understand their requirements and become more responsive to their needs. We monitor our progress in this area by gathering information through customer meetings, transactional feedback, and customer satisfaction surveys.

Our Company has a robust customer complaint management system that facilitates our processes for registering complaints, tracking issues, and resolving grievances to the customer's satisfaction.

#### Driving operational excellence through official certifications

Our food safety certifications, Halaal and Kosher, specifically address the concerns of different cultural customs. We have a UTZ certification for the sustainable farming and sourcing of our coffee beans from our farms to the production of soluble coffee.

The Global Food Safety Initiative (GFSI) is another organisation that plays an important role in food safety systems. It has benchmarked existing food safety schemes (FSSCs), including FSSC 22000, SQF and the British Retail Consortium.

# INDEPENDENT AUDITOR'S REPORT

To The Members of Tata Coffee Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Tata Coffee Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2022, 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 significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under

Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p><b>Growing Produce (Existence and Valuation)</b></p> <p>Produce of coffee, tea and pepper growing on the bearer plants ("growing produce") are measured at fair value based on their biological transformation.</p> <p>The fair valuation of the growing produce is significant to our audit on account of the significant management judgements applied in determining estimated quantity and transformation based on factors like stage of growth (determined based on the visible growth and systematic crop estimation) and harvesting cycle of the crops and their fair values less costs to sell which is based on factors like established conversion norms and the published rates.</p> <p>Refer to Note 8 and Note 40 of the standalone financial statements for the fair value measurement, Note 2.2 (h) for accounting policies and Note 2.3.(iv) relating to Valuation of Agricultural Produce under Key accounting judgements, estimates and assumptions.</p>	<p>With respect to the existence of the growing produce of coffee, tea and pepper:</p> <ol style="list-style-type: none"> <li>Obtained an understanding of the significant management judgements applied in determination of the quantity and biological transformation of the growing produce.</li> <li>Evaluated the design of internal controls relating to the management's process of making judgments and estimates relating to quantity, biological transformation, and also tested the operating effectiveness of the aforesaid controls.</li> <li>Retrospectively compared the actual harvest data with the growing produce that was estimated and recorded by the management prior to harvest to assess the reasonableness of the process of prior estimation by the management and also to assess the reliability of the basis of management judgement in estimating growing produce as at the balance sheet date.</li> </ol> <p>With respect to valuation of growing produce:</p> <ol style="list-style-type: none"> <li>Evaluated the design of internal controls relating to the management's judgments and estimates for determining fair value less cost to sell and also tested the operating effectiveness of the aforesaid controls.</li> </ol>

Sr. No.	Key Audit Matter	Auditor's Response
2	<p><b>Inventory of raw / cured coffee beans ("green coffee beans"), tea and pepper (Valuation)</b></p> <p>Finished goods inventory are valued at lower of cost and net realizable value (estimated selling price less estimated cost to sell). Considering that there is always a volatility in the selling price of green coffee beans, tea and pepper, which is dependent upon various market conditions, determination of the net realizable value for green coffee beans, tea and pepper involves significant management judgement and therefore has been considered as a key audit matter.</p> <p>The total value of finished goods (commodities) as at 31 March, 2022 is ₹21771.51 Lakh. Also refer to Note 2.3 (iv) relating to Valuation of Agricultural Produce under Key accounting judgements, estimates and assumptions.</p>	<p>2. Validated the market information considered by the management in determining the fair values.</p> <p>3. Compared the estimate of costs to sell to the actual selling cost incurred during the year to validate the reasonability of the estimate of costs to sell considered in determining fair values as at the Balance Sheet date.</p> <p>Tested the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.</p> <p>With respect to the net realisable value:</p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of the determination of the net realizable values of green coffee beans, tea and pepper and assessed and tested the reasonableness of the significant judgements applied by the management.</li> <li>2. Evaluated the design of internal controls relating to the valuation of green coffee beans, tea and pepper and also tested the operating effectiveness of the aforesaid controls.</li> <li>3. To assess the reasonableness of the net realisable value that was estimated and considered by the management: <ul style="list-style-type: none"> <li>• With respect to the committed stock of green coffee beans for which the Company has entered into contracts with the respective customers, on a sample basis, compared the net realisable value with the rates as per the said contracts;</li> <li>• With respect to the uncommitted stock of green coffee beans, obtained the market information relating to coffee prices and assessed the reasonableness of the adjustments that were made to such market prices to estimate the net realisable value;</li> <li>• With respect to the uncommitted stock of tea and pepper, obtained the latest realization rates / market information relating to prices and assessed the reasonableness of the adjustments that were made to such market prices to estimate the net realisable value;</li> <li>• Verified the publicly available market information to assess if there has been significant decrease in the rates subsequent to the year end.</li> </ul> </li> <li>4. Compared the actual costs incurred to sell based on the latest sale transactions to assess the reasonableness of the cost to sell that was estimated and considered by the management.</li> <li>5. Compared the cost of the finished goods with the estimated net realisable value and checked if the finished goods were recorded at net realisable value where the cost was higher than the net realisable value.</li> </ol> <p>Tested the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.</p>

**Information Other than the Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, for example, Corporate Overview, Key Highlights, Directors' Report, Report on Corporate Governance, Management Discussion & Analysis Report, Business Responsibility Report, etc., but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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 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 Ind AS 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit we report that:
  - 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.
  - 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.
  - 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.
  - In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- 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.
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- 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:
  - The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
  - 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;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company

- ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- As stated in Note 12 (a) to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 ("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)

**Arunabha Bhattacharya**  
Partner  
(Membership No. 054110)  
(UDIN: 22054110AHUUZQ3188)

Place : Kolkata  
Date : April 26, 2022

# ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on other Legal and 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 31 March, 2022 in conjunction with our audit of the standalone Ind AS 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 Companies Act, 2013.

### 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 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 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 31 March, 2022, 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)

**Arunabha Bhattacharya**  
Partner  
(Membership No. 054110)  
(UDIN: 22054110AHUUZQ3188)

Place : Kolkata  
Date : April 26, 2022

## 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)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Bearer plant, capital work-in-progress, investment properties and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment, Bearer plants, capital work in-progress, investment properties and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties of land and buildings (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, capital work in progress, investment property and non-current assets held for sale, are held in the name of the Company as at the balance sheet date. In respect of immovable and movable properties that have been taken on lease and disclosed in the financial statements as right-of use asset as at the balance sheet date, the lease agreements are duly executed in favour of the Company.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, at points of time during the year, from bank on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising of value of closing stock of inventory, receivables and payables filed by the Company with such bank are in agreement with the audited books of account of the Company of the respective quarters.
- (iii) a) The Company has provided loans or advances in the nature of loans, stood guarantee or provided security to any other entity during the year and details of which are given below:

₹ lakh

	Loans	Guarantees
<b>Aggregate amount granted / provided during the year</b>		
- Others	3000	-
<b>Balance outstanding as at Balance Sheet date:*</b>		
Subsidiary	-	31361

\* The amounts reported are at gross amount, without considering provision made.

- b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, *prima facie*, not prejudicial to the Company's interest.

- c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (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 books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31 March, 2022 for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Amounts Involved (₹ Lakh)	Amount Unpaid (₹ Lakh)	Period to which the Amount Relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax (including interest)	1667.70	366.68	AY 2012-13	Commissioner of Income Tax (Appeals)
		2930.14	731.85	AY 2015-16	
		4149.32	1739.03	AY 2018-19	
Andhra Pradesh VAT & CST Acts	Sales Tax	2.82	1.40	FY 2005-06	Appellate Tribunal

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix)
  - (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
  - (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
  - (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
  - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
  - (f) The company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x)
  - (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
  - (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi)
  - (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - (b) To the best of our knowledge, no report under Sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
  - (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies 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)
  - (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 2022.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company, subsidiary company or persons connected with such directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (d) The Group has more than one CIC as part of the group. There are six CIC forming part of the group
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from

the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of Sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- (xxi) According to the information and explanations given to us, and based on the CARO report issued by and the information provided by the auditors of the companies included in the consolidated financial statements of the Company we report that CARO is applicable only to the parent and to no other

company included in the consolidated financial statements. We have not reported any qualifications or adverse remarks in the CARO report of the parent.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Arunabha Bhattacharya**  
Partner  
(Membership No. 054110)  
(UDIN: 22054110AHUUZQ3188)

Place : Kolkata  
Date : April 26, 2022

# Balance Sheet

as at March 31, 2022

Particulars	Note	2022	₹ Lakh 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	1 (a)	38686.65	38793.06
Capital Work-in-progress	1 (a)	6369.18	4456.69
Right-of-Use Assets	1 (b)	122.91	11.36
Investment Property	2	1731.55	3316.93
Intangible Assets	3	143.60	169.19
Financial Assets			
Investments	4	24687.93	22537.53
Loans	5	20.98	16.45
Other Financial Assets	6	22.94	22.32
Non-current Tax Assets	17	1288.13	1288.13
Other Non-current Assets	7	427.01	779.53
		<b>73500.88</b>	<b>71391.19</b>
<b>Current assets</b>			
Inventories including Biological Assets	8	39578.74	27729.40
Financial Assets			
Investments	4	4093.73	3538.82
Trade Receivables	9	10676.26	10852.23
Cash and Cash Equivalents	10	848.73	5911.40
Other Bank Balances	10	9340.84	2968.79
Loans	5	177.76	7210.20
Other Financial Assets	6	1598.57	2487.33
Other Current Assets	7	2958.40	2697.03
		<b>69273.03</b>	<b>63395.20</b>
Non Current Assets held for sale	11	49.20	125.33
Total Assets		<b>142823.11</b>	<b>134911.72</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12 (a)	1867.70	1867.70
Other Equity	12 (b)	114580.75	107267.58
Total Equity		<b>116448.45</b>	<b>109135.28</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Lease Liabilities	14 (b)	87.94	7.12
Other Financial Liabilities	15	156.15	403.56
Provisions	16	3540.85	3915.70
Deferred Tax Liabilities (Net)	17	1813.40	1635.20
		<b>5598.34</b>	<b>5961.58</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	14 (a)	7311.18	7300.04
Lease Liabilities	14 (b)	41.51	9.52
Trade Payables:-			
(a) Total outstanding dues of Micro and Small Enterprises	18 (a)	69.51	243.69
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	18 (b)	4539.71	3631.10
Other Financial Liabilities	15	7235.70	6630.74
Provisions	16	272.44	279.44
Current Tax Liabilities	17	62.65	172.37
Other Current Liabilities	19	1243.62	1547.96
		<b>20776.32</b>	<b>19814.86</b>
<b>Total Equity and Liabilities</b>		<b>142823.11</b>	<b>134911.72</b>

The accompanying significant accounting policies and notes form an integral part of the standalone financial statements.

As per our Report of even date attached

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

For and on behalf of the Board of Directors

**CHACKO PURACKAL THOMAS**

Managing Director &amp; CEO

**K. VENKATARAMANAN**

Executive Director - Finance &amp; CFO

**ARUNABHA BHATTACHARYA**

Partner

Membership No.054110

Place: Bengaluru

Date: April 26, 2022

**S. VENKATRAMAN**

Director

**N. ANANTHA MURTHY**

Company Secretary

# Statement of Profit and Loss

for the year ended March 31, 2022

		₹ Lakh	
Particulars	Note	2022	2021
<b>INCOME</b>			
Revenue from operations	20	81689.11	73663.70
Other Income	21	7033.24	7791.38
<b>Total Income</b>		<b>88722.35</b>	<b>81455.08</b>
<b>EXPENSES</b>			
Cost of materials consumed	22 (a)	29056.50	22753.24
Purchases of Stock-in-trade	22 (b)	12088.02	9533.56
Changes in Inventories of finished goods, work-in-progress, Stock-in-trade and Biological Assets	22 (c)	(9137.39)	(1448.19)
Employee benefits expense	23	21534.48	19596.41
Finance costs	24	451.60	487.82
Depreciation and amortisation expense		2443.91	2424.70
Other expenses	25	20025.59	16248.93
<b>Total Expenses</b>		<b>76462.71</b>	<b>69596.47</b>
<b>Profit before exceptional items and tax</b>		<b>12259.64</b>	<b>11858.61</b>
Exceptional Items	26	(92.10)	-
<b>Profit before tax</b>		<b>12167.54</b>	<b>11858.61</b>
<b>Tax Expense</b>			
Current tax	17	1854.65	1721.99
Deferred tax	17	128.66	56.80
<b>Total tax expense</b>		<b>1983.31</b>	<b>1778.79</b>
<b>Profit for the year</b>		<b>10184.23</b>	<b>10079.82</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit / (loss)</b>		<b>5.84</b>	<b>444.26</b>
Remeasurements of the defined benefit plans		70.84	459.36
Equity instruments through other comprehensive income		0.33	0.79
Income tax relating to items that will not be reclassified to profit or loss		(65.33)	(15.89)
<b>Items that will be reclassified to profit/ (loss)</b>		<b>(75.35)</b>	<b>786.86</b>
Effective portion of Gains/(Loss) in cash flow hedges		(91.14)	1022.49
Income tax on items that will be reclassified to profit or loss		15.79	(235.63)
<b>Total Comprehensive Income for the year</b>		<b>10114.72</b>	<b>11310.94</b>
<b>Earnings per equity share</b>			
Basic & Diluted	36	5.45	5.40

The accompanying significant accounting policies and notes form an integral part of the standalone financial statements.

As per our Report of even date attached

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**CHACKO PURACKAL THOMAS**  
Managing Director & CEO

**K. VENKATARAMANAN**  
Executive Director - Finance & CFO

**ARUNABHA BHATTACHARYA**

Partner  
Membership No.054110

Place: Bengaluru  
Date: April 26, 2022

**S. VENKATRAMAN**

Director

**N. ANANTHA MURTHY**

Company Secretary

# Statement of Changes in Equity

as at March 31, 2022

	Equity			Other Equity					Total Other Equity	Total Equity	₹ Lakh		
				Surplus		Items of Other Comprehensive Income							
	Number of Shares	Equity Share Capital	Capital Redemption Reserve	Securities Premium	General Reserves I	General Reserves II	Amalgamation Reserves	Retained Earnings				Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges
Balance as at April 1, 2020	186770370	1867.70	10.41	14424.27	16795.30	11765.64	832.53	56233.66	(0.05)	(550.70)	(1328.74)	98182.32	100050.02
Profit for the period								10079.82				10079.82	10079.82
Other Comprehensive Income for the period, net of Income Tax									0.79	786.86	443.47	1231.12	1231.12
Total Comprehensive Income for the period			-	-	-	-	-	10079.82	0.79	786.86	443.47	11310.94	11310.94
Dividends								(2801.55)				(2801.55)	(2801.55)
Transfer from Retained Earnings								(826.94)				-	-
Reversal of Dividend Distribution Tax								575.87				575.87	575.87
Balance as at April 1, 2021	186770370	1867.70	10.41	14424.27	16795.30	12592.58	832.53	63260.86	0.74	236.16	(885.27)	107267.58	109135.28
Profit for the period								10184.23				10184.23	10184.23
Other Comprehensive Income for the period, net of Income Tax									0.33	(75.35)	5.51	(69.51)	(69.51)
Total Comprehensive Income for the period			-	-	-	-	-	10184.23	0.33	(75.35)	5.51	10114.72	10114.72
Dividends								(2801.55)				(2801.55)	(2801.55)
Transfer from Retained Earnings						1597.08		(1597.08)				-	-
Balance as at March 31, 2022	186770370	1867.70	10.41	14424.27	16795.30	14189.66	832.53	69046.46	1.07	160.81	(879.76)	114580.75	116448.45
The accompanying significant accounting policies and notes form an integral part of the standalone financial statements.													

The accompanying significant accounting policies and notes form an integral part of the standalone financial statements.

As per our Report of even date attached  
**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

For and on behalf of the Board of Directors  
**CHACKO PURACKAL THOMAS**  
Managing Director & CEO

**K. VENKATARAMANAN**  
Executive Director - Finance & CFO

**ARUNABHA BHATTACHARYA**  
Partner  
Membership No.054110  
Place: Bengaluru  
Date: April 26, 2022

**S. VENKATRAMAN**  
Director

**N. ANANTHA MURTHY**  
Company Secretary

# Cash Flow Statement

for the year ended March 31, 2022

Particulars	₹ Lakh	
	2022	2021
<b>Cash flows from operating activities</b>		
<b>Profit Before Tax for the year</b>	12167.54	11858.61
Adjustments for:		
Depreciation and amortisation	2443.91	2424.70
Interest Income	(528.53)	(711.27)
Dividend Income from Investments in Subsidiary	(4484.00)	(4412.06)
Dividend income from Other Non Current Investments	(0.01)	(0.02)
Net Gain on Sale of Current Investments	(129.92)	(211.72)
Loss / (Gain) on investments carried at fair value through profit or loss	(20.54)	68.92
Rental Income from Investment Property	(242.02)	(381.07)
Finance Costs	451.60	487.82
Unrealised foreign exchange (gain) / loss	(47.95)	385.78
Exceptional Items	92.10	-
(Profit) / loss on sale of Property, Plant and Equipment	47.92	(1300.48)
Profit on Sale of Biological Assets - Timber (Net)	(1597.08)	(826.94)
<b>Sub-Total</b>	<b>(4014.52)</b>	<b>(4476.34)</b>
<b>Operating Profit Before Working Capital Changes</b>	<b>8153.02</b>	<b>7382.27</b>
<b>Movements in Working Capital</b>		
Trade Receivables	223.92	(73.94)
Other Financial Assets	679.98	627.67
Loans	27.91	130.17
Other Current and Non-current Assets	68.30	(148.97)
Inventories including Biological Assets	(11849.34)	(2558.04)
Trade Payables	734.43	81.60
Other Financial Liabilities	423.89	(522.87)
Other Current Liabilities	(304.34)	(296.53)
Provisions	(480.83)	(97.24)
<b>Changes in Working Capital</b>	<b>(10476.08)</b>	<b>(2858.15)</b>
<b>Cash Generated from Operations</b>	<b>(2323.06)</b>	<b>4524.12</b>
Income taxes paid	(1964.37)	(1655.47)
<b>Net Cash Flows (Used in) / from Operating Activities (A)</b>	<b>(4287.43)</b>	<b>2868.65</b>

# Cash Flow Statement [Contd.]

for the year ended March 31, 2022

Particulars	₹ Lakh	
	2022	2021
<b>Cash flows from investing activities</b>		
Interest received	645.55	318.54
Dividends received from Subsidiary	4484.00	4412.06
Other dividends received	0.01	0.02
Payments for property, plant and equipment and Intangibles	(4407.42)	(2192.24)
Rental Income from Investment Property	242.02	381.07
Proceeds from Sale of property, plant and equipment/Investment Property	1708.14	3063.15
Profit on Sale of Biological Assets - Timber (Net)	1597.08	826.94
Inter Corporate Deposits Redeemed/(Placed) (Net)	7000.00	(7000.00)
Net cash outflow on Purchase/Sale of Mutual Funds	(404.45)	7508.01
Movement in Other Bank Balances	(6383.70)	(2730.00)
Investment in Subsidiary	(2165.22)	-
Sale/(Purchase) of Non-current Investments (Net)	15.15	1.50
<b>Net Cash Flows from Investing Activities (B)</b>	<b>2331.16</b>	<b>4589.05</b>
<b>Cash flows from financing activities</b>		
Proceeds from Current Borrowings (Net)	11.14	197.32
Payment of finance lease obligations	(33.98)	(16.31)
Dividend / Dividend Tax	(2801.55)	(2801.55)
Proceeds from refund of Dividend Distribution Tax earlier paid	-	907.00
Finance Cost paid	(282.01)	(266.45)
<b>Net Cash Flows used in Financing Activities (C)</b>	<b>(3106.40)</b>	<b>(1979.99)</b>
<b>Net Increase In Cash and Cash Equivalents (A+B+C)</b>	<b>(5062.67)</b>	<b>5477.71</b>
Cash and cash equivalents at the beginning of the year	5911.40	433.69
<b>Cash and cash equivalents at the end of the year</b>	<b>848.73</b>	<b>5911.40</b>

The accompanying significant accounting policies and notes form an integral part of the standalone financial statements.

As per our Report of even date attached

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

**ARUNABHA BHATTACHARYA**

Partner

Membership No.054110

Place: Bengaluru

Date: April 26, 2022

For and on behalf of the Board of Directors

**CHACKO PURACKAL THOMAS**

Managing Director & CEO

**S. VENKATRAMAN**

Director

**K. VENKATARAMANAN**

Executive Director - Finance & CFO

**N. ANANTHA MURTHY**

Company Secretary

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## 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 Financial Statements for the year ended March 31, 2022 were approved for issue by Company's Board of Directors on April 26, 2022.

## 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, as amended and other provisions of the Act. On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from April 1, 2021. The Company has evaluated the effect of the amendments on its financial statements and complied with the same.

#### 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 generally based on the nature of product/activities of the Company and the normal time between acquisition of assets/liabilities and their realisation/settlement in cash or cash equivalent. The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### 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

- i) Recognition and measurement: Property, plant and equipment including bearer assets are carried at historical cost of acquisition or deemed cost less accumulated depreciation and accumulated impairment loss, if any. Historical cost includes its purchase price, including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent expenditure related to an asset is 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 derecognized. All repairs and maintenance are charged to the Statement of Profit and Loss during the financial year in which these are incurred.
- ii) Depreciation: Depreciation is provided on assets to get the initial cost down to the residual value. Land is not depreciated. Depreciation is 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 i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Estimated useful life of items of Property, Plant and Equipment are as follows:

## Notes

to the Standalone Financial Statements for the year ended March 31, 2022

Type of Assets	Estimated Useful Life (in years)
Leasehold Land	Perpetual Lease
Buildings including Water supply System	28-58
Roads/Carpeted/Non-Carpeted	10
Irrigation Systems	10-20
Electrical Installations	20
Plant & Machinery - Continuous Process	18
Plant & Machinery – Others	20
Furniture & Fittings	15
Computers	6
Motor Vehicles	10
Office Equipment	5

The residual values and useful lives for depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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.

### (b) Biological Assets

Biological assets are classified as Bearer biological assets, and agricultural produce. Bearer Biological Assets which are held to bear agricultural produce are classified as Bearer plants.

Bearer plants are recognised under Property, Plant and Equipment on fulfilment of the following conditions.

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 is as follows:

Type of Bearer Biological Assets	Estimated Useful Life (in years)
Arabica Coffee Plants	30
Robusta Coffee Plants	58
Tea Bushes	58
Pepper Vines & Cardamom Tillers	35
Silver oak and Shade Management Trees	35

Refer Para 2.2. (h) for accounting of agricultural produce.

### (c) Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

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 losses, 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 properties are depreciated using the straight-line method over the estimated useful lives. The Company's depreciable investment properties have 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. These costs are amortised over their estimated useful lives of 3 to 5 years.

## (e) Impairment of Tangible and Intangible assets

Assets that are subject to depreciation or 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.

## (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 and disposal groups 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:

- i) **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 non-current assets. Financial assets are measured initially at fair value which usually represents cost plus transaction costs and subsequently, if maturing after 12 months period, carried at amortised cost using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security and other deposits, cash and cash equivalent, employee and other advances.

- ii) **Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)** – All equity investments are measured at fair values. 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 Other Comprehensive Income (OCI). The accumulated gains or losses are recognised in OCI are reclassified to retained earnings on sale of such investment.

## Notes

to the Standalone Financial Statements for the year ended March 31, 2022

- iii) **Financial assets at Fair Value through Profit and loss (FVTPL)** - Financial assets which are not classified in any of the categories above are measured at FVTPL. These include surplus funds invested in mutual funds etc.
- iv) **Impairment of financial assets** - The Company assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Company's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

### Financial liabilities

#### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in case of loans and borrowings net of directly attributable costs.

Financial liabilities are subsequently 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 of these investments.

#### 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 designates certain derivatives as either:

- (a) hedges of the fair value of recognised assets or liabilities (fair value hedge); or
- (b) hedges of a particular risk associated with a firm commitment or a highly probable forecasted transaction (cash flow hedges).

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.

Movements in the hedging reserve are accounted in other comprehensive income and are shown within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

#### (a) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### (b) Cash flow hedges

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.

Gains or losses 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.

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

When a hedging instrument expires or swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss existing in statement of changes in equity is recognised in the Statement of Profit and Loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to 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) Level 1: The fair value of financial instruments quoted in active markets is based on their quoted closing price at the Balance Sheet date.
- ii) Level 2: 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) Level 3: 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).

## (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 are designated as agricultural produce as per Ind AS 41 and are measured at their fair value less cost to sell at the point of harvest. Any changes in fair value are recognised in the Statement of Profit and Loss in the year in which these arise upon harvest. The fair valuation so arrived at becomes the cost of Inventory under Ind AS-2.

Raw materials, work in progress, traded and finished goods are stated at the lower of cost and net realisable value, net realisable value represents the estimated selling price less all estimated cost of completion and selling expenses. Stores and spares are carried at cost. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

## (i) Employee Benefits

The Company operates various post-employment schemes, including both defined benefit and defined contribution plans and post-employment medical plans. Short term employee benefits are recognized on an undiscounted basis whereas Long term employee benefits are recognized on a discounted basis.

### i) Post retirement employee benefits:

Contribution to post retirement defined benefit and contribution schemes like Provident Fund (PF) and Superannuation Schemes and other such schemes are accounted for on accrual basis by the Company. With regard to PF contribution made by the Holding Company to a Self-Administered Trust, Company is generally

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

liable for annual contributions and for any shortfall in the fund assets based on the government specified minimum rates of return. Such contributions and shortfalls are recognised 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, at year end and charge recognised in the Statement of Profit and Loss. Interest costs on employee benefit schemes have been classified within finance cost. For schemes, where funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Re-measurements. 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. The Company recognises in the Statement of Profit and Loss, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

## ii) Other employee benefits:

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent actuarial valuation at year end and charge is recognised in the Statement of Profit and Loss.

## (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 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 possible.

## (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

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

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.

## (l) Foreign currency translations

### Foreign currency transactions and balances:

Transactions in foreign currencies are recorded 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

When deferred, in Other Comprehensive Income as qualifying cash flow hedges;

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

### (i) Revenue from contracts with customers

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the

customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/discounts. Accumulated experience is used to estimate and provide for the discounts/right of return, using the expected value method.

### (ii) Interest and dividend income

Interest income is recognised using the effective interest method.

When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Dividend income is recognised when the right to receive payment is established. Income from investments are accounted on an accrual basis.

## (n) Government Grants

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.

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## (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 recognised as Leases for all leases above 12 months, unless the underlying asset is of low value. Assets classified are capitalised and depreciated as per Company's policy on Property, Plant and Equipment. 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 and 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.

### 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 also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

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 these occur.

## (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. These are material

items of income or expense that have to be 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 shares of the Holding Company by the weighted average number of equity shares outstanding during the year.

## (s) Segment Reporting

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews 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

Financial 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.

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## (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.

## 2.3 Key accounting judgement, estimates and assumptions

The preparation of the financial statements required the Management to exercise judgment and to make estimates and assumptions. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Management has considered the global economic conditions prevailing as at the date of approval of these financial statements and has used internal and external sources of information to the extent determined by it. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

The areas involving critical estimates or judgements are:

### i. Depreciation and amortisation

Depreciation and amortisation are 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 estimated useful life and 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 Ind AS 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.

### iv. Valuation of Agricultural Produce

Produce growing on Bearer plants are Biological Assets and are 'fair valued' based on biological transformations. As Coffee and Pepper undergo biological transformations, the same are 'fair valued' only when the growth can be measured reliably. As at the Balance Sheet date, the Management has determined that it can reliably measure the biological transformations of its growing produce and such growing produce and agricultural produce (comprising growing produce and produce at harvest) have been measured at 'fair values' based on the Management's estimates of expected produce and grade of produce considering the assessment of the biological transformations observed at the year end and assumption of factors such as weather patterns, crop health until harvest and crop characteristics, etc., which are susceptible to variations. 'Fair values' have been assessed at market prices at the reporting date and adjusted for estimates of costs to be incurred from the reporting date until harvest. Considering the susceptibility of the estimates to variations, these estimates and assumptions are reviewed periodically / at every reporting date until harvest and revisions to the 'fair values' carried out on a cumulative basis. Such variations are considered as change in estimates and are presented as part of Changes in inventories of Finished Goods, Work in Progress, Stock-in-trade and Biological Assets.

## Notes

to the Standalone Financial Statements for the year ended March 31, 2022

### Note No. 1 (a): Property, Plant and Equipment

Particulars	Freehold Land and Development	Leasehold Land and Development	Buildings	Water and Sanitary Installations	Electrical Installations	Plant & Machinery	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
<b>Gross Carrying Value as at April 1, 2020</b>	<b>7242.78</b>	<b>829.99</b>	<b>10011.43</b>	<b>1727.64</b>	<b>2152.35</b>	<b>21244.32</b>	<b>328.63</b>	<b>423.34</b>	<b>302.14</b>	<b>1075.79</b>	<b>1521.03</b>	<b>46859.45</b>	<b>897.64</b>	<b>4633.25</b>	<b>5530.89</b>
Additions	-	-	182.49	25.89	79.52	1496.73	9.40	47.13	69.57	88.79	1058.11	3057.63	(787.84)	771.75	(16.09)
Disposals	(9.09)	-	-	(9.39)	(10.66)	(667.68)	(17.22)	(115.29)	(8.63)	(143.99)	-	(981.95)	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	(1058.11)	(1058.11)
<b>Gross Carrying Value as at April 1, 2021</b>	<b>7233.69</b>	<b>829.99</b>	<b>10193.92</b>	<b>1744.14</b>	<b>2221.21</b>	<b>22073.37</b>	<b>320.81</b>	<b>355.18</b>	<b>363.08</b>	<b>1020.59</b>	<b>2579.14</b>	<b>48935.13</b>	<b>109.80</b>	<b>4346.89</b>	<b>4456.69</b>
Additions	-	-	660.37	32.61	101.09	716.43	28.74	15.74	93.47	-	786.52	2434.97	1819.70	879.31	2699.01
Disposals	-	-	(4.15)	(13.03)	(51.38)	(239.38)	(3.84)	(4.87)	(8.48)	(256.09)	-	(581.22)	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	(786.52)	(786.52)
<b>Gross Carrying Value as at March 31, 2022</b>	<b>7233.69</b>	<b>829.99</b>	<b>10850.14</b>	<b>1763.72</b>	<b>2270.92</b>	<b>22550.42</b>	<b>345.71</b>	<b>366.05</b>	<b>448.07</b>	<b>764.50</b>	<b>3365.66</b>	<b>50788.88</b>	<b>1929.50</b>	<b>4439.68</b>	<b>6369.18</b>
<b>Accumulated Depreciation</b>	<b>Freehold Land and Development</b>	<b>Leasehold Land and Development</b>	<b>Buildings</b>	<b>Water and Sanitary Installations</b>	<b>Electrical Installations</b>	<b>Plant &amp; Machinery Equipment</b>	<b>Furniture &amp; Fixtures</b>	<b>Computers</b>	<b>Office Equipment</b>	<b>Motor Vehicles</b>	<b>Bearer Plants</b>	<b>Total Property, Plant and Equipment</b>	<b>Capital Work in Progress</b>	<b>Bearer Plants in Progress</b>	<b>Total Capital Work in Progress</b>
<b>Accumulated Depreciation as at April 1, 2020</b>	-	-	1323.84	208.40	484.45	5943.67	109.49	193.78	127.70	228.93	66.62	8686.88	-	-	-
Depreciation expenses	-	-	307.02	54.69	125.37	1454.54	24.56	60.61	59.12	111.51	75.60	2273.02	-	-	-
Deductions/Adjustments	-	-	0.13	(9.10)	(8.23)	(607.92)	(16.14)	(109.03)	(7.97)	(59.57)	-	(817.83)	-	-	-
<b>Accumulated Depreciation as at April 1, 2021</b>	-	-	1630.99	253.99	601.59	6790.29	117.91	145.36	178.85	280.87	142.22	10142.07	-	-	-
Depreciation expenses	-	-	313.62	55.67	119.01	1457.03	26.10	52.31	96.69	93.78	95.59	2309.80	-	-	-
Deductions/Adjustments	-	-	(2.57)	(7.41)	(39.44)	(182.25)	(2.93)	(4.38)	(7.70)	(102.97)	-	(349.65)	-	-	-
<b>Accumulated Depreciation as at March 31, 2022</b>	-	-	1942.04	302.25	681.16	8065.07	141.08	193.29	267.84	271.68	237.81	12102.22	-	-	-

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

Net Carrying Value	Freehold Land and Development	Leasehold Land and Development	Buildings	Water and Sanitary Installations	Electrical Installations	Plant & Equipment	Furniture & Fixtures	Computers	Office Equipment	Motor Vehicles	Bearer Plants	Total Property, Plant and Equipment	Capital Work in Progress	Total Capital Work in Progress
Net Carrying Value as at April 1, 2020	7242.78	829.99	8687.59	1519.24	1667.90	15300.65	219.14	229.57	174.44	846.86	1454.41	38172.57	897.64	4633.25 5530.89
Net Carrying Value as at April 1, 2021	7233.69	829.99	8562.93	1490.15	1619.63	15283.08	202.90	209.82	184.23	739.72	2436.92	38793.06	109.80	4346.89 4456.69
Net Carrying Value as at March 31, 2022	7233.69	829.99	8908.10	1461.47	1589.76	14485.35	204.63	172.76	180.23	492.82	3127.85	38686.65	1929.50	4439.68 6369.18

(a)	The following assets are jointly owned / held with the Holding Company													
	Freehold Land and Development ₹103.78 Lakh (Previous Year - ₹103.78 Lakh)													
	Buildings ₹56.78 Lakh (Previous Year - ₹56.78 Lakh)													
	Water and Sanitary Installations ₹8.15 Lakh (Previous Year - ₹8.15 Lakh)													
	Electrical Installations ₹22.07 Lakh (Previous Year - ₹22.07 Lakh)													
(b)	Additions to Bearer Plants represent capitalisation of Coffee, Pepper and Tea plants, which have attained maturity during the year													
(c)	All immovable property is held in the name of the Company.													
(d)	The Company has not revalued its Property, Plant and Equipment during the current reporting period.													
(e)	The Company does not hold any Benami Property and does not have any proceedings initiated or pending for holding benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988)													

### Ageing of Capital Work-in-progress

Capital Work in Progress-Tangibles	Amounts in Capital Work in Progress for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress					
As at March 31, 2022	1881.41	4.64	-	43.45	1929.50
As at March 31, 2021	59.64	5.16	-	45.00	109.80

₹ Lakh

Bearer Plants in Progress	Amounts in Bearer Plants in Progress for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress					
As at March 31, 2022	281.79	303.47	1091.46	2762.96	4439.68
As at March 31, 2021	164.48	743.14	1381.83	2057.44	4346.89

₹ Lakh

### For projects overdue

Capital Work in Progress-Tangibles	To be completed in				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress					
Agglo Coffee Chicory Expansion Project (Project ACE)	1407.09	-	-	-	1407.09
Goods Lift Project	1.92	-	-	-	1.92
Aroma Recovery System Feed Heating PHE	2.70	-	-	-	2.70
42" CTC Machine	66.69	-	-	-	66.69
42" Singlet Machine	16.26	-	-	-	16.26
24" Minirator Machine	11.26	-	-	-	11.26
As at March 31 2022	1505.92	-	-	-	1505.92

₹ Lakh

## Notes

to the Standalone Financial Statements for the year ended March 31, 2022

### Note No. 1 (b): Right-of-Use Assets

	₹ Lakh		
Particulars	Buildings	Motor Vehicles	Total
<b>Gross Carrying Value as at April 1, 2020</b>	<b>97.38</b>	<b>-</b>	<b>97.38</b>
Additions	-	-	-
Disposals	-	-	-
Transfers/Adjustments	-	-	-
<b>Gross Carrying Value as at April 1, 2021</b>	<b>97.38</b>	<b>-</b>	<b>97.38</b>
Additions	62.73	114.65	177.38
Disposals	-	-	-
Transfers/Adjustments	-	-	-
<b>Gross Carrying Value as at March 31, 2022</b>	<b>160.11</b>	<b>114.65</b>	<b>274.76</b>
<b>Accumulated Depreciation</b>	<b>Buildings</b>	<b>Motor Vehicles</b>	<b>Total</b>
<b>Accumulated Depreciation as at April 1, 2020</b>	<b>69.71</b>	<b>-</b>	<b>69.71</b>
Depreciation expenses	16.31	-	16.31
Deductions/Adjustments	-	-	-
<b>Accumulated Depreciation as at April 1, 2021</b>	<b>86.02</b>	<b>-</b>	<b>86.02</b>
Depreciation expenses	14.79	14.56	29.35
Deductions/Adjustments	15.22	21.26	36.48
<b>Accumulated Depreciation as at March 31, 2022</b>	<b>116.03</b>	<b>35.82</b>	<b>151.85</b>
<b>Net Carrying Value</b>	<b>Buildings</b>	<b>Motor Vehicles</b>	<b>Total</b>
<b>Net Carrying Value as at April 1, 2020</b>	<b>27.67</b>	<b>-</b>	<b>27.67</b>
<b>Net Carrying Value as at April 1, 2021</b>	<b>11.36</b>	<b>-</b>	<b>11.36</b>
<b>Net Carrying Value as at March 31, 2022</b>	<b>44.08</b>	<b>78.83</b>	<b>122.91</b>

The Company has not revalued its Right-of-Use-Assets during the current reporting period

### Note No. 2: Investment Property

	₹ Lakh		
Particulars	Land	Buildings	Total
<b>Gross Carrying Value as at April 1, 2020</b>	<b>220.91</b>	<b>5283.22</b>	<b>5504.13</b>
Additions / Transfers	-	-	-
Disposal	-	(1797.08)	(1797.08)
<b>Gross Carrying Value as at April 1, 2021</b>	<b>220.91</b>	<b>3486.14</b>	<b>3707.05</b>
Additions / Transfers	-	-	-
Disposal	-	(1748.11)	(1748.11)
<b>Gross Carrying Value as at March 31, 2022</b>	<b>220.91</b>	<b>1738.03</b>	<b>1958.94</b>
<b>Accumulated Depreciation as at April 1, 2020</b>	<b>-</b>	<b>499.91</b>	<b>499.91</b>
Depreciation	-	88.73	88.73
Disposal	-	(198.52)	(198.52)
<b>Accumulated Depreciation as at April 1, 2021</b>	<b>-</b>	<b>390.12</b>	<b>390.12</b>
Depreciation	-	60.88	60.88
Disposal	-	(223.61)	(223.61)
<b>Accumulated Depreciation as at March 31, 2022</b>	<b>-</b>	<b>227.39</b>	<b>227.39</b>
<b>Net Carrying Value as at April 1, 2020</b>	<b>220.91</b>	<b>4783.31</b>	<b>5004.22</b>
<b>Net Carrying Value as at April 1, 2021</b>	<b>220.91</b>	<b>3096.02</b>	<b>3316.93</b>
<b>Net Carrying Value as at March 31, 2022</b>	<b>220.91</b>	<b>1510.64</b>	<b>1731.55</b>

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

The amount recognised in the Statement of Profit and Loss for investment property:

	2022	2021
Rental Income	242.02	381.07
Direct Operating Expenses	51.25	59.74
<b>Profit from investment property before depreciation</b>	<b>190.77</b>	<b>321.33</b>
Depreciation for the period	60.88	88.73
<b>Profit from investment property</b>	<b>129.89</b>	<b>232.60</b>

₹ Lakh

- (a) As at March 31, 2022, the fair value of Land was at ₹12000 Lakh (PY ₹9614 Lakh).
- (b) As at March 31, 2022, the fair value of Building was at ₹1570 Lakh (PY ₹1597 Lakh). The valuation factors in the rates prevailing at the time of disposal of a part of the Investment Property during the year.
- (c) The fair value of land included in investment property is based on the valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

## Operating Lease:

The Company has leased out part of its investment property for minimum period upto three years.

Minimum lease receipts under Non-cancellable Operating Lease:

	2022	2021
Within one year	127.76	247.72
Later than one year and not later than three years	261.11	543.95

₹ Lakh

## Note No. 3: Intangible Assets

Particulars	Capitalised Software
<b>Gross Carrying Value as at April 1, 2020</b>	<b>714.04</b>
Additions	32.06
Disposals	(0.82)
<b>Gross Carrying Value as at April 1, 2021</b>	<b>745.28</b>
Additions	18.04
Disposals	-
<b>Gross Carrying Value as at March 31, 2022</b>	<b>763.32</b>
<b>Accumulated Depreciation as at April 1, 2020</b>	<b>531.67</b>
Amortisation	45.24
Deductions / Adjustments	(0.82)
<b>Accumulated Depreciation as at April 1, 2021</b>	<b>576.09</b>
Amortisation	43.63
Deductions / Adjustments	-
<b>Accumulated Depreciation as at March 31, 2022</b>	<b>619.72</b>
<b>Net Carrying Value as at April 1, 2020</b>	<b>182.37</b>
<b>Net Carrying Value as at April 1, 2021</b>	<b>169.19</b>
<b>Net Carrying Value as at March 31, 2022</b>	<b>143.60</b>

₹ Lakh

There are no intangible assets under development in the Company during the current reporting period.

The Company has not revalued its Intangible Assets during the current reporting period.

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## Note No. 4: Investments

Particulars	Face Value of Each (₹)	2022			2021		
		Number of Shares	Current	Non Current	Number of Shares	Current	Non Current
₹ Lakh							
<b>A. Investments Carried at Cost</b>							
<b>Unquoted Investments (all fully paid)</b>							
<b>Investments in Equity Instruments-Subsidiaries</b>							
Consolidated Coffee Inc.	USD 0.01	300		14065.36	300		14065.36
Tata Coffee Vietnam Company Limited ^				10611.29			8446.07
<b>AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS-SUBSIDIARIES</b>				<b>24676.65</b>	<b>22511.43</b>		
<b>B. Investments Carried at Fair Value through OCI</b>							
<b>Investments in Quoted Equity Instruments</b>							
Tata Chemicals Limited	10.00	150		1.46	150		1.13
<b>AGGREGATE AMOUNT OF QUOTED INVESTMENTS</b>				<b>1.46</b>	<b>1.13</b>		
Total cost of Quoted Investments ₹0.39 Lakh (PY ₹0.39 Lakh) and market value ₹1.46 Lakh (PY ₹1.13 Lakh)							
<b>Investments in Unquoted Equity Instruments</b>							
Southern Scribe Instruments Private Limited *	100.00	7280		7.28	7280		7.28
Armstrong Power Private Limited *	100.00	1100		1.10	-		-
K.T.V. Oil Mills Private Limited *	100.00	1450		1.44	1450		1.44
Mytrah Vayu (Manjira) Private Limited *	10.00	-		-	162500		16.25
Coorg Orange Growers Co-Operative Society Ltd. **	100.00	4		-	4		-
Tata Coffee Co-operative Stores Limited **	5.00	20		-	20		-
Coorg Cardamom Co-operative Marketing Society Limited **	100.00	1		-	1		-
<b>AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS</b>				<b>9.82</b>	<b>24.97</b>		
<b>C. Investments designated as Fair Value Through Profit and Loss</b>							
Investments in Mutual Funds -		4093.73			3538.82		
Cost of Investments in Mutual Funds ₹4087.05 Lakh (PY ₹3525.33 Lakh)							
Tata Overnight fund - Direct plan - Growth - 184707.270 Units; Cost of Investment ₹ 2067.98 Lakh; Fair Value ₹ 2071.38 Lakh							
Axis Overnight Fund Direct Growth - 179950.036 Units; Cost of Investment ₹ 2019.07 Lakh; Fair Value ₹ 2022.35 Lakh							
		<b>4093.73</b>	<b>24687.93</b>		<b>3538.82</b>	<b>22537.53</b>	

^ During the current year, the Company has made an additional Equity investment of USD 2.9 Million [₹2165.22 Lakh] in Tata Coffee Vietnam Company Limited [TCVCL], which is a single member limited liability Company.

\* Relating to Power Purchase Agreement entered by the Company

\*\* Represents amount less than ₹1000

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## Note No. 5: Loans

₹ Lakh

Particulars	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
<b>Unsecured Considered Good</b>						
Employee Loans and Advances	177.76	20.98	198.74	210.20	16.45	226.65
Inter Corporate Deposits to Related Parties	-	-	-	7000.00	-	7000.00
	<b>177.76</b>	<b>20.98</b>	<b>198.74</b>	<b>7210.20</b>	<b>16.45</b>	<b>7226.65</b>

No Loans or Advances are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

## Note No. 6: Other Financial Assets

₹ Lakh

Particulars	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
<b>Security Deposits</b>						
- Secured, considered good	-	22.94	22.94	-	22.32	22.32
	-	<b>22.94</b>	<b>22.94</b>	-	<b>22.32</b>	<b>22.32</b>
<b>Other Deposits</b>						
- Unsecured, considered good	460.71	-	460.71	484.06	-	484.06
- 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)
	<b>460.71</b>	-	<b>460.71</b>	<b>484.06</b>	-	<b>484.06</b>
Interest Accrued (including from Related Parties ₹ Nil )(PY: ₹132.46 lakh)	117.07	-	117.07	234.09	-	234.09
Export Incentives Receivable	214.31	-	214.31	875.94	-	875.94
Other Financial Assets	806.48	-	806.48	893.24	-	893.24
	<b>1598.57</b>	<b>22.94</b>	<b>1621.51</b>	<b>2487.33</b>	<b>22.32</b>	<b>2509.65</b>

## Movements in Provision for Financial Assets

₹ Lakh

<b>As at April 1, 2020</b>	<b>41.84</b>
Provision during the year	-
<b>As at April 1, 2021</b>	<b>41.84</b>
Provision during the year	-
<b>As at March 31, 2022</b>	<b>41.84</b>

## Notes

to the Standalone Financial Statements for the year ended March 31, 2022

### Note No. 7: Other Non-current and current assets

₹ Lakh

Particulars	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
<b>Capital Advances</b>	-	238.95	238.95	-	337.93	337.93
<b>Advances to suppliers</b>						
Unsecured, considered good	554.38	-	554.38	233.97	-	233.97
Doubtful	66.09	2.99	69.08	66.09	2.99	69.08
Less: Provision for Doubtful Advances	(66.09)	(2.99)	(69.08)	(66.09)	(2.99)	(69.08)
Other Receivables	653.25	176.84	830.09	745.78	429.10	1174.88
Advances to Related Parties	1108.90	-	1108.90	1125.69	-	1125.69
Prepayments	641.87	11.22	653.09	591.59	12.50	604.09
	<b>2958.40</b>	<b>427.01</b>	<b>3385.41</b>	<b>2697.03</b>	<b>779.53</b>	<b>3476.56</b>

Movements in Provision for Other Non-current and Current Assets

₹ Lakh

<b>As at April 1, 2020</b>	<b>69.08</b>
Provision for Doubtful Advances	-
<b>As at April 1, 2021</b>	<b>69.08</b>
Provision for Doubtful Advances	-
<b>As at March 31, 2022</b>	<b>69.08</b>

### Note No. 8: Inventories including Biological Assets

₹ Lakh

Particulars	2022	2021
	Current	Current
Stores and spares	2471.53	1857.20
Raw materials	5546.97	4043.69
Raw materials in Transit	2483.01	1888.66
Finished Goods	21771.51	16079.43
Work-in-progress, including Growing Produce of ₹ 1041.94 Lakh (PY ₹ 706.03 Lakh)	1041.94	706.03
Stock-in-trade	6263.78	3154.39
	<b>39578.74</b>	<b>27729.40</b>

The method of valuation of Inventories has been stated in Note No. 2.2(h) of Significant Accounting Policies.

### Trade Receivables Ageing Schedule

₹ Lakh

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 Months to 1 Year	1 to 2 years	2 to 3 years	More than 3 years	
<b>As at March 31, 2022</b>							
Undisputed- considered good	7455.26	2000.56	529.04	640.08	15.10	36.22	10676.26
<b>Total</b>	<b>7455.26</b>	<b>2000.56</b>	<b>529.04</b>	<b>640.08</b>	<b>15.10</b>	<b>36.22</b>	<b>10676.26</b>
<b>As at March 31, 2021</b>							
Undisputed- considered good	5496.77	4723.68	498.10	58.93	19.47	55.28	10852.23
<b>Total</b>	<b>5496.77</b>	<b>4723.68</b>	<b>498.10</b>	<b>58.93</b>	<b>19.47</b>	<b>55.28</b>	<b>10852.23</b>

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## Note No. 9: Trade Receivables

₹ Lakh

Particulars	2022 Current	2021 Current
<b>Trade Receivables</b>		
Secured, considered good	1369.39	2930.79
Unsecured, considered good	8382.07	7095.09
Trade Receivables from Related Parties	924.80	826.35
	<b>10676.26</b>	<b>10852.23</b>

The credit worthiness of Trade Receivables and the credit terms set are determined on a case to case basis. Considering that adequate insurance covers have been taken on export debts and based on the other internal and external sources of information as determined by the Management, the Company has concluded that there is a low probability of default 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 these become overdue.

## Note No. 10: Cash and Cash Equivalents / Bank Balances

₹ Lakh

Particulars	2022	2021
<b>Unrestricted Balances with banks</b>		
in current accounts	845.60	1411.75
in deposit accounts with original maturity less than 3 months	-	4496.70
Cash in hand	3.11	2.92
Remittances in Transit	0.02	0.03
<b>Cash and Cash Equivalents</b>	<b>848.73</b>	<b>5911.40</b>
Unrestricted Balances with banks in deposit accounts with original maturity more than 3 months but less than 12 months	9113.70	2730.00
Unpaid Dividend / Debenture / Debenture Interest	227.14	238.79
<b>Other Bank Balances</b>	<b>9340.84</b>	<b>2968.79</b>

## Note No. 11: Non-current Assets Held for Sale

₹ Lakh

Particulars	Timber
<b>As at April 1, 2020</b>	<b>80.41</b>
Additions	88.16
Disposals	(43.24)
<b>As at April 1, 2021</b>	<b>125.33</b>
Additions	60.29
Disposals	(136.42)
<b>As at March 31, 2022</b>	<b>49.20</b>

The Company intends to dispose off certain Non-current assets, it no longer utilises in the next 12 months. No impairment loss have been recognised on reclassification of such assets as held for sale, as the Company expects that the fair value less costs to sell is higher than the related carrying amounts.

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## Note No. 12 (a): Equity Share Capital

	₹ Lakh	
Particulars	2022	2021
<b>Authorised:</b>		
250000000 (PY 250000000) Equity shares of ₹1 each with voting rights	2500.00	2500.00
<b>Issued, Subscribed and Fully Paid:</b>		
186770370 (PY 186770370) Equity shares of ₹1 each with voting rights	1867.70	1867.70
	<b>1867.70</b>	<b>1867.70</b>
<b>A. Details of Shares held by Parent Company [Promoter Group]:</b>		
<b>Name of Shareholder</b>	<b>2022</b>	<b>2021</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
Tata Consumer Products Limited - Parent Company [Promoter Group]	107359820	107359820
% of Holding	57.48%	57.48%
<b>B. Details of Shareholders holding more than 5% shares:</b>		
<b>Name of Shareholder</b>	<b>2022</b>	<b>2021</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
Tata Consumer Products Limited - Parent Company [Promoter Group]	107359820	107359820
% of Holding	57.48%	57.48%
<b>C. Reconciliation of number of shares:</b>		
<b>Particulars</b>	<b>2022</b>	<b>2021</b>
Number of shares as at 1 <sup>st</sup> April	186770370	186770370
Add: Shares issued during the year	-	-
Number of shares as at 31 <sup>st</sup> March	186770370	186770370
<b>D. Dividends Paid:</b>		
<b>Particulars</b>	<b>2022</b>	<b>2021</b>
Dividends Paid (₹ in Lakh)	2801.55	2801.55
Dividend Per Share (₹)	1.50	1.50

### 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. 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 April 26, 2022, have recommended a dividend of ₹ 2.00 per share (face value of ₹ 1/- each) for the year ended March 31, 2022. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements.

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## Note No. 12 (b): Other Equity

₹ Lakh

Particulars	2022	2021
Capital Redemption Reserve	10.41	10.41
Securities Premium	14424.27	14424.27
General Reserves I	16795.30	16795.30
General Reserves II	14189.66	12592.58
Amalgamation Reserves	832.53	832.53
Retained Earnings	69046.46	63260.86
Equity instruments through Other Comprehensive Income	1.07	0.74
Effective portion of Cash Flow Hedges	160.81	236.16
Actuarial Gain / (Loss)	(879.76)	(885.27)
	<b>114580.75</b>	<b>107267.58</b>

## Note 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

Securities Premium 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.

### 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 (a): Borrowings

₹ Lakh

Particulars	2022	2021
	Current	Current
<b>Unsecured Borrowings:</b>		
From Banks:	7311.18	7300.04
Working Capital Facilities		
	<b>7311.18</b>	<b>7300.04</b>

The Working Capital facilities of the Company are repayable on demand and are re-drawable subsequently after repayment.

The Company has not availed any secured borrowings at any point of time during the current reporting period. However, there exists a facility agreement for secured borrowings. The quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

## Notes

to the Standalone Financial Statements for the year ended March 31, 2022

### Note No. 14(b): Lease Liabilities

₹ Lakh

Particulars	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
Lease Liabilities	41.51	87.94	129.45	9.52	7.12	16.64
	<b>41.51</b>	<b>87.94</b>	<b>129.45</b>	<b>9.52</b>	<b>7.12</b>	<b>16.64</b>

Rental expense recorded for short-term leases, under Ind AS 116, during the year ended March 31, 2022 is ₹42.98 Lakh (PY ₹63.34 Lakh)

	2022	2021
Short term leases	42.98	63.34
Total	<b>42.98</b>	<b>63.34</b>

### Note No. 15: Other Financial Liabilities

₹ Lakh

Particulars	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
Deposits received	-	94.67	94.67		225.57	225.57
Unpaid Dividends / Debenture / Debenture Interest	227.14	-	227.14	238.79		238.79
Employee Benefits	2537.79	-	2537.79	2456.39		2456.39
Other Payables	4470.77	61.48	4532.25	3935.56	177.99	4113.55
	<b>7235.70</b>	<b>156.15</b>	<b>7391.85</b>	<b>6630.74</b>	<b>403.56</b>	<b>7034.30</b>

### Note No. 16: Provisions

₹ Lakh

Particulars	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
Provision for employee benefits	272.44	3540.85	3813.29	279.44	3915.70	4195.14
	<b>272.44</b>	<b>3540.85</b>	<b>3813.29</b>	<b>279.44</b>	<b>3915.70</b>	<b>4195.14</b>

The movement in deferred income tax assets and (liabilities) during the year are as follows:

Particulars	Current	Non-current	Total
	Employee Benefits	Employee Benefits	Employee Benefits
Balance as at April 1, 2020	340.48	4188.49	4528.97
Additions/utilised (net)	(61.04)	(272.79)	(333.83)
Balance as at April 1, 2021	279.44	3915.70	4195.14
Additions/utilised (net)	(7.00)	(374.85)	(381.85)
Balance as at March 31, 2022	272.44	3540.85	3813.29

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## Note No. 17: Tax Provision

### a) Tax charge in the Statement of Profit and Loss

₹ Lakh

Particulars	2022	2021
<b>Current tax</b>		
Current year	1854.65	1721.99
<b>Deferred tax</b>		
Deferred Tax expenses for the year	128.66	56.80
<b>Income Tax expense for the year</b>	<b>1983.31</b>	<b>1778.79</b>

### b) Reconciliation of Effective Tax Rate

₹ Lakh

Particulars	2022	2021
<b>Profit before Tax</b>	12167.54	11858.61
Tax using Domestic tax rate (Current year : 25.168% and Previous year 25.168%)	3062.33	2984.57
<b>Tax effect of</b>		
Income tax @ different rate	(557.11)	(682.73)
Non-deductible tax expenses	105.49	189.70
Tax-exempt income	(627.40)	(712.75)
	<b>1983.31</b>	<b>1778.79</b>

### c) Current / Non-current Tax Assets/Liabilities

₹ Lakh

Particulars	2022	2021
Current Tax Liabilities	62.65	172.37
Non-current Tax Assets	1288.13	1288.13
	<b>1225.48</b>	<b>1115.76</b>

### d) The analysis of Deferred Tax Assets and Deferred Tax Liabilities are as follows:

₹ Lakh

Particulars	2022	2021
Deferred Tax Assets	375.54	634.81
Deferred Tax Liabilities	2188.94	2270.01
Net Deferred Tax Liabilities	<b>1813.40</b>	<b>1635.20</b>

### e) The movement in deferred income tax assets and (liabilities) during the year are as follows:

₹ Lakh

Particulars	Depreciation	Other Liabilities	Provision for Doubtful Debts	Employee Benefits	Other Assets	Total
<b>As at April 1, 2020</b>	<b>(2160.15)</b>	<b>506.64</b>	<b>15.39</b>	<b>463.20</b>	<b>(151.96)</b>	<b>(1326.88)</b>
(Charged) / credited						
- to Statement of Profit and Loss	38.24	33.19	-	(132.09)	3.86	(56.80)
- to Other Comprehensive Income	-	(251.52)	-	-	-	(251.52)
<b>As at April 1, 2021</b>	<b>(2121.91)</b>	<b>288.31</b>	<b>15.39</b>	<b>331.11</b>	<b>(148.10)</b>	<b>(1635.20)</b>
(Charged) / credited						
- to Statement of Profit and Loss	58.13	-	-	(209.73)	22.94	(128.66)
- to Other Comprehensive Income	-	(49.54)	-	-	-	(49.54)
<b>As at March 31, 2022</b>	<b>(2063.78)</b>	<b>238.77</b>	<b>15.39</b>	<b>121.38</b>	<b>(125.16)</b>	<b>(1813.40)</b>

## Notes

to the Standalone Financial Statements for the year ended March 31, 2022

### Note No. 18 (a): Trade Payables to Micro and Small Enterprises

Particulars	₹ Lakh	
	2022 Current	2021 Current
Trade payables for goods & services		
Total outstanding dues of Micro and Small Enterprises *	69.51	243.69
	<b>69.51</b>	<b>243.69</b>

\* includes amounts due beyond the applicable period of ₹ 0.82 Lakh (₹ Nil Lakh) and interest ₹0.03 Lakh (₹ Nil)

### Note No. 18 (b): Trade Payables to Others

Particulars	₹ Lakh	
	2022 Current	2021 Current
<b>Trade payables for goods &amp; services</b>		
Total outstanding dues of creditors other than Micro and Small Enterprises	4108.11	3165.54
Trade payables to Related Parties	431.60	465.56
	<b>4539.71</b>	<b>3631.10</b>
(i) Principal amount due, remaining unpaid to Micro and Small Enterprises	69.51	243.69
(ii) Interest due, remaining unpaid to Micro and Small Enterprises	-	-
(iii) Interest due and payable to Micro and Small Enterprises	-	-

The information regarding Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

### Trade Payables Ageing Schedule

₹ Lakh

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due*	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2022						
MSME		69.51		-	-	69.51
Others	2420.87	2017.16			101.68	4539.71
<b>Total</b>	<b>2420.87</b>	<b>2086.67</b>	<b>-</b>	<b>-</b>	<b>101.68</b>	<b>4609.22</b>
As at March 31, 2021						
MSME		243.69				243.69
Others	458.79	3049.31	65.00	-	58.00	3631.10
<b>Total</b>	<b>458.79</b>	<b>3293.00</b>	<b>65.00</b>	<b>-</b>	<b>58.00</b>	<b>3874.79</b>

\* includes unbilled dues.

There are no disputed dues to MSME and others

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## Note No. 19: Other Current Liabilities

₹ Lakh

Particulars	2022 Current	2021 Current
Statutory Liabilities	375.71	607.01
Advances from Customers	867.91	940.95
	<b>1243.62</b>	<b>1547.96</b>

## Note No. 20: Revenue from Operations

₹ Lakh

Particulars	2022	2021
<b>Revenue from contracts with customers</b>		
Sale of Goods	70608.75	62190.96
Sale of Traded Goods	8988.83	9538.60
Rendering of Services	596.83	447.66
<b>Revenue from contracts with customers</b>	<b>80194.41</b>	<b>72177.22</b>
<b>Other Operating Revenues</b>		
Sale of Scrap / waste	257.62	196.61
Export Incentives	439.42	1025.21
Exchange Fluctuation (Net)	499.53	-
Miscellaneous Income	298.13	264.66
<b>Other Operating Revenues</b>	<b>1494.70</b>	<b>1486.48</b>
<b>Revenue from Operations</b>	<b>81689.11</b>	<b>73663.70</b>

## Note No. 21: Other Income

₹ Lakh

Particulars	2022	2021
<b>Interest Income</b>		
On Advances and Deposits at amortised cost	528.53	711.27
<b>Dividend Income</b>		
Dividend Income from Investments in Subsidiary at amortised cost	4484.00	4412.06
Dividend income from Other Non Current Investments at Fair Value through Other Comprehensive Income	0.01	0.02
Net Gain On sale of Current investments at Fair Value through Profit or Loss	129.92	211.72
(Loss) / Gain on investments carried at Fair Value through Profit or Loss	20.54	(68.92)
Royalty Income	22.23	-
Profit on Sale of Biological Assets - Timber (Net)	1597.08	826.94
Rental income from Investment property	242.02	381.07
Operating Lease Rental income	8.91	16.74
Profit on sale of Property, Plant and Equipment/Investment Property (net)	-	1300.48
	<b>7033.24</b>	<b>7791.38</b>

## Note No. 22 (a): Cost of materials consumed

₹ Lakh

Particulars	2022	2021
Coffee	23127.83	16683.57
Tea	517.43	617.77
Others	658.14	917.12
Packing Materials	4753.10	4534.78
	<b>29056.50</b>	<b>22753.24</b>

## Notes

to the Standalone Financial Statements for the year ended March 31, 2022

### Note No. 22 (b): Purchase of Traded Goods

₹ Lakh

Particulars	2022	2021
Coffee	8096.79	5972.07
Others	3991.23	3561.49
	<b>12088.02</b>	<b>9533.56</b>

### Note No. 22 (c): Changes in Inventories of finished goods, work-in-progress, Stock-in-trade and Biological Assets

₹ Lakh

Particulars	2022	2021
<b>Opening Inventories as at April 1</b>		
Finished Goods	16079.43	14975.80
Work-in-progress including Growing Produce	706.03	735.11
Stock in Trade	3154.39	2780.75
	<b>19939.85</b>	<b>18491.66</b>
<b>Closing Inventories as at March 31</b>		
Finished Goods	21771.52	16079.43
Work-in-progress including Growing Produce	1041.94	706.03
Stock in Trade	6263.78	3154.39
	<b>29077.24</b>	<b>19939.85</b>
	<b>(9137.39)</b>	<b>(1448.19)</b>

### Note No. 23: Employee Benefits Expense

₹ Lakh

Particulars	2022	2021
Salaries and wages, including bonus	18633.86	17005.97
Contribution to provident and other funds	2126.63	1907.04
Workmen and Staff Welfare	773.99	683.40
	<b>21534.48</b>	<b>19596.41</b>

### Note No. 24: Finance Costs

₹ Lakh

Particulars	2022	2021
<b>Interest Expense</b>		
On Working Capital Loans	216.64	210.68
Interest on Defined Benefit Plans	169.59	221.37
Bank Charges	65.37	55.77
	<b>451.60</b>	<b>487.82</b>

### Note No. 25: Other Expenses

₹ Lakh

Particulars	2022	2021
Contract / Processing Charges	2987.72	2595.95
Consumption of Stores and Spare Parts	3125.66	2783.08

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

	₹ Lakh	
Particulars	2022	2021
Power and Fuel	5517.24	4017.45
Repairs and Maintenance	1570.51	1172.15
Rent including Lease Rentals	42.98	63.34
Rates and Taxes	171.73	366.89
Advertisement and Sale Charges	19.22	202.04
Selling Expenses	1212.11	1123.54
Freight	2379.22	1360.71
Insurance	520.89	419.52
Exchange Fluctuation (Net)	-	281.97
Expenditure on Corporate Social Responsibility [Refer Note No. 35]	174.72	129.75
Payment to Statutory Auditors [Refer Note No. 33]	114.00	100.00
Professional Charges	938.60	586.46
Miscellaneous Expenses	1203.07	1046.08
Loss on sale of Property, Plant and Equipment	47.92	-
	<b>20025.59</b>	<b>16248.93</b>

## Note No. 26: Exceptional Items

	₹ Lakh	
Particulars	2022	2021
<b>Expenses</b>		
Expenditure on Merger [Refer Note No. 30]	92.10	-
	<b>(92.10)</b>	<b>-</b>

## Note No. 27: Estimated amounts of Contracts remaining to be executed:

	₹ Lakh	
Particulars	2022	2021
Estimated amounts of contracts remaining to be executed on capital account and not provided for	304.78	1002.81

## Note No. 28: Contingent Liabilities:

	₹ Lakh	
Particulars	2022	2021
<b>Claims under adjudication not acknowledged as debts:</b>		
i) Demands raised by Income Tax, Excise & Sales Tax Authorities	2317.27	1176.99
ii) Labour disputes under adjudication	65.15	94.00
iii) Claims by Customers / Suppliers	183.13	170.86
iv) Bank Guarantees	31.55	734.33

## Note No. 29:

	₹ Lakh	
Particulars	2022	2021
The Company has provided corporate guarantees to lending banks on behalf of its overseas wholly owned subsidiary. As on Balance Sheet date, an amount of ₹ 29815 lakh is outstanding (PY ₹ 38511 lakh) to the lending Banks, for which Corporate Guarantee has been provided.	31361.00	40043.89

## Notes

to the Standalone Financial Statements for the year ended March 31, 2022

### Note No. 30:

The Board of Directors in their meeting dated March 29, 2022 have approved the Composite Scheme of Arrangement amongst Tata Consumer Products Limited ("TCPL"), the Company and TCPL Beverages & Foods Limited ("TBFL") (the Company, TBFL and TCPL are collectively referred to as the "Companies") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and / or regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (such scheme referred to as the "Scheme"). The Scheme inter alia provides for the following: as a first step, the demerger of the Demerged Undertaking (as defined in the Scheme) comprising of Plantation Business (as defined in the Scheme) of the Company into TBFL and in consideration, the consequent issuance of equity shares by TCPL (as the holding company of TBFL) to all the shareholders of the Company (other than TCPL) in accordance with the Share Entitlement Ratio (as defined in the Scheme), pursuant to the provisions of Section 2(19AA) read with Section 2(41A) and other relevant provisions of the IT Act ("Demerger"); as a second step, followed immediately by the amalgamation of the Company (comprising the Remaining Business of the Company (as defined in the Scheme)) with TCPL and in consideration, the consequent issuance of equity shares by TCPL to all the shareholders of the Company (other than TCPL) in accordance with the Share Exchange Ratio (as defined in the Scheme) pursuant to the provisions of Section 2(1B) and other relevant provisions of the IT Act (as defined hereinafter) ("Amalgamation"); and various other matters consequential or otherwise integrally connected therewith. The Scheme is subject to inter-alia receipt of the approval of the requisite majority of the public shareholders and creditors (if applicable) of the Companies, the Stock Exchanges, the Securities and Exchange Board of India, National Company Law Tribunals (benches at Kolkata and Bengaluru) and other regulatory authorities, as may be applicable. Pending receipt of necessary approvals, no effect of the Scheme has been given in the financial statements for the year ended March 31, 2022.

### Note No. 31:

Segment information has been disclosed as part of Consolidated Financial Statements for the year. Refer Note No. 39

### Note No. 32: R & D Expenditure

	₹ Lakh	
Particulars	2022	2021
Capital Expenditure	2.53	0.10
Revenue Expenditure	88.63	76.25
<b>Total</b>	<b>91.16</b>	<b>76.35</b>
<b>Total R&amp;D Expenditure as % of Revenue</b>	<b>0.11%</b>	<b>0.10%</b>

### Note No. 33: Payment to Statutory Auditors

	₹ Lakh	
Particulars	2022	2021
Audit Fees	60.00	40.00
Tax Audit Fees	15.00	12.00
Quarterly Audit Fees	25.00	18.00
Other Services	12.50	25.00
Reimbursement of expenses	1.50	5.00
<b>Total</b>	<b>114.00</b>	<b>100.00</b>

### Note No. 34: Leases

	₹ Lakh	
Particulars	2022	2021
<b>Minimum lease payments:</b>		
Within 1 Year	67.78	70.24
1 to 2 Years	73.68	113.84
2 to 5 Years	23.95	51.57
<b>Total</b>	<b>165.41</b>	<b>235.65</b>

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## Note No. 35: 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 ₹85.68 Lakh. (PY ₹75.61 Lakh)
- b) Amount spent during the year ₹174.72 Lakh (PY ₹129.75 Lakh)

₹ Lakh

The amounts expended are as follows:		2022	2021
(i)	Construction / acquisition of any asset	-	-
(ii)	For purposes other than (i) above	174.72	129.75

## Note No. 36: Basic and Diluted Earnings per share

₹ Lakh

Particulars	2022	2021
Profit for the year attributable to owners of the Company (₹ Lakh)	10184.23	10079.82
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 (₹)	5.45	5.40

## Note No. 37: Financial Instruments - Accounting Classification and Fair values

### A. Financial Instruments

#### A. Accounting Classification and Fair Values

₹ Lakh

March 31, 2022		Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Cost / Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets:</b>									
Quoted Equity Investments	Non-current	-	1.46	-	1.46	1.46	-	-	1.46
Unquoted Equity Investments-Subsidiaries	Non-current	-	-	24676.65	24676.65	-	-	-	-
Unquoted Equity Investments-Others	Non-current	-	9.82	-	9.82		9.82		9.82
Loans	Non-current	-	-	20.98	20.98	-	-	-	-
Other Financial Assets	Non-current	-	-	22.94	22.94	-	-	-	-
Investment in Mutual Funds	Current	4093.73	-	-	4093.73	4093.73	-	-	4093.73
Trade Receivables	Current	-	-	10676.26	10676.26	-	-	-	-
Cash and Cash Equivalents & Other Bank Balances	Current	-	-	10189.57	10189.57	-	-	-	-
Loans	Current	-	-	177.76	177.76	-	-	-	-
Other Financial Assets	Current	-	148.92	1449.65	1598.57	-	148.92	-	148.92
<b>Total Financial Assets</b>		<b>4093.73</b>	<b>160.20</b>	<b>47213.81</b>	<b>51467.74</b>	<b>4095.19</b>	<b>158.74</b>	<b>-</b>	<b>4253.93</b>

## Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ Lakh

March 31, 2022		Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Cost / Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities:</b>									
Lease Liabilities	Non-current	-	-	87.94	87.94	-	-	-	-
Other Financial Liabilities	Non-current	-	-	156.15	156.15	-	-	-	-
Borrowings	Current	-	-	7311.18	7311.18	-	-	-	-
Lease Liabilities	Current	-	-	41.51	41.51	-	-	-	-
Trade payables	Current	-	-	4609.22	4609.22	-	-	-	-
Other Financial Liabilities	Current	-	-	7235.70	7235.70	-	-	-	-
<b>Total Financial Liabilities</b>		-	-	<b>19441.70</b>	<b>19441.70</b>	-	-	-	-

₹ Lakh

March 31, 2021		Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Cost / Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets:</b>									
Quoted Equity Investments	Non-current	-	1.13	-	1.13	1.13	-	-	1.13
Unquoted Equity Investments-Subsidiaries	Non-current	-	-	22511.43	22511.43	-	-	-	-
Unquoted Equity Investments-Others	Non-current	-	24.97	-	24.97	-	24.97	-	24.97
Loans	Non-current	-	-	16.45	16.45	-	-	-	-
Other Financial Assets	Non-current	-	-	22.32	22.32	-	-	-	-
Investment in Mutual Funds	Current	3538.82	-	-	3538.82	3538.82	-	-	3538.82
Trade Receivables	Current	-	-	10852.23	10852.23	-	-	-	-
Cash and Cash Equivalents & Other Bank Balances	Current	-	-	8880.19	8880.19	-	-	-	-
Loans	Current	-	-	7210.20	7210.20	-	-	-	-
Other Financial Assets	Current	-	240.05	2247.28	2487.33	-	240.05	-	240.05
<b>Total Financial Assets</b>		<b>3538.82</b>	<b>266.15</b>	<b>51740.10</b>	<b>55545.07</b>	<b>3539.95</b>	<b>265.02</b>	<b>-</b>	<b>3804.97</b>
<b>Financial Liabilities:</b>									
Lease Liabilities	Non-current	-	-	7.12	7.12	-	-	-	-
Other Financial Liabilities	Non-current	-	-	403.56	403.56	-	-	-	-
Borrowings	Current	-	-	7300.04	7300.04	-	-	-	-
Lease Liabilities	Current	-	-	9.52	9.52	-	-	-	-
Trade payables	Current	-	-	3874.79	3874.79	-	-	-	-
Other Financial Liabilities	Current	-	-	6630.74	6630.74	-	-	-	-
<b>Total Financial Liabilities</b>		-	-	<b>18225.77</b>	<b>18225.77</b>	-	-	-	-

### B. Measurement of Fair Values

The basis of measurement with respect to each class of financial assets and financial liabilities are disclosed in Note 2.2 (g) of Significant Accounting Policies.

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## Note No. 38: 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 function, 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.

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 ₹ 848.73 Lakh at March 31, 2022 (March 31, 2021: ₹ 5911.40 Lakh).

#### 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:

₹ Lakh

Particulars	2022					2021				
	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	7311.18	-	-	-	7311.18	7300.04	-	-	-	7300.04
Leases	41.51	87.94	-	-	129.45	9.52	7.12	-	-	16.64
Trade Payables	4609.22	-	-	-	4609.22	3874.79	-	-	-	3874.79
Other Financial Liabilities	7199.57	192.28	-	-	7391.85	6630.74	323.18	80.38	-	7034.30
<b>Total</b>	<b>19161.48</b>	<b>280.22</b>	<b>-</b>	<b>-</b>	<b>19441.70</b>	<b>17815.09</b>	<b>330.30</b>	<b>80.38</b>	<b>-</b>	<b>18225.77</b>

## Notes

to the Standalone Financial Statements for the year ended March 31, 2022

### 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 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 and Tea Mosquito bugs are continuous threats 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 and Government agencies for developing effective measures in this regard.

#### Commodity Price Risk

The Company'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 actions. 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.

#### Coffee Futures/Options:

The Company uses Coffee futures/options contracts to reduce its price risk associated with forecasted sales of Coffee beans. These coffee futures/options have been designated as Cash Flow Hedges.

Type of Derivatives	Currency Pair	2022			2021		
		No. of Contracts	Amount Hedged	Fair Value	No. of Contracts	Amount Hedged	Fair Value
			USD in Mm	₹ lakh		USD in Mm	₹ lakh
Coffee	Futures	55	1.83	10.25	47	0.74	28.26
Coffee	Options - Written Calls	15	1.36	(15.47)			
Coffee	Options - Purchased Puts	30	1.59	48.93			

#### Currency Risk

The Company is exposed to currency risk on account of its receivables 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, 2022:

Type of Derivatives	Currency Pair	2022			2021		
		No. of Contracts	Amount Hedged	Fair Value	No. of Contracts	Amount Hedged	Fair Value
			Mm	₹ lakh		Mm	₹ lakh
Forward exchange contracts	USD INR	101	16.20	62.68	121	17.48	159.99
Forward exchange contracts	EUR INR	12	1.41	26.81	15	1.56	51.80
Forward exchange contracts	GBP INR	6	0.74	15.72			

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

The carrying amount of the company's foreign currency denominated Monetary Assets and Liabilities as at the end of reporting period are as below

Currency	Monetary Assets		Monetary Liabilities	
	2022	2021	2022	2021
USD	7.97	8.63	2.02	1.30
EUR	0.32	0.21		
GBP	0.26			

Amount in Mm

The 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 currency amounts stated in the above table.

Particulars	Effect on Profit before tax		Effect on Pre-tax equity	
	2022	2021	2022	2021
Average USD rate	74.15	74.28	74.15	74.28
Average EUR rate	86.45	86.91	86.45	86.91
Average GBP rate	101.57	-	101.57	-
5% appreciation of USD INR	248	281	(700)	(716)
5% depreciation of USD INR	(248)	(281)	700	716

₹ Lakh

## 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:

Particulars	2022	2021
	Effect on Profit Before Tax	Effect on Profit Before Tax
50 basis Points increase	(36.53)	(36.01)
50 basis Points decrease	36.53	36.01

₹ Lakh

## 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 requirements are met through equity, borrowings and operating cash flows.

The Company's Debt Equity ratio is as below:

Particulars	2022	2021
Total Debt [including Lease Liabilities]	7440.63	7316.68
Total Equity	116448.45	109135.28
Debt Equity Ratio	0.06:1	0.07:1

₹ Lakh

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## Note No. 39: Employee Benefits Obligation

### (i) Defined Contributions

Amount of ₹1254.68 Lakh (PY ₹1081.69 Lakh) is recognised as an expense and included in employee benefit expense to the following defined contribution plans:

₹ lakh

Particulars	2022	2021
Provident Fund	420.56	355.00
Superannuation Fund	99.83	99.69
Pension Fund	734.29	627.00
	<b>1254.68</b>	<b>1081.69</b>

### (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 of 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

₹ lakh

Particulars	Gratuity		Medical		Pension	
	2022	2021	2022	2021	2022	2021
Opening Defined Benefit Obligation	7203.31	7627.98	1372.86	1351.41	1857.44	1846.14
Current Service Cost	422.38	438.14	31.17	36.38	-	-
Past Service cost	1.53	-	-	-	-	-
Interest on Defined Benefit Obligation	(46.51)	10.41	92.45	89.70	123.65	121.26
Interest on Plan assets	543.97	412.54	-	-	-	-
Actuarial changes arising from changes in experience assumption	480.07	(708.42)	(282.81)	(54.30)	(36.36)	36.77
Actual return on plan assets less interest on plan assets	-	63.43	-	-	-	-
Adjustment to recognise the effect of asset ceiling	-	3.66	-	-	-	-
Actuarial changes arising from changes in Financial assumption	(154.46)	(57.72)	(43.64)	(21.30)	(33.39)	(14.79)
Benefits Paid	(649.00)	(586.71)	(33.39)	(29.03)	(152.74)	(131.90)
<b>Closing Defined Benefit Obligation</b>	<b>7801.29</b>	<b>7203.31</b>	<b>1136.64</b>	<b>1372.86</b>	<b>1758.60</b>	<b>1857.48</b>

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## Changes in the Fair Value of Plan assets during the Year

₹ lakh

Particulars	Gratuity	
	2022	2021
Opening Fair value of Plan Assets	7636.05	7223.81
Employers Contribution	450.50	582.74
Interest on Plan Assets	510.92	479.64
Actual return on Plan Assets less interest on Plan Assets	29.65	(63.43)
Benefits paid	(649.00)	(586.71)
<b>Closing Fair Value of Plan Assets</b>	<b>7978.12</b>	<b>7636.05</b>

## Net Asset / (Liability) recognised in Balance Sheet

₹ lakh

Particulars	Gratuity		Medical		Pension	
	2022	2021	2022	2021	2022	2021
Present Value of Funded Defined Benefit Obligation at the year end	7801.29	7203.31	-	-	-	-
Fair Value of Plan Assets at the end of the year	7978.12	7636.05	-	-	-	-
Amount not recognised due to Asset Limit		3.66	-	-	-	-
	<b>(176.83)</b>	<b>(429.08)</b>	-	-	-	-
Present Value of Unfunded Defined Benefit Obligation at the year end	-	-	1136.64	1372.86	1758.60	1857.48
Asset Ceiling	-	-	-	-	-	-
<b>Amount recognised in Balance Sheet</b>	<b>(176.83)</b>	<b>(429.08)</b>	<b>1136.64</b>	<b>1372.86</b>	<b>1758.60</b>	<b>1857.48</b>

## Expense recognised in the Statement of Profit and Loss for the year:

₹ lakh

Particulars	Gratuity		Medical		Pension	
	2022	2021	2022	2021	2022	2021
Current Service Cost	422.38	438.14	31.17	36.38	-	-
Interest Cost on Defined Benefit Obligation (net)	(46.51)	10.41	92.45	89.70	123.65	121.26
Past Service Cost	1.53	-	-	-	-	-
<b>Total recognised in the Statement of Profit and Loss</b>	<b>377.40</b>	<b>448.55</b>	<b>123.62</b>	<b>126.08</b>	<b>123.65</b>	<b>121.26</b>

## Amount recognised in Other Comprehensive Income for the year:

₹ lakh

Particulars	Gratuity		Medical		Pension	
	2022	2021	2022	2021	2022	2021
Actuarial changes arising from changes in financial assumptions	(154.46)	(57.72)	(43.64)	(21.30)	(33.39)	(14.79)
Actuarial changes arising from changes in demographic assumptions	-	-	-	-	-	-
Actuarial changes arising from changes in experience assumption	480.07	(708.42)	(282.81)	(54.30)	(36.36)	36.77
Actual return on plan assets less interest on plan assets	-	63.43	-	-	-	-
Adjustment to recognise the effect of asset ceiling	-	3.66	-	-	-	-
<b>Adjustment to recognise the effect of asset ceiling</b>	<b>325.61</b>	<b>(699.05)</b>	<b>(326.45)</b>	<b>(75.60)</b>	<b>(69.75)</b>	<b>21.98</b>

## Notes

to the Standalone Financial Statements for the year ended March 31, 2022

### Maturity Profile of Defined Benefit Obligation:

₹ lakh

Particulars	Gratuity		Medical		Pension	
	2022	2021	2022	2021	2022	2021
Within next 12 months	893.42	854.69	42.25	46.35	104.15	104.65
Between 2 and 5 years	3096.61	2655.90	199.34	211.44	436.01	439.95
Between 6 and 9 years	3117.97	2856.75	255.74	254.91	481.77	491.31
10 Years and above	8504.04	7720.38	4642.46	2308.27	1641.86	1835.88

### Principal Actuarial assumptions used:

Particulars	2022	2021
Discount Rate	7.10%	6.85%
Salary escalation rate	7.00%	7.00%
Pension escalation rate (SRB)	18% after every 3 <sup>rd</sup> year	18% after every 3 <sup>rd</sup> year
Annual increase in Health Costs	8.00%	8.00%
Mortality Rates	Indian Assured Lives mortality (2012-14) Ult Table	Indian Assured Lives mortality (2012-14) Ult Table

Quantitative sensitivity analysis for significant assumptions is as below:

₹ lakh

Impact on Defined Benefit Obligation	Gratuity	Medical	Pension
	2022	2022	2022
Impact of increase in 50 basis points in discount rate	(293)	(80)	(67)
Impact of decrease in 50 basis points in discount rate	314	90	72
Impact of increase in 50 basis points in salary escalation	313	-	-
Impact of decrease in 50 basis points in salary escalation	(295)	-	-
Impact of increase in 100 basis points in health care cost	-	188	-
Impact of decrease in 100 basis points in health care cost	-	(151)	-
Impact of increase in 100 basis points in pension rate	-	-	42
Impact of decrease in 100 basis points in pension rate	-	-	(41)

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 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:

₹ lakh

Particulars	Gratuity	
	2022	2021
Insurance managed Funds	7978.12	7636.05
<b>Total</b>	<b>7978.12</b>	<b>7636.05</b>

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, 2022 and March 31, 2021, the plan assets have been primarily invested in insurance managed funds.

### Expected contribution over the next financial year:

The Company is expected to contribute ₹ 702.76 Lakh to defined benefit obligations funds for the year ending March 31, 2022.

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## (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 valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions, there is no shortfall as on March 31, 2022 and March 31, 2021.

The details of fund and plan asset position are given below:

₹ lakh

Particulars	Provident Fund	
	2022	2021
Plan Assets as at period end	8911	8002
Present Value of Funded Obligations at period end	8911	8002
<b>Amount Recognised in the Balance Sheet</b>	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	Provident Fund	
	2022	2021
Guaranteed Rate of Return	8.50%	8.50%
Discount Rate for remaining term to Maturity of Investment	6.30%	6.50%
Expected Rate of Return on Investment	8.47%	8.21%

## Note No. 40: 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 to 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) 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.

## Notes

to the Standalone Financial Statements for the year ended March 31, 2022

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. 41: Disclosure under Section 186 of the Companies Act, 2013

### Particulars of Loans, Deposits and Guarantees as at the year end

₹ Lakh

Sl. No.	Name of the Entity	2022	2021	Nature of Loans / Deposits	Purpose for which Loan/Guarantee is proposed to be utilised by recipient
1	Tata Housing Development Company Limited	-	3000.00	Inter Corporate Deposits	Short Term Working Capital
2	Tata International Limited	-	4000.00	Inter Corporate Deposits	Short Term Working Capital
		-	<b>7000.00</b>		

The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## Note No. 42: Financial Ratios

### Financial ratios

Ratio	Numerator	Denominator	2022	2021	% Variance
Current Ratio	Current Assets	Current Liabilities	3.33	3.20	4
Debt - Equity Ratio	Total Debt [including Lease Rentals]	Total Equity	0.06	0.07	14
Debt Service Coverage Ratio <sup>^</sup>	Earnings available for Debt Service	Debt Service	41.54	46.95	(12)
Return on Equity Ratio	Profit After Tax	Average Equity	9.03%	9.64%	(6)
Inventory Turnover Ratio	Net Sales	Average Inventory	2.37	2.71	(13)
Trade Receivables Turnover Ratio	Revenue from Contracts with Customers	Average Accounts Receivables	7.45	6.56	14
Trade Payables Turnover Ratio	Adjusted Expenses	Average Trade Payables	12.25	12.05	2
Net Capital Turnover Ratio	Revenue from Operations	Average Working Capital	1.77	1.93	(8)
Net Profit Ratio	Profit After Tax	Revenue from Operations	12.47%	13.68%	(9)
Return on Capital Employed	Earnings Before Interest and Tax	Average Capital Employed	8.17%	6.82%	20
Return on Investment*	Income generated from Investments	Average Investments	4.38%	5.96%	(27)

<sup>^</sup> Excluding Working Capital facilities which are re-drawable subsequently after repayment

\* Return on Investment is lower on account of lower cash and cash equivalents

## Note No. 43: Other Disclosures

- Relationship with Struck off Companies - The Company does not have any transactions or relationships with any companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- There are no transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 which have not been recorded in the books of account.
- There are no charges or satisfaction of charges yet to be registered with Registrar of Companies beyond the statutory period.

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## Note No. 44: Related Party Transactions

In accordance with IndAS 24, the disclosures required are given below:

₹ Lakh

Sl. No.	Nature of transaction	Promoter		Parent Company		Subsidiaries		Key Management Personnel		Fellow Subsidiaries/JVs/ Associates		Subsidiaries/JVs of Promoter		Post Employment Benefit Plans		Total	
		For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
1	Sale of Goods	-	-	5087.59	4514.69	174.92	47.17	-	-	2307.88	1522.17	1.26	-	-	-	7571.65	6084.03
2	Rendering of Services	-	-	-	-	-	-	-	-	-	-	40.32	31.89	-	-	40.32	31.89
3	Purchase of Goods	-	-	-	10.65	496.68	161.16	-	-	8.18	-	3600.01	3141.20	-	-	4104.87	3313.01
4	Directors' Remuneration*	-	-	-	-	-	-	559.30	505.89	-	-	-	-	-	-	559.30	505.89
5	Receiving of Services	143.17	132.64	93.49	307.10	-	-	-	-	320.14	0.89	318.03	292.87	-	-	874.83	733.50
6	Reimbursement of expenses / (income) - Net	-	-	(121.58)	(124.89)	-	-	-	-	-	-	-	-	-	-	(121.58)	(124.89)
7	Dividend Paid	-	-	1610.33	1610.33	-	-	-	-	-	-	-	-	-	-	1610.33	1610.33
8	Dividend received (Inclusive of TDS)	-	-	-	-	4484.00	4412.06	-	-	-	-	-	-	-	-	4484.00	4412.06
9	Contribution to Post Retirement Benefit Plans	-	-	-	-	-	-	-	-	-	-	-	-	742.12	715.03	742.12	715.03
10	Guarantee balance at the year end	-	-	-	-	31361.00	40043.89	-	-	-	-	-	-	-	-	31361.00	40043.89
11	Inter Corporate Deposits at the year end	-	-	-	-	-	-	-	-	-	-	-	7000.00	-	-	-	7000.00
12	Interest Received/ Accrued on Inter Corporate Loans	-	-	-	-	-	-	-	-	-	-	104.07	263.60	-	-	104.07	263.60
13	Investment in Wholly Owned Subsidiary	-	-	-	-	2165.22	-	-	-	-	-	-	-	-	-	2165.22	-
14	Outstanding at the year end	143.17	132.64	20.87	157.41	213.86	168.78	-	-	5.39	0.09	48.31	6.64	-	-	431.60	465.56
	Debit	-	-	569.19	609.97	20.14	26.92	-	-	335.47	189.46	1108.90	1258.15	-	-	2033.70	2084.50

The above information is excluding taxes and duties except Outstanding Balances at the year end.

\* Includes contribution towards Provident Fund and Superannuation Fund

Details of material transactions with related parties are disclosed in the consolidated Related Party Transactions (refer Note No. 42 (b) of the consolidated financial statements).

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## Names of related parties and description of relationship

1.	Promoter Company	Tata Sons Private Limited
2.	Parent Company	Tata Consumer Products 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 Chacko Purackal Thomas, Managing Director & CEO Mr K Venkataramanan, Executive Director - Finance & CFO
5.	Fellow Subsidiaries / JVs/Associates	Tata Consumer Products GB Limited Tata Starbucks Private Limited Kanan Devan Hills Plantations Company Private Limited Amalgamated Plantations Private Limited
6.	Subsidiaries / JVs of Promoter Company	Tata Consultancy Services Limited Tata Housing Development Company Limited Tata International Limited Tata Teleservices Limited Tata Uganda Limited Tata International Singapore Pte Limited Tata Unistore Limited Tata Communications Limited Tata AIG General Insurance Company Limited Tata AIA Life Insurance Company Limited Tata Industries Limited Tata Digital Limited
7.	Post Retirement Benefit Plans	Tata Coffee Staff Provident Fund Trust Tata Coffee Superannuation Scheme Tata Coffee Employees Gratuity Fund

**CHACKO PURACKAL THOMAS**  
Managing Director & CEO

**K. VENKATARAMANAN**  
Executive Director - Finance & CFO

**S. VENKATRAMAN**  
Director

**N. ANANTHA MURTHY**  
Company Secretary

Place: Bengaluru  
Date: April 26, 2022

# INDEPENDENT AUDITOR'S REPORT

To The Members of Tata Coffee Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Tata Coffee Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial financial information of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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 sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Growing Produce (Existence and Valuation)</b></p> <p>Produce of coffee, tea and pepper growing on the bearer plants ("growing produce") are measured at fair value based on their biological transformation.</p> <p>The fair valuation of the growing produce is significant to our audit on account of the significant management judgements applied in determining estimated quantity and transformation based on factors like stage of growth (determined based on the visible growth and systematic crop estimation) and harvesting cycle of the crops and their fair values less costs to sell which is based on factors like established conversion norms and the published rates.</p> <p>Refer to Note 8 and Note 38 of the consolidated financial statements for the fair value measurement, Note 2.2 (i) for accounting policies and Note 2.3.(iv) relating to Valuation of Agricultural Produce under Key accounting judgements, estimates and assumptions.</p>	<p>With respect to the existence of the growing produce of coffee, tea and pepper:</p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of the significant management judgements applied in determination of the quantity and biological transformation of the growing produce.</li> <li>2. Evaluated the design of internal controls relating to the management's process of making judgments and estimates relating to quantity, biological transformation, and also tested the operating effectiveness of the aforesaid controls.</li> <li>3. Retrospectively compared the actual harvest data with the growing produce that was estimated and recorded by the management prior to harvest to assess the reasonableness of the process of prior estimation by the management and also to assess the reliability of the basis of management judgement in estimating growing produce as at the balance sheet date.</li> </ol>

Sr. No.	Key Audit Matter	Auditor's Response
		<p>With respect to valuation of growing produce:</p> <ol style="list-style-type: none"> <li>1. Evaluated the design of internal controls relating to the management's judgments and estimates for determining fair value less cost to sell and also tested the operating effectiveness of the aforesaid controls.</li> <li>2. Validated the market information considered by the management in determining the fair values.</li> <li>3. Compared the estimate of costs to sell to the actual selling cost incurred during the year to validate the reasonability of the estimate of costs to sell considered in determining fair values as at the Balance Sheet date.</li> </ol> <p>Tested the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.</p>
2	<p><b>Inventory of raw / cured coffee beans ("green coffee beans"), tea and pepper (Valuation)</b></p> <p>Finished goods inventory are valued at lower of cost and net realizable value (estimated selling price less estimated cost to sell). Considering that there is always a volatility in the selling price of green coffee beans, tea and pepper, which is dependent upon various market conditions, determination of the net realizable value for green coffee beans, tea and pepper involves significant management judgement and therefore has been considered as a key audit matter.</p> <p>The total value of finished goods (commodities) as at March 22, 2022 is ₹21771.51 Lakh. Also refer to Note 2.3 (iv) relating to Valuation of Agricultural Produce under Key accounting judgements, estimates and assumptions.</p>	<p>With respect to the net realisable value:</p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of the determination of the net realizable values of green coffee beans, tea and pepper and assessed and tested the reasonableness of the significant judgements applied by the management.</li> <li>2. Evaluated the design of internal controls relating to the valuation of green coffee beans, tea and pepper and also tested the operating effectiveness of the aforesaid controls.</li> <li>3. To assess the reasonableness of the net realisable value that was estimated and considered by the management: <ul style="list-style-type: none"> <li>• With respect to the committed stock of green coffee beans for which the Parent Company has entered into contracts with the respective customers, on a sample basis, compared the net realisable value with the rates as per the said contracts;</li> <li>• With respect to the uncommitted stock of green coffee beans, obtained the market information relating to coffee prices and assessed the reasonableness of the adjustments that were made to such market prices to estimate the net realisable value;</li> <li>• With respect to the uncommitted stock of tea and pepper, obtained the latest realization rates / market information relating to prices and assessed the reasonableness of the adjustments that were made to such market prices to estimate the net realisable value;</li> <li>• Verified the publicly available market information to assess if there has been significant decrease in the rates subsequent to the year end.</li> </ul> </li> <li>4. Compared the actual costs incurred to sell based on the latest sale transactions to assess the reasonableness of the cost to sell that was estimated and considered by the management.</li> <li>5. Compared the cost of the finished goods with the estimated net realisable value and checked if the finished goods were recorded at net realisable value where the cost was higher than the net realisable value.</li> </ol> <p>Tested the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.</p>

### **Information Other than the Financial Statements and Auditor's Report Thereon**

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, for example, Corporate Overview, Key Highlights, Directors' Report, Report on Corporate Governance, Management Discussion & Analysis Report, Business Responsibility Report, etc., but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial information audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS 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 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 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 Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant

doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when,

in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- We did not audit the financial information of 4 subsidiaries, whose financial information reflect total assets of ₹250957 Lakh as at 31 March, 2022, total revenues of ₹155356 Lakh and net cash outflows amounting to ₹10690 Lakh 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 by the Management 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, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid 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 matter with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial information of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
  - 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.
  - 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.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the 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.
  - In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors of the Parent as on 31 March,

2022 taken on record by the Board of Directors of the Company, none of the directors of the Parent is disqualified as on 31 March, 2022 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 internal financial controls over financial reporting of the Parent.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
  - ii) 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;
  - iv) (a) The Management of the Parent Company, whose financial statements have been audited under the Act, have represented to us, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

Parent ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management of the Parent Company, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Parent from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our or other auditor's notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with Section 123 of the Act, as applicable.

As stated in Note 12 (a) to the financial statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Arunabha Bhattacharya  
Partner  
(Membership No. 054110)  
(UDIN: 22054110AHUVIN4021)

Place : Kolkata  
Date : April 26, 2022

# 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 Ind AS financial statements of the Company as of and for the year ended 31 March, 2022, we have audited the internal financial controls over financial reporting of Tata Coffee Limited (hereinafter referred to as “Parent”), as of that date.

### Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Parent 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 (“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, 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 31 March, 2022, 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.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm’s Registration No. 117366W/W-100018)

Arunabha Bhattacharya  
Partner  
(Membership No. 054110)  
(UDIN: 22054110AHUVIN4021)

Place : Kolkata  
Date : April 26, 2022

# Consolidated Balance Sheet

as at March 31, 2022

			₹ Lakh
Particulars	Note	2022	2021
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	1 (a)	85795.71	86963.92
Capital Work-in-progress	1 (a)	7392.52	4669.42
Right-of-Use Assets	1 (b)	8820.12	8941.84
Investment Property	2	1731.55	3316.93
Goodwill	3	131211.65	126566.73
Other Intangible Assets	3	11821.14	12658.14
<b>Financial Assets</b>			
Investments	4	11.28	26.10
Loans	5	20.98	16.45
Other Financial Assets	6	36.83	65.42
Non-current Tax Assets	17	1288.13	1425.57
Other Non-current Assets	7	786.41	1267.19
		<b>248916.32</b>	<b>245917.71</b>
<b>Current Assets</b>			
Inventories including Biological Assets	8	57409.47	42813.82
<b>Financial Assets</b>			
Investments	4	4093.73	3538.82
Trade Receivables	9	29320.59	21321.32
Cash and Cash Equivalents	10	8215.24	23968.24
Other Bank Balances	10	9877.53	4494.12
Loans	5	177.76	7210.20
Other Financial Assets	6	6443.70	4283.51
Other Current Assets	7	4365.95	3389.69
		<b>119903.97</b>	<b>111019.72</b>
Non Current Assets held for sale	11	49.20	125.33
<b>Total Assets</b>		<b>368869.49</b>	<b>357062.76</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12 (a)	1867.70	1867.70
Other Equity	12 (b)	149962.56	135098.00
		<b>151830.26</b>	<b>136965.70</b>
<b>Non-controlling interests</b>		50725.01	45035.71
<b>Total Equity</b>		<b>202555.27</b>	<b>182001.41</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	14 (a)	50523.34	50685.58
Lease Liabilities	14 (b)	8485.20	8654.66
Other Financial Liabilities	15	156.15	403.56
Provisions	16	3578.22	3938.67
Deferred Tax Liabilities (Net)	17	14644.23	13917.51
		<b>77387.14</b>	<b>77599.98</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	14 (a)	51312.29	65028.99
Lease Liabilities	14 (b)	608.40	537.34
Trade Payables			
(a) Total outstanding dues of Micro and Small Enterprises	18 (a)	69.51	243.69
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	18 (b)	17048.26	12657.09
Other Financial Liabilities	15	17539.46	16569.84
Provisions	16	272.44	279.44
Current Tax Liabilities	17	340.79	172.37
Other Current Liabilities	19	1735.93	1972.61
		<b>88927.08</b>	<b>97461.37</b>
<b>Total Equity and Liabilities</b>		<b>368869.49</b>	<b>357062.76</b>

The accompanying significant accounting policies and notes form an integral part of the Consolidated financial statements.

As per our Report of even date attached

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

For and on behalf of the Board of Directors

**CHACKO PURACKAL THOMAS**

Managing Director &amp; CEO

**K. VENKATARAMANAN**

Executive Director - Finance &amp; CFO

**ARUNABHA BHATTACHARYA**

Partner

Membership No.054110

Place: Bengaluru

Date: April 26, 2022

**S. VENKATRAMAN**

Director

**N. ANANTHA MURTHY**

Company Secretary

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

₹ Lakh			
Particulars	Note	2022	2021
<b>INCOME</b>			
Revenue from operations	20	236350.10	225494.84
Other Income	21	2572.60	3379.32
<b>Total Income</b>		<b>238922.70</b>	<b>228874.16</b>
<b>EXPENSES</b>			
Cost of materials consumed	22 (a)	86673.69	75313.78
Purchases of Stock-in-trade	22 (b)	37110.19	36020.59
Changes in Inventories of finished goods, work-in-progress, Stock-in-trade and Biological Assets	22 (c)	(9546.74)	787.44
Employee benefits expense	23	37026.09	35221.76
Finance costs	24	4648.02	5357.55
Depreciation and amortisation expense		8095.49	8278.24
Other expenses	25	43175.67	39146.14
<b>Total Expenses</b>		<b>207182.41</b>	<b>200125.50</b>
<b>Profit before exceptional items and tax</b>		<b>31740.29</b>	<b>28748.66</b>
Exceptional Items	26	(626.32)	(315.89)
<b>Profit before tax</b>		<b>31113.97</b>	<b>28432.77</b>
<b>Tax Expense</b>			
Current tax	17	7626.26	6579.38
Deferred tax	17	147.63	698.61
<b>Total tax expense</b>		<b>7773.89</b>	<b>7277.99</b>
<b>Profit for the period</b>		<b>23340.08</b>	<b>21154.78</b>
<b>Attributable to:</b>			
<b>Owners of the Holding Company</b>		<b>14773.10</b>	<b>13364.04</b>
Non-controlling interests		8566.98	7790.74
<b>Net Profit for the period / year</b>		<b>23340.08</b>	<b>21154.78</b>
<b>Other Comprehensive Income</b>		<b>4519.50</b>	<b>(872.48)</b>
<b>Items that will not be reclassified to profit/(loss)</b>		<b>5.84</b>	<b>444.26</b>
Remeasurements of the defined benefit plans		70.84	459.36
Equity instruments through other comprehensive income		0.33	0.79
Income tax relating to items that will not be reclassified to profit or loss		(65.33)	(15.89)
<b>Items that will be reclassified to profit/(loss)</b>		<b>4513.66</b>	<b>(1316.74)</b>
Exchange differences on translation of foreign operations		3754.87	(3316.67)
Effective portion of Gains/(Loss) in cash flow hedges		514.41	2206.98
Income tax on items that will be reclassified to profit or loss		244.38	(207.05)
<b>Total Comprehensive Income for the period</b>		<b>27859.58</b>	<b>20282.30</b>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Holding Company		17722.85	13738.26
Non-controlling interests		10136.73	6544.04
<b>Earnings per equity share</b>			
Basic & Diluted	34	7.91	7.16

The accompanying significant accounting policies and notes form an integral part of the Consolidated financial statements.

As per our Report of even date attached

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**CHACKO PURACKAL THOMAS**  
Managing Director & CEO

**K. VENKATARAMANAN**  
Executive Director - Finance & CFO

**ARUNABHA BHATTACHARYA**  
Partner  
Membership No.054110

**S. VENKATRAMAN**  
Director

**N. ANANTHA MURTHY**  
Company Secretary

Place: Bengaluru  
Date: April 26, 2022

# Consolidated Statement of Changes in Equity

as at March 31, 2022

	Equity		Other Equity						Total Other Owners' Equity	Total Owners' Equity				
	Number of Shares	Equity Share Capital	Capital Redemption Reserve	Surplus		Retained Earnings	Items of Other Comprehensive Income							
				Securities Premium	General Reserves I		General Reserves II	Amalgamation Reserves			Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Foreign Currency Translation Reserve	Actuarial Gain/ (Loss)
Balance as at April 1, 2020	186770370	1867.70	10.41	14424.27	23827.79	11765.64	832.53	67792.26	(0.05)	(2263.73)	8527.61	(1328.74)	123587.99	125455.69
Profit for the year								13364.04					13364.04	13364.04
Other Comprehensive Income for the year, net of Income Tax									0.79	1707.72	(1780.33)	443.47	371.65	371.65
Total Comprehensive Income for the year									0.79	1707.72	(1780.33)	443.47	13735.69	13735.69
Dividends								(2801.55)					(2801.55)	(2801.55)
Transfer from Retained Earnings							826.94	(826.94)					-	-
Transfer to Retained Earnings (Net of Deferred Tax) - Transitional Impact of Ind AS 116								575.87					575.87	575.87
Balance as at April 1, 2021	186770370	1867.70	10.41	14424.27	23827.79	12592.58	832.53	78103.68	0.74	(556.01)	6747.28	(885.27)	135098.00	136965.70
Profit for the year								14773.10					14773.10	14773.10
Other Comprehensive Income for the year, net of Income Tax								-	0.33	910.17	1977.00	5.51	2893.01	2893.01
Total Comprehensive Income for the year									0.33	910.17	1977.00	5.51	17666.11	17666.11
Dividends								(2801.55)					(2801.55)	(2801.55)
Transfer from Retained Earnings							1597.08	(1597.08)					-	-
Balance as at March 31, 2022	186770370	1867.70	10.41	14424.27	23827.79	14189.66	832.53	88478.15	1.07	354.16	8724.28	(879.76)	149962.56	151830.26

The accompanying significant accounting policies and notes form an integral part of the Consolidated financial statements.

As per our Report of even date attached

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

For and on behalf of the Board of Directors

**CHACKO PURACKAL THOMAS**

Managing Director &amp; CEO

**K. VENKATARAMANAN**

Executive Director - Finance &amp; CFO

**ARUNABHA BHATTACHARYA**

Partner

Membership No.054110

Place: Bengaluru

Date: April 26, 2022

**S. VENKATRAMAN**

Director

**N. ANANTHA MURTHY**

Company Secretary

# Consolidated Cash Flow Statement

for the year ended March 31, 2022

	₹ Lakh	
Particulars	2022	2021
<b>Cash flows from operating activities</b>		
<b>Profit Before Tax for the year</b>	31113.97	28432.77
Adjustments for:		
Depreciation and amortisation	8095.49	8278.24
Interest Income	(551.89)	(711.27)
Dividend income from Other Non Current Investments	(0.01)	(0.02)
Net Gain on Sale of Current Investments	(129.92)	(211.72)
Loss / (Gain) on investments carried at fair value through Profit or Loss	(20.54)	68.92
Rental Income from Investment Property	(242.02)	(381.07)
Finance Costs	4648.02	5357.55
Unrealised foreign exchange (gain) / loss	(47.95)	385.78
Exceptional Items	626.32	315.89
(Profit) / loss on sale of Property, Plant and Equipment	50.15	(1300.48)
Profit on Sale of Biological Assets - Timber (Net)	(1597.08)	(826.94)
<b>Sub-Total</b>	<b>10830.57</b>	<b>10974.88</b>
<b>Operating Profit Before Working Capital Changes</b>	<b>41944.54</b>	<b>39407.65</b>
<b>Movements in working capital:</b>		
Trade Receivables	(7306.28)	2235.36
Other Financial Assets	(2216.50)	1864.62
Loans	27.91	130.17
Other Current and Non-current Assets	(557.08)	(9.94)
Inventories including Biological Assets	(13873.96)	(1879.04)
Trade Payables	3611.18	(2207.13)
Other Financial Liabilities	540.21	(2040.39)
Other Current Liabilities	(255.71)	119.18
Provisions	(480.84)	(97.24)
<b>Changes in Working Capital</b>	<b>(20511.07)</b>	<b>(1884.41)</b>
<b>Cash Generated from Operations</b>	<b>21433.47</b>	<b>37523.24</b>
Income taxes paid	(7104.56)	(7320.98)
<b>Net Cash Flows from Operating Activities (A)</b>	<b>14328.91</b>	<b>30202.26</b>

# Consolidated Cash Flow Statement [Contd.]

for the year ended March 31, 2022

		₹ Lakh
Particulars	2022	2021
<b>Cash flows from investing activities</b>		
Interest received	668.91	318.54
Other dividends received	0.01	0.02
Payments for property, plant and equipment and Intangibles	(6364.64)	(3357.99)
Rental Income from Investment Property	242.02	381.07
Proceeds from Sale of property, plant and equipment and Intangibles	1835.79	3063.16
Profit on Sale of Biological Assets - Timber (Net)	1597.08	826.94
Inter Corporate Deposits Placed (Net)	7000.00	(7000.00)
Net cash (outflow)/inflow on Purchase/Sale of Mutual Funds	(404.45)	7508.01
Movement in Other Bank Balances	(5395.06)	(4255.33)
Sale/(Purchase) of Non-current Investments	15.15	1.50
<b>Net Cash Flows used in Investing Activities (B)</b>	<b>(805.19)</b>	<b>(2514.08)</b>
<b>Cash flows from financing activities</b>		
Proceeds from / (repayment of) Current Borrowings (Net)	2329.87	4777.03
Proceeds from / (repayment of) Non-current Borrowings (Net)	(19763.37)	(6873.61)
Dividend/Dividend Tax	(7183.85)	(7235.86)
Payment of finance lease obligations	(569.90)	(513.93)
Proceeds from refund of Dividend Distribution Tax earlier paid	-	907.00
Finance Cost paid	(4464.44)	(5152.26)
<b>Net Cash Flows used in Financing Activities (C)</b>	<b>(29651.69)</b>	<b>(14091.63)</b>
<b>Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)</b>	<b>(16127.97)</b>	<b>13596.55</b>
Cash and cash equivalents at the beginning of the year	23968.24	10753.26
Effects of exchange rate changes on the balance of cash held in foreign currencies	374.97	(381.57)
<b>Cash and cash equivalents at the end of the year</b>	<b>8215.24</b>	<b>23968.24</b>

The accompanying significant accounting policies and notes form an integral part of the Consolidated financial statements.

As per our Report of even date attached  
**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**ARUNABHA BHATTACHARYA**  
Partner  
Membership No.054110

Place: Bengaluru  
Date: April 26, 2022

For and on behalf of the Board of Directors  
**CHACKO PURACKAL THOMAS**  
Managing Director & CEO

**S. VENKATRAMAN**  
Director

**K. VENKATARAMANAN**  
Executive Director - Finance & CFO

**N. ANANTHA MURTHY**  
Company Secretary

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

## 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, 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 Financial Statements for the year ended March 31, 2022 were approved for issue by Company's Board of Directors on April 26, 2022.

## 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, as amended and other provisions of the Act. On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from April 1, 2021. The Group has evaluated the effect of the amendments on its financial statements and complied with the same.

#### 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 generally based on nature of product/activities of the Company and the normal time between acquisition of assets/liabilities and their realisation/settlement in cash or cash equivalent. The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### c) Basis of consolidation

The consolidated financial statements have been prepared on the following basis:

#### Subsidiaries

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 to be consolidated 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.

Inter-company 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 Enterprise	Country of Incorporation	Nature of Business	Shareholding/Controlling interest
Consolidated Coffee Inc.	USA	Investment	50.08%
Eight O'Clock Holdings Inc.	USA	Investment	50.08%
Eight O'Clock Coffee Company	USA	Roasted Coffee Beans and R&G Powder	50.08%
Tata Coffee Vietnam Company Limited	Vietnam	Instant Coffee	100%

### 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.

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

## (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 the,

- 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 gain is recognised in the other comprehensive income and accumulated in equity as capital reserve. The Group recognises any non-controlling interest in the acquired entity 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, with adjustments only 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 re-measured 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 these 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

### i) Recognition and measurement:

Property, plant and equipment including bearer assets are carried at historical cost of acquisition or deemed cost less accumulated depreciation and accumulated impairment loss, if any. Historical cost includes its purchase price, including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent expenditure related to an asset is 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

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

of the replaced part is derecognized. All repairs and maintenance are charged to the Statement of Profit and Loss during the financial year in which these are incurred.

## ii) Depreciation:

Depreciation is provided on assets to get the initial cost down to the residual value. Land is not depreciated. Depreciation is provided on a straight-line basis over the estimated useful life of the asset 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 i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Estimated useful life of items of Property, Plant and Equipment are as follows:

Type of Assets	Estimated Useful Life (in years)
Leasehold Land	Perpetual Lease
Buildings including Water supply System	28-58
Roads/Carpeted/Non-Carpeted	10
Irrigation Systems	10-20
Electrical Installations	20
Plant & Machinery - Continuous Process	18
Plant & Machinery – Others	20
Furniture & Fittings	15
Computers	6
Motor Vehicles	10
Office Equipment	5

The residual values and useful lives for depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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 agricultural produce. Bearer Biological Assets which are held to bear agricultural produce are classified as Bearer plants.

Bearer plants are recognised under Property, Plant and Equipment on fulfilment of the following conditions.

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 is as follows:

## Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

Type of Bearer Biological Assets	Estimated Useful Life (in years)
Arabica Coffee Plants	30
Robusta Coffee Plants	58
Tea Bushes	58
Pepper Vines & Cardamom Tillers	35
Silver oak and Shade Management Trees	35

Refer Para 2.2. (i) for accounting of agricultural produce.

### (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 losses, 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 properties are depreciated using the straight-line method over the estimated useful lives. The Group's depreciable investment properties have 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 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 liabilities assumed.

Goodwill is not amortised but is tested for impairment. Goodwill impairment reviews are generally undertaken annually. 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. These costs are amortised over their estimated useful lives of 3 to 5 years.

### (f) Impairment of tangible and intangible assets

Assets that are subject to depreciation or 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

# Notes

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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 and disposal groups 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:

- i) **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 non-current assets. Financial assets are measured initially at fair value which usually represents cost plus transaction costs and subsequently, if maturing after 12 months period, using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security and other deposits, cash and cash equivalent, employee and other advances.

- ii) **Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)**
- All equity investments are measured at fair values. 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 Other Comprehensive Income (OCI). The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments.

- iii) **Financial assets at Fair Value through Profit and loss (FVTPL)** - Financial assets which are not classified in any of the categories above are measured at FVTPL.

- iv) **Impairment of financial assets** - The Group assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Group's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

### Financial liabilities

#### *Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and in case of loans and borrowings net of directly attributable costs.

Financial liabilities are subsequently 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 of these investments.

#### *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

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- (a) hedges of the fair value of recognised assets or liabilities (fair value hedge); or
- (b) hedges of a particular risk associated with a firm commitment or a highly probable forecasted transaction (cash flow hedge).

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.

Movements in the hedging reserve are accounted in other comprehensive income and are shown within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

- (a) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

- (b) Cash flow hedges

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.

Gains or losses 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.

When a hedging instrument expires or swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss existing in statement of changes in equity is recognised in the Statement of Profit and Loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to 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) **Level 1:** The fair value of financial instruments quoted in active markets is based on their quoted closing price at the Balance Sheet date.
- ii) **Level 2:** 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) **Level 3:** 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

# Notes

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data (unobservable inputs).

## (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 are designated as agricultural produce as per Ind AS 41 and are measured at their fair value less cost to sell at the point of harvest. Any changes in fair value are recognised in the Statement of Profit and Loss in the year in which these arise upon harvest. The fair valuation so arrived at becomes the cost of Inventory under Ind AS-2.

Raw materials, work in progress, traded and finished goods are stated at the lower of cost and net realisable value, net realisable value represents the estimated selling price less all estimated cost of completion and selling expenses. Stores and spares are carried at cost. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

## (j) Employee Benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution plans and post-employment medical plans. Short term employee benefits are recognized on an undiscounted basis whereas Long term employee benefits are recognized on a discounted basis.

### i) Post retirement employee benefits:

Contribution to post retirement defined benefit and contribution schemes like Provident Fund (PF) and Superannuation Schemes and other such schemes are accounted for on accrual basis by the Group. With regard to PF contribution made by the Group to a Self-Administered Trust, the Group is generally liable for annual contributions and for any shortfall in the fund assets based on the government

specified minimum rates of return. Such contributions and shortfalls are recognised 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 Group are determined through independent actuarial valuation, at year end and charge recognised in the Statement of Profit and Loss. Interest costs on employee benefit schemes have been classified within finance cost. For schemes, where funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Re-measurements 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. The Group recognises in the Statement of Profit and Loss, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

### ii) Other employee benefits:

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent actuarial valuation at year end and charge is recognised in the Statement of Profit and Loss.

## (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.

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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 recognised directly in Other Comprehensive Income or equity in which case the deferred tax is recognised in Other Comprehensive Income and equity respectively.

### (m) Foreign currency and translations

#### i) Functional and presentation currency

Items included in the consolidated financial statements of the Group's subsidiaries are measured using the currency of the primary economic environment in which each entity operates ("functional currency"). The consolidated financial statements are presented in Indian Rupees (INR), which is the functional currency of the Holding Company.

#### ii) Foreign currency transactions and balances

Transactions in foreign currencies are recorded 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

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

## iii) 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 of the Group 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 other comprehensive income.

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

### (i) Revenue from contracts with customers

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added

tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

### ii) Interest and dividend income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Dividend income is recognised when the right to receive payment is established. Income from investments are accounted on an accrual basis.

### (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 recognised as Leases for all leases above 12 months, unless the underlying asset is of low value. Assets classified are capitalised and depreciated as per Group's policy on Property, Plant and Equipment. The corresponding lease rental obligations, net of finance charges, are

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

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 and 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.

## As a lessor

Lease income from 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 also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

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 these occur.

## (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. These are material items of income or expense that have to be 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

Segments are identified based on the manner

in which the Group's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews 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.

## (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

Financial 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.

## 2.3 Key accounting judgement, estimates and assumptions

The preparation of the consolidated financial statements required Group Management to exercise judgment and to make estimates and assumptions. The Group's Management has considered the possible effects, if any, that may result from the pandemic

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

relating to COVID-19 on the carrying amounts of its assets. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Group's Management has considered the global economic conditions prevailing as at the date of approval of these financial statements and has used internal and external sources of information to the extent determined by it. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

The areas involving critical estimates or judgements are:

## i. Depreciation and amortisation

Depreciation and amortisation are 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 estimated useful life and 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 Ind AS 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 assigned an indefinite useful life are as a minimum subject to annual tests of impairment in line with the accounting policy.

## v. Valuation of Agricultural Produce

Produce growing on Bearer plants are Biological Assets and are 'fair valued' based on biological transformations. As Coffee and Pepper undergo biological transformations, the same are 'fair valued' only when the growth can be measured reliably. As at the Balance Sheet date, the Management has determined that it can reliably measure the biological transformations of its growing produce and such growing produce and agricultural produce (comprising growing produce and produce at harvest) have been measured at 'fair values' based on the Management's estimates of expected produce and grade of produce considering the assessment of the biological transformations observed at the year end and assumption of factors such as weather patterns, crop health until harvest and crop characteristics, etc., which are susceptible to variations. 'Fair values' have been assessed at market prices at the reporting date and adjusted for estimates of costs to be incurred from the reporting date until harvest. Considering the susceptibility of the estimates to variations, these estimates and assumptions are reviewed periodically / at every reporting date until harvest and revisions to the 'fair values' carried out on a cumulative basis. Such variations are considered as change in estimates and are presented as part of Changes in inventories of Finished Goods, Work in Progress, Stock-in-trade and Biological Assets.

## Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

### Note No. 1 (a): Property, Plant and Equipment

Particulars	Freehold Land and Development	Leasehold Land and Development	Buildings	Water and Sanitary Installations	Electrical Installations	Plant & Machinery	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
<b>Gross Carrying Value as at April 1, 2020</b>	<b>7242.78</b>	<b>829.99</b>	<b>18151.74</b>	<b>1727.64</b>	<b>2152.35</b>	<b>77733.89</b>	<b>996.83</b>	<b>904.75</b>	<b>386.93</b>	<b>1081.16</b>	<b>1521.03</b>	<b>112729.10</b>	<b>1461.30</b>	<b>4633.25</b>	<b>6094.55</b>
Additions	-	-	272.31	25.89	79.52	2489.86	106.76	100.84	69.57	88.79	1058.11	4291.65	(1138.77)	(286.36)	(1425.13)
Disposals	(9.09)	-	-	(9.39)	(10.66)	(667.68)	(17.22)	(115.29)	(8.63)	(143.99)	-	(981.95)	-	-	-
Transfers / Adjustments	-	-	(321.57)	-	-	(2240.46)	(35.63)	(34.17)	(8.92)	(0.23)	-	(2640.98)	-	-	-
<b>Gross Carrying Value as at April 1, 2021</b>	<b>7233.69</b>	<b>829.99</b>	<b>18102.48</b>	<b>1744.14</b>	<b>2221.21</b>	<b>77315.61</b>	<b>1050.74</b>	<b>856.13</b>	<b>438.95</b>	<b>1025.73</b>	<b>2579.14</b>	<b>113397.82</b>	<b>322.53</b>	<b>4346.89</b>	<b>4669.42</b>
Additions (Refer Note (b))	-	-	660.28	32.61	101.09	1754.86	28.74	63.54	93.47	-	786.52	3521.11	2630.31	92.79	2723.10
Disposals	-	-	(237.55)	(13.03)	(51.38)	(1831.78)	(3.84)	(4.87)	(247.06)	(256.09)	-	(2645.60)	-	-	-
Transfers / Adjustments	-	-	335.86	-	-	2368.12	65.50	23.85	4.66	0.24	-	2798.23	-	-	-
<b>Gross Carrying Value as at March 31, 2022</b>	<b>7233.69</b>	<b>829.99</b>	<b>18861.07</b>	<b>1763.72</b>	<b>2270.92</b>	<b>79606.81</b>	<b>1141.14</b>	<b>938.65</b>	<b>290.02</b>	<b>769.88</b>	<b>3365.66</b>	<b>117071.55</b>	<b>2952.84</b>	<b>4439.68</b>	<b>7392.52</b>
Particulars	Freehold Land and Development	Leasehold Land and Development	Buildings	Water and Sanitary Installations	Electrical Installations	Plant & 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
<b>Accumulated Depreciation as at April 1, 2020</b>	<b>-</b>	<b>-</b>	<b>4061.13</b>	<b>208.62</b>	<b>484.92</b>	<b>15758.12</b>	<b>453.12</b>	<b>490.44</b>	<b>205.80</b>	<b>232.93</b>	<b>66.62</b>	<b>21961.70</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation expenses	-	-	980.18	54.69	125.37	4608.33	59.44	132.11	64.32	111.51	75.60	6211.55	-	-	-
Deductions / Adjustments	-	-	(231.57)	(8.86)	(8.23)	(1235.40)	(40.35)	(138.39)	(16.74)	(59.81)	-	(1739.35)	-	-	-
<b>Accumulated Depreciation as at April 1, 2021</b>	<b>-</b>	<b>-</b>	<b>4809.74</b>	<b>254.45</b>	<b>602.06</b>	<b>19131.05</b>	<b>472.21</b>	<b>484.16</b>	<b>253.38</b>	<b>284.63</b>	<b>142.22</b>	<b>26433.90</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation expenses	-	-	668.85	55.67	119.01	4804.72	62.79	126.87	98.89	93.78	95.59	6126.17	-	-	-
Deductions / Adjustments	-	-	(150.45)	(7.17)	(39.45)	(780.20)	23.84	14.29	(242.35)	(102.74)	-	(1284.23)	-	-	-
<b>Accumulated Depreciation as at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>5328.14</b>	<b>302.95</b>	<b>681.62</b>	<b>23155.57</b>	<b>558.84</b>	<b>625.32</b>	<b>109.92</b>	<b>275.67</b>	<b>237.81</b>	<b>31275.84</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

Net Carrying Value	Freehold Land and Development	Leasehold Land and Development	Buildings	Water and Sanitary Installations	Electrical Installations	Plant & 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
<b>Net Carrying Value as at April 1, 2020</b>	<b>7242.78</b>	<b>829.99</b>	<b>14090.61</b>	<b>1519.02</b>	<b>1667.43</b>	<b>61975.77</b>	<b>543.71</b>	<b>414.31</b>	<b>181.13</b>	<b>848.23</b>	<b>1454.41</b>	<b>90767.39</b>	<b>1461.30</b>	<b>4633.25</b>	<b>6094.55</b>
<b>Net Carrying Value as at April 1, 2021</b>	<b>7233.69</b>	<b>829.99</b>	<b>13292.74</b>	<b>1489.69</b>	<b>1619.15</b>	<b>58184.56</b>	<b>578.53</b>	<b>371.97</b>	<b>185.57</b>	<b>741.10</b>	<b>2436.92</b>	<b>86963.92</b>	<b>322.53</b>	<b>4346.89</b>	<b>4669.42</b>
<b>Net Carrying Value as at March 31, 2022</b>	<b>7233.69</b>	<b>829.99</b>	<b>13532.93</b>	<b>1460.77</b>	<b>1589.30</b>	<b>56451.23</b>	<b>582.30</b>	<b>313.33</b>	<b>180.10</b>	<b>494.21</b>	<b>3127.85</b>	<b>85795.71</b>	<b>2952.84</b>	<b>4439.68</b>	<b>7392.52</b>

(a) The following assets are jointly owned / held with the Holding Company

Freehold Land and Development	₹ 103.78 Lakh (Previous Year - ₹ 103.78 Lakh)
Buildings	₹ 56.78 Lakh (Previous Year - ₹ 56.78 Lakh)
Water and Sanitary Installations	₹ 8.15 Lakh (Previous Year - ₹ 8.15 Lakh)
Electrical installations	₹ 22.07 Lakh (Previous Year - ₹ 22.07 Lakh)

(b) Additions to Bearer Plants represent capitalisation of Coffee, Pepper and Tea plants which have attained maturity during the year.

(c) The Group has not revalued its Property, Plant and Equipment during the current reporting period.

(d) The Holding Company does not hold any Benami Property and does not have any proceedings initiated or pending for holding benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988).

## Ageing of Capital Work-in-progress

Capital Work in Progress-Tangibles	Amounts in Capital Work in Progress for a period of			
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years
<b>Projects in progress</b>				<b>Total</b>
As at March 31, 2022	2909.39	-	-	2952.84
As at March 31, 2021	277.53	-	-	322.53

₹ Lakh

Bearer Plants in Progress	Amounts in Bearer Plants in Progress for a period of			
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years
<b>Projects in progress</b>				<b>Total</b>
As at March 31, 2022	281.79	303.47	1091.46	2762.96
As at March 31, 2021	164.48	743.14	1381.83	2057.44

₹ Lakh

## For projects overdue

Capital Work in Progress-Tangibles	To be completed in			
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years
<b>Projects in progress</b>				<b>Total</b>
Agglo Coffee Chicory Expansion Project (Project ACE)	1407.09	-	-	1407.09
Goods Lift Project	1.92	-	-	1.92
Aroma Recovery System Feed Heating PHE	2.70	-	-	2.70
42" CTC Machine	66.69	-	-	66.69
42" Singlet Machine	16.26	-	-	16.26
24" Minirator Machine	11.26	-	-	11.26
As at March 31 2022	<b>1505.92</b>	<b>-</b>	<b>-</b>	<b>1505.92</b>

₹ Lakh

## Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

### Note No. 1 (b): Right-of-Use Assets

Particulars	Freehold Land and Development	Buildings	Office Equipment	Motor Vehicles	Total
<b>Gross Carrying Value as at April 1, 2020</b>	<b>8867.84</b>	<b>1954.07</b>	<b>27.99</b>	<b>26.48</b>	<b>10876.38</b>
Additions					-
Disposals	(189.91)	(447.96)	(0.94)	(0.89)	(639.70)
Transfers / Adjustments	(109.70)	-	-	-	(109.70)
<b>Gross Carrying Value as at April 1, 2021</b>	<b>8568.23</b>	<b>1506.11</b>	<b>27.05</b>	<b>25.59</b>	<b>10126.98</b>
Additions	-	62.73	-	114.65	177.38
Disposals	-	-	-	-	-
Transfers / Adjustments	314.45	51.70	0.99	0.94	368.08
<b>Gross Carrying Value as at March 31, 2022</b>	<b>8882.68</b>	<b>1620.54</b>	<b>28.04</b>	<b>141.18</b>	<b>10672.44</b>

Particulars	Freehold Land and Development	Buildings	Office Equipment	Motor Vehicles	Total
<b>Accumulated Depreciation as at April 1, 2020</b>	<b>218.08</b>	<b>490.38</b>	<b>11.35</b>	<b>9.08</b>	<b>728.89</b>
Depreciation expenses	203.36	233.84	10.58	8.47	456.25
Deductions / Adjustments	-	-	-	-	-
<b>Accumulated Depreciation as at April 1, 2021</b>	<b>421.44</b>	<b>724.22</b>	<b>21.93</b>	<b>17.55</b>	<b>1185.14</b>
Depreciation expenses	131.02	338.11	4.41	22.70	496.24
Deductions / Adjustments	102.15	45.75	0.94	22.10	170.94
<b>Accumulated Depreciation as at March 31, 2022</b>	<b>654.61</b>	<b>1108.08</b>	<b>27.28</b>	<b>62.35</b>	<b>1852.32</b>

Net Carrying Value	Freehold Land and Development	Buildings	Office Equipment	Motor Vehicles	Total
<b>Net Carrying Value as at April 1, 2020</b>	<b>8649.76</b>	<b>1463.69</b>	<b>16.64</b>	<b>17.40</b>	<b>10147.49</b>
<b>Net Carrying Value as at April 1, 2021</b>	<b>8146.79</b>	<b>781.89</b>	<b>5.12</b>	<b>8.04</b>	<b>8941.84</b>
<b>Net Carrying Value as at March 31, 2022</b>	<b>8228.07</b>	<b>512.46</b>	<b>0.76</b>	<b>78.83</b>	<b>8820.12</b>

The Holding Company has not revalued its Right-of-Use Assets during the current reporting period.

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

## Note No. 2: Investment Property

	₹ Lakh		
Particulars	Land	Buildings	Total
<b>Gross Carrying Value as at April 1, 2020</b>	<b>220.91</b>	<b>5283.22</b>	<b>5504.13</b>
Additions	-	-	-
Disposal	-	(1797.08)	(1797.08)
<b>Gross Carrying Value as at April 1, 2021</b>	<b>220.91</b>	<b>3486.14</b>	<b>3707.05</b>
Additions / Transfers	-	-	-
Disposal	-	(1748.11)	(1748.11)
<b>Gross Carrying Value as at March 31, 2022</b>	<b>220.91</b>	<b>1738.03</b>	<b>1958.94</b>
<b>Accumulated Depreciation as at April 1, 2020</b>	<b>-</b>	<b>499.91</b>	<b>499.91</b>
Depreciation	-	88.73	88.73
Disposal	-	(198.52)	(198.52)
<b>Accumulated Depreciation as at April 1, 2021</b>	<b>-</b>	<b>390.12</b>	<b>390.12</b>
Depreciation	-	60.88	60.88
Disposal	-	(223.61)	(223.61)
<b>Accumulated Depreciation as at March 31, 2022</b>	<b>-</b>	<b>227.39</b>	<b>227.39</b>
<b>Net Carrying Value as at April 1, 2020</b>	<b>220.91</b>	<b>4783.31</b>	<b>5004.22</b>
<b>Net Carrying Value as at April 1, 2021</b>	<b>220.91</b>	<b>3096.02</b>	<b>3316.93</b>
<b>Net Carrying Value as at March 31, 2022</b>	<b>220.91</b>	<b>1510.64</b>	<b>1731.55</b>

The amount recognised in the Consolidated Statement of Profit and Loss for investment property:

	₹ Lakh	
Particulars	2022	2021
Rental Income	242.02	381.07
Direct Operating Expenses	51.25	59.74
<b>Profit from investment property before depreciation</b>	<b>190.77</b>	<b>321.33</b>
Depreciation for the period	60.88	88.73
<b>Profit from investment property</b>	<b>129.89</b>	<b>232.60</b>

- (a) As at March 31, 2022, the fair value of Land was at ₹ 12000 Lakh (PY ₹ 9614 Lakh).
- (b) As at March 31, 2022, the fair value of Building was at ₹ 1570 Lakh (PY ₹ 1597 Lakh). The valuation factors in the rates prevailing at the time of disposal of a part of the Investment Property during the year.
- (c) The fair value of land included in investment property is based on the valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

### Operating Lease

The Holding Company has leased out part of its investment property for minimum period upto three years.

#### Minimum lease receipts under Non-cancellable Operating Lease:

	₹ Lakh	
Particulars	2022	2021
Within one year	127.76	247.72
Later than one year and not later than three years	261.11	543.95

## Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

### Note No. 3: Goodwill and Other Intangible Assets

Particulars	Goodwill	Brands / Trademarks	Capitalised Software	₹ Lakh Total
<b>Gross Carrying Value as at April 1, 2020</b>	<b>132058.60</b>	<b>21315.27</b>	<b>3887.27</b>	<b>25202.54</b>
Additions	-	-	286.32	286.32
Deductions / Adjustments	(4676.11)	(1022.04)	(152.41)	(1174.45)
<b>Gross Carrying Value as at April 1, 2021</b>	<b>127382.49</b>	<b>20293.23</b>	<b>4021.18</b>	<b>24314.41</b>
Additions	-	-	146.67	146.67
Deductions / Adjustments	4910.00	1073.16	(1,287.77)	(214.61)
<b>Gross Carrying Value as at March 31, 2022</b>	<b>132292.49</b>	<b>21366.39</b>	<b>2880.08</b>	<b>24246.47</b>
<b>Accumulated Depreciation as at April 1, 2020</b>	<b>1068.20</b>	<b>7595.72</b>	<b>3396.30</b>	<b>10992.02</b>
Amortisation	-	1188.93	198.41	1387.34
Deductions / Adjustments	(252.44)	(577.98)	(145.11)	(723.09)
<b>Accumulated Depreciation as at April 1, 2021</b>	<b>815.76</b>	<b>8206.67</b>	<b>3449.60</b>	<b>11656.27</b>
Amortisation	-	1186.46	225.84	1412.30
Deductions / Adjustments	265.08	655.73	(1,298.97)	(643.24)
<b>Accumulated Depreciation as at March 31, 2022</b>	<b>1080.84</b>	<b>10048.86</b>	<b>2376.47</b>	<b>12425.33</b>
<b>Net Carrying Value as at April 1, 2020</b>	<b>130990.40</b>	<b>13719.55</b>	<b>490.97</b>	<b>14210.52</b>
<b>Net Carrying Value as at April 1, 2021</b>	<b>126566.73</b>	<b>12086.56</b>	<b>571.58</b>	<b>12658.14</b>
<b>Net Carrying Value as at March 31, 2022</b>	<b>131211.65</b>	<b>11317.53</b>	<b>503.61</b>	<b>11821.14</b>

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, 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 the enterprise operates.

Other key assumptions applied in determining value in use are

- 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. The growth rate assumed for the current financial year was 2.0%.
- 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 pre-tax discount rate assumed for the current financial year was 12.75%.

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.

The Holding Company has not revalued its Intangible Assets during the current reporting period.

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

## Note No. 4: Investments

₹ Lakh

Particulars	Face Value of Each (₹)	2022			2021		
		Number of Shares	Current	Non Current	Number of Shares	Current	Non Current
<b>A. Investments Carried at Fair Value through OCI</b>							
<b>Quoted Investments</b>							
<b>Investment in Quoted Equity Instruments</b>							
Tata Chemicals Limited	10.00	150	-	1.46	150	-	1.13
<b>AGGREGATE AMOUNT OF QUOTED INVESTMENTS</b>			-	<b>1.46</b>		-	<b>1.13</b>
Total cost of Quoted Investments ₹0.39 Lakh (PY ₹0.39 Lakh) and market value ₹1.46 Lakh (PY ₹1.13 Lakh)							
<b>Investments in Unquoted Equity Instruments</b>							
Southern Scribe Instruments Private Limited *	100.00	7280	-	7.28	7280	-	7.28
Armstrong Power Private Limited *	100.00	1100	-	1.10	-	-	-
K.T.V. Oil Mills Private Limited *	100.00	1450	-	1.44	1450	-	1.44
Mytrah Vayu (Manjira) Private Limited *	10.00	-	-	-	162500	-	16.25
Coorg Orange Growers Co-Operative Society Ltd. **	100.00	4	-	-	4	-	-
Tata Coffee Co-operative Stores Limited **	5.00	20	-	-	20	-	-
Coorg Cardamom Co-operative Marketing Society Limited **	100.00	1	-	-	1	-	-
<b>AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS</b>			-	<b>9.82</b>		-	<b>24.97</b>
<b>B Investments designated as Fair Value Through Profit and Loss</b>							
Investments in Mutual Funds			4093.73	-		3538.82	-
Cost of Investments in Mutual Funds ₹4087.05 Lakh (PY ₹3525.33 Lakh)							
Tata Overnight fund - Direct plan - Growth - 184707.270 Units;							
Cost of Investment ₹2067.98 Lakh; Fair Value ₹2071.38 Lakh							
Axis Overnight Fund Direct Growth - 179950.036 Units;							
Cost of Investment ₹2019.07 Lakh; Fair Value ₹2022.35 Lakh							
			<b>4093.73</b>	<b>11.28</b>		<b>3538.82</b>	<b>26.10</b>

\* Relating to Power Purchase Agreement entered by the Holding Company

\*\* Represents amount less than ₹1000

## Note No. 5: Loans

₹ Lakh

Particulars	2022			2021		
	Current	Non-Current	Total	Current	Non-Current	Total
<b>Unsecured Considered Good</b>						
Employee Loans and Advances	177.76	20.98	198.74	210.20	16.45	226.65
Inter Corporate Deposits to Related Parties	-	-	-	7000.00	-	7000.00
	<b>177.76</b>	<b>20.98</b>	<b>198.74</b>	<b>7210.20</b>	<b>16.45</b>	<b>7226.65</b>

No Loans or Advances are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person.

## Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

### Note No. 6: Other Financial Assets

Particulars	2022			2021		
	Current	Non-Current	Total	Current	Non-Current	Total
<b>Security Deposits</b>						
Secured, considered good	-	22.94	22.94	-	22.32	22.32
Less: Allowance for bad and doubtful deposits						
	-	<b>22.94</b>	<b>22.94</b>	-	<b>22.32</b>	<b>22.32</b>
<b>Other Deposits</b>						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	853.51	-	853.51	540.35	-	540.35
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)
	<b>853.51</b>	-	<b>853.51</b>	<b>540.35</b>	-	<b>540.35</b>
Interest Accrued (including from Related Parties ₹ Nil) (PY: ₹132.46 Lakh)	117.07	-	117.07	234.09	-	234.09
Export Incentives Receivable	214.31	-	214.31	875.94	-	875.94
Other Financial Assets	5258.81	13.89	5272.70	2633.13	43.10	2676.23
	<b>6443.70</b>	<b>36.83</b>	<b>6480.53</b>	<b>4283.51</b>	<b>65.42</b>	<b>4348.93</b>

₹ Lakh

						₹ Lakh
<b>Movements in Provision for Financial Assets</b>						
<b>As at April 1, 2020</b>						<b>41.84</b>
Provision during the year						-
<b>As at April 1, 2021</b>						<b>41.84</b>
Provision during the year						-
<b>As at March 31, 2022</b>						<b>41.84</b>

### Note No. 7: Other Non-current and Current assets

Particulars	2022			2021		
	Current	Non-Current	Total	Current	Non-Current	Total
Capital Advances	-	238.95	238.95	-	337.93	337.93
<b>Advances to suppliers</b>						
Secured, considered good	319.96	-	319.96	28.17	-	28.17
Unsecured, considered good	554.38	-	554.38	233.97	-	233.97
Doubtful	66.09	2.99	69.08	66.09	2.99	69.08
Less: Provision for Doubtful Advances	(66.09)	(2.99)	(69.08)	(66.09)	(2.99)	(69.08)
Other Receivables	1307.60	176.84	1484.44	1136.91	429.10	1566.01
Advances to Related Parties	1108.90	-	1108.90	1125.69	-	1125.69
Prepayments	1075.11	370.62	1445.73	864.95	500.16	1365.11
	<b>4365.95</b>	<b>786.41</b>	<b>5152.36</b>	<b>3389.69</b>	<b>1267.19</b>	<b>4656.88</b>

₹ Lakh

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

## Movements in Provision for Other Non-current and Current Assets

	₹ Lakh
<b>As at April 1, 2020</b>	<b>69.08</b>
Provision for Doubtful Advances	-
<b>As at April 1, 2021</b>	<b>69.08</b>
Provision for Doubtful Advances	-
<b>As at March 31, 2022</b>	<b>69.08</b>

## Note No. 8: Inventories including Biological Assets

	2022	2021
<b>Particulars</b>		
Stores and spares	3453.68	2526.28
Raw materials	11095.82	7539.90
Raw materials in Transit	2564.22	1998.62
Finished Goods	28979.79	23520.92
Work-in-progress, including Growing Produce of ₹ 1041.94 Lakh (PY ₹ 706.03 Lakh)	1629.62	941.91
Stock-in-trade	9686.34	6286.19
	<b>57409.47</b>	<b>42813.82</b>

## Note No. 9: Trade Receivables

	2022	2021
<b>Particulars</b>		
	<b>Current</b>	<b>Current</b>
Trade Receivables		
Secured, considered good	1369.39	2930.79
Unsecured, considered good	26171.84	17245.45
Doubtful	31.78	31.78
Less: Provision for Doubtful Receivables	(31.78)	(31.78)
Trade Receivables from Related Parties	1779.36	1145.08
	<b>29320.59</b>	<b>21321.32</b>

The credit worthiness of Trade Receivables and the credit terms set are determined on a case to case basis. Considering that adequate insurance cover has been taken on export debts and based on the other internal and external sources of information as determined by the Management, the Company has concluded that there is a low probability of default 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 these become overdue.

	₹ Lakh
<b>Movements in Provision for impairment of Trade Receivables</b>	
<b>As at April 1, 2020</b>	<b>31.78</b>
Additions / Adjustments	-
<b>As at April 1, 2021</b>	<b>31.78</b>
Additions / Adjustments	-
<b>As at March 31, 2022</b>	<b>31.78</b>

## Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

### Trade Receivables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months*	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	
<b>As at March 31, 2022</b>						
Undisputed- considered good	28100.15	529.04	640.08	15.10	36.22	29320.59
<b>Total</b>	<b>28100.15</b>	<b>529.04</b>	<b>640.08</b>	<b>15.10</b>	<b>36.22</b>	<b>29320.59</b>
<b>As at March 31, 2021</b>						
Undisputed- considered good	20689.54	498.10	58.93	19.47	55.28	21321.32
<b>Total</b>	<b>20689.54</b>	<b>498.10</b>	<b>58.93</b>	<b>19.47</b>	<b>55.28</b>	<b>21321.32</b>

\* includes amount not yet due for payments

### Note No. 10: Cash and Cash Equivalents/Bank Balances

Particulars	2022	2021
Unrestricted Balances with banks		
in current accounts	8211.35	19084.79
in deposit accounts with original maturity less than 3 months	-	4879.77
Cash in hand	3.87	3.65
Remittances in Transit	0.02	0.03
<b>Cash and Cash Equivalents</b>	<b>8215.24</b>	<b>23968.24</b>
Unrestricted Balances with banks in deposit accounts with original maturity more than 3 months but less than 12 months	9650.39	4255.33
Unpaid Dividend / Debenture / Debenture Interest	227.14	238.79
<b>Other Bank Balances</b>	<b>9877.53</b>	<b>4494.12</b>

### Note No. 11: Non-current Assets Held for Sale

Particulars	Timber
<b>As at April 1, 2020</b>	<b>80.41</b>
Additions	88.16
Disposals	(43.24)
<b>As at April 1, 2021</b>	<b>125.33</b>
Additions	60.29
Disposals	(136.42)
<b>As at March 31, 2022</b>	<b>49.20</b>

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

## Note No. 12 (a): Equity Share Capital

Particulars	₹ Lakh	
	2022	2021
	No. of shares	No. of shares
<b>Authorised:</b>		
250000000 (PY 250000000) Equity shares of ₹1 each with voting rights	2500.00	2500.00
<b>Issued, Subscribed and Fully Paid:</b>		
186770370 (PY 186770370) Equity shares of ₹ 1 each with voting rights	1867.70	1867.70
	<b>1867.70</b>	<b>1867.70</b>

### A. Details of Shares held by Parent Company [Promoter Group]:

Particulars	₹ Lakh	
	2022	2021
	No. of shares	No. of shares
Name of Shareholder		
Tata Consumer Products Limited - Parent Company [Promoter Group]	107359820	107359820
% of Holding	57.48%	57.48%

### B. Details of Shareholders holding more than 5% shares:

Particulars	₹ Lakh	
	2022	2021
	No. of shares	No. of shares
Name of Shareholder		
Tata Consumer Products Limited - Parent Company [Promoter Group]	107359820	107359820
% of Holding	57.48%	57.48%

### C. Reconciliation of number of shares:

Particulars	₹ Lakh	
	2022	2021
Number of shares as at 1 <sup>st</sup> April	186770370	186770370
Add: Shares issued during the year	-	-
Number of shares as at 31 <sup>st</sup> March	186770370	186770370

### D. Dividends Paid:

Particulars	₹ Lakh	
	2022	2021
Dividends Paid (₹ in Lakh)	2801.55	2801.55
Dividend Per Share (₹)	1.50	1.50

### 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. 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 April 26, 2022, have recommended a dividend of ₹ 2.00 per share (face value of ₹ 1/- each) for the year ended March 31, 2022. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements.

## Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

### Note No. 12 (b): Other Equity

Particulars	₹ Lakh	
	2022	2021
Capital Redemption Reserve	10.41	10.41
Securities Premium	14424.27	14424.27
General Reserves I	23827.79	23827.79
General Reserves II	14189.66	12592.58
Amalgamation Reserves	832.53	832.53
Retained Earnings	88478.15	78103.68
Equity instruments through Other Comprehensive Income	1.07	0.74
Effective portion of Cash Flow Hedges	354.16	(556.01)
Foreign Currency Translation Reserve	8724.28	6747.28
Actuarial Gain / (Loss)	(879.76)	(885.27)
	<b>149962.56</b>	<b>135098.00</b>

### 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

Securities Premium 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.

#### 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 (a): Borrowings

Particulars	2022			2021		
	Current	Non-Current	Total	Current	Non-Current	Total
<b>Secured Borrowings:</b>						
Term Loans						
From Banks:						
Loans from Related Party	-	26336.16	26336.16	-	-	-
External Commercial Borrowings	-	24187.18	24187.18	-	28754.20	28754.20
Current maturities of long-term debt	9417.56	-	9417.56	48603.92	-	48,603.92
<b>Unsecured Borrowings:</b>						
Loans from Related Party	22736.25	-	22736.25	-	21931.38	21931.38
From Banks:						
Working Capital Facilities	19158.48	-	19158.48	16425.07	-	16425.07
	<b>51312.29</b>	<b>50523.34</b>	<b>101835.63</b>	<b>65028.99</b>	<b>50685.58</b>	<b>115714.57</b>

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

1. The long term borrowing outstanding is secured by way of mortgage over certain assets, interest being charged at Libor plus margin. The agreement required compliances with various financial covenants.
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. Interest being charged at LIBOR plus margin. As per the terms of the External Commercial Borrowing, the overseas subsidiary is required to comply with various covenants. The wholly owned Subsidiary Company has not defaulted on repayment of principal/interest during the year.
3. The Working Capital facilities of the Holding Company are repayable on demand and are re-drawable subsequently after repayment.
4. The Holding Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
5. The group has not defaulted in repayment of borrowings and payment of interest during the year.

## Note No. 14 (b): Lease Liabilities

₹ Lakh

Particulars	Mar-22			Mar-21		
	Current	Non-Current	Total	Current	Non-Current	Total
Lease Liabilities	608.40	8485.20	9093.60	537.34	8654.66	9192.00
	<b>608.40</b>	<b>8485.20</b>	<b>9093.60</b>	<b>537.34</b>	<b>8654.66</b>	<b>9192.00</b>

Rental expense recorded for short-term leases, under Ind AS 116, during the year ended March 31, 2022 is ₹ 42.98 Lakh (PY ₹ 63.34 Lakh)

	2022	2021
	₹ Lakh	₹ Lakh
Short term leases	42.98	63.34
<b>Total</b>	<b>42.98</b>	<b>63.34</b>

## Note No. 15: Other Financial Liabilities

₹ Lakh

Particulars	2022			2021		
	Current	Non-Current	Total	Current	Non-Current	Total
Deposits received	-	94.67	94.67	-	225.57	225.57
Unpaid Dividends / Debenture / Debenture Interest	227.14	-	227.14	238.79	-	238.79
Interest Accrued but not due	-	-	-	2.92	-	2.92
Interest payable to Related Parties	15.16	-	15.16	-	-	-
Employee Benefits	2537.79	-	2537.79	2456.39	-	2456.39
Other Payables	14759.37	61.48	14820.85	13871.74	177.99	14049.73
	<b>17539.46</b>	<b>156.15</b>	<b>17695.61</b>	<b>16569.84</b>	<b>403.56</b>	<b>16973.40</b>

## Note No.16: Provisions

₹ Lakh

Particulars	2022			2021		
	Current	Non-Current	Total	Current	Non-Current	Total
Provision for employee benefits	272.44	3578.22	3850.66	279.44	3938.67	4218.11
	<b>272.44</b>	<b>3578.22</b>	<b>3850.66</b>	<b>279.44</b>	<b>3938.67</b>	<b>4218.11</b>

## Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

Details of Movement in Provisions:

	₹ Lakh		
	Current	Non-Current	Total
Particulars	Employee Benefits	Employee Benefits	Employee Benefits
<b>Balance at April 1, 2020</b>	<b>340.48</b>	<b>4188.49</b>	<b>4528.97</b>
Additions/utilised (net)	(61.04)	(249.82)	(310.86)
<b>Balance at April 1, 2021</b>	<b>279.44</b>	<b>3938.67</b>	<b>4218.11</b>
Additions/utilised (net)	(7.00)	(360.45)	(367.45)
<b>Balance at March 31, 2022</b>	<b>272.44</b>	<b>3578.22</b>	<b>3850.66</b>

### Note No. 17: Tax Provision

#### a) Tax charge in the Statement of Profit and Loss:

	₹ Lakh	
Particulars	2022	2021
<b>Current tax</b>		
Current year	7626.26	6579.38
<b>Deferred tax</b>		
Deferred Tax expenses for the year	147.63	698.61
<b>Income Tax expense for the year</b>	<b>7773.89</b>	<b>7277.99</b>

#### b) Reconciliation of Effective Tax Rate

	₹ Lakh	
Particulars	2022	2021
<b>Profit before Tax</b>	31113.97	28432.77
Tax using Domestic tax rate (Current year: 25.168% and Previous year: 25.168%)	7830.76	7155.96
<b>Tax effect of</b>		
Income tax at different rate	465.04	645.08
Non-deductible tax expenses	105.49	189.70
Tax-exempt income	(627.40)	(712.75)
	<b>7773.89</b>	<b>7277.99</b>

#### c) Current / Non-current Tax Assets / Liabilities

	₹ Lakh	
Particulars	2022	2021
Current Tax Liabilities	340.79	172.37
Non-current Tax Assets	1288.13	1425.57
	<b>947.34</b>	<b>1253.20</b>

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

## d) The analysis of Deferred Tax Assets and Deferred Tax Liabilities are as follows:

Particulars	₹ Lakh	
	2022	2021
Deferred Tax Assets	1433.53	2154.65
Deferred Tax Liabilities	16077.76	16072.16
<b>Deferred Tax Liabilities (Net)</b>	<b>14644.23</b>	<b>13917.51</b>

## e) The movement in deferred income tax (assets) and liabilities during the year are as follows:

Particulars	₹ Lakh					
	Depreciation	Other Liabilities	Provision for Doubtful Debts	Employee Benefits	Other Assets	Total
<b>As at April 1, 2020</b>	<b>2160.15</b>	<b>13656.71</b>	<b>(15.39)</b>	<b>(463.20)</b>	<b>(1967.51)</b>	<b>13370.75</b>
(Charged) / credited						
- to Statement of Profit and Loss	(38.24)	(33.19)	-	132.09	637.95	698.61
- to Other Comprehensive Income	-	251.52	-	-	(28.58)	222.94
- to Others	-	(360.59)	-	-	(14.20)	(374.99)
<b>As at April 1, 2021</b>	<b>2121.91</b>	<b>13514.45</b>	<b>(15.39)</b>	<b>(331.11)</b>	<b>(1372.34)</b>	<b>13917.51</b>
(Charged) / credited						
- to Statement of Profit and Loss	(58.13)	-	-	209.73	(3.97)	147.63
- to Other Comprehensive Income	-	49.54	-	-	(228.59)	(179.05)
- to Others	-	86.67	-	-	671.46	758.13
<b>As at March 31, 2022</b>	<b>2063.78</b>	<b>13650.66</b>	<b>(15.39)</b>	<b>(121.38)</b>	<b>(933.44)</b>	<b>14644.23</b>

## Note No. 18 (a): Trade Payables to Micro and Small Enterprises

Particulars	₹ Lakh	
	2022	2021
	Current	Current
<b>Trade payables for goods &amp; services</b>		
Total outstanding dues of Micro and Small Enterprises *	69.51	243.69
	<b>69.51</b>	<b>243.69</b>

\* includes amounts due beyond the applicable period of ₹ 0.82 Lakh (₹ Nil Lakh) and interest ₹0.03 Lakh (₹ Nil)

## Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

### Note No. 18 (b): Trade Payables to Others

Particulars	2022	2021
	Current	Current
<b>Trade payables for goods &amp; services</b>		
Total outstanding dues of creditors other than Micro and Small Enterprises	15585.90	11119.59
Trade payables to Related Parties	1462.36	1537.50
	<b>17048.26</b>	<b>12657.09</b>
(i) Principal amount, due remaining unpaid to Micro and Small Enterprises	69.51	243.69
(ii) Interest due, remaining unpaid to Micro and Small Enterprises	-	-
(iii) Interest due and payable to Micro and Small Enterprises	-	-

The information regarding Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Holding Company.

### Trade Payables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year*	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
As at March 31, 2022					
MSME	69.51	-	-	-	69.51
Others	16946.42	0.16	-	101.68	17048.26
<b>Total</b>	<b>17015.93</b>	<b>0.16</b>	<b>-</b>	<b>101.68</b>	<b>17117.77</b>
As at March 31, 2021					
MSME	243.69	-	-	-	243.69
Others	12534.09	65.00	-	58.00	12657.09
<b>Total</b>	<b>12777.78</b>	<b>65.00</b>	<b>-</b>	<b>58.00</b>	<b>12900.78</b>

\* Includes amounts not yet due for payment and unbilled dues

There are no disputed dues to MSME and others

### Note No. 19: Other Current Liabilities

Particulars	2022	2021
	Current	Current
Statutory Liabilities	623.55	1029.55
Advances from Customers	1112.38	943.06
	<b>1735.93</b>	<b>1972.61</b>

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

## Note No. 20: Revenue from Operations

	₹ Lakh	
Particulars	2022	2021
<b>Revenue from contracts with customers</b>		
Sale of Goods	167080.88	160332.32
Sale of Traded Goods	66335.63	62502.29
Rendering of Services	942.94	536.35
<b>Revenue from contracts with customers</b>	<b>234359.45</b>	<b>223370.96</b>
Sale of Scrap / waste	266.24	206.62
Export Incentives	439.42	1025.21
Royalty Income	487.33	376.31
Exchange Fluctuation (Net)	499.53	-
Miscellaneous Income	298.13	515.74
<b>Other Operating Revenues</b>	<b>1990.65</b>	<b>2123.88</b>
<b>Revenue from Operations</b>	<b>236350.10</b>	<b>225494.84</b>

## Note No. 21: Other Income

	₹ Lakh	
Particulars	2022	2021
<b>Interest Income</b>		
On Advances and Deposits at amortised cost	551.89	711.27
<b>Dividend Income</b>		
Dividend income from Other Non Current Investments at Fair Value through Other Comprehensive Income	0.01	0.02
Net Gain on sale of Current investments at Fair Value through Profit or Loss	129.92	211.72
(Loss) / Gain on investments carried at Fair Value through Profit or Loss	20.54	(68.92)
Royalty Income	22.23	-
Profit on Sale of Biological Assets - Timber (Net)	1597.08	826.94
Rental income from Investment property	242.02	381.07
Operating Lease Rental income	8.91	16.74
Profit on sale of Property, Plant and Equipment/Investment Property (net)	-	1300.48
	<b>2572.60</b>	<b>3379.32</b>

## Note No. 22 (a): Cost of materials consumed

	₹ Lakh	
Particulars	2022	2021
Coffee	74447.76	63090.86
Tea	517.43	617.77
Others	658.14	917.12
Packing Materials	11050.36	10688.03
	<b>86673.69</b>	<b>75313.78</b>

## Note No. 22 (b): Purchase of Traded Goods

	₹ Lakh	
Particulars	2022	2021
Coffee	33118.96	32459.10
Others	3991.23	3561.49
	<b>37110.19</b>	<b>36020.59</b>

## Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

### Note No. 22 (c): Changes in Inventories of finished goods, work-in-progress, Stock-in-trade and Biological Assets

Particulars	₹ Lakh	
	2022	2021
<b>Opening Inventories as at April 1</b>		
Finished Goods	23520.92	22933.26
Work-in-progress including Growing Produce	941.91	735.11
Stock in Trade	6286.19	7868.09
	<b>30749.02</b>	<b>31536.46</b>
<b>Closing Inventories as at March 31</b>		
Finished Goods	28979.80	23520.92
Work-in-progress including Growing Produce	1629.62	941.91
Stock in Trade	9686.34	6286.19
	<b>40295.76</b>	<b>30749.02</b>
	<b>(9546.74)</b>	<b>787.44</b>

### Note No. 23: Employee Benefits Expense

Particulars	₹ Lakh	
	2022	2021
Salaries and wages, including bonus	32099.83	30674.90
Contribution to provident and other funds	2823.02	2519.23
Workmen and Staff Welfare	2103.24	2027.63
	<b>37026.09</b>	<b>35221.76</b>

### Note No. 24: Finance Costs

Particulars	₹ Lakh	
	2022	2021
<b>Interest expense</b>		
On Fixed Loans	2241.67	3159.87
On Working Capital Loans	1718.44	1444.90
Interest on Defined Benefit Plans	169.59	221.37
Interest on Leases	400.38	422.87
Bank Charges	117.94	108.54
	<b>4648.02</b>	<b>5357.55</b>

### Note No. 25: Other Expenses

Particulars	₹ Lakh	
	2022	2021
Contract / Processing Charges	2987.72	2595.95
Consumption of Stores and Spare Parts	4117.80	3730.94
Power and Fuel	7976.76	6269.28
Repairs and Maintenance	2854.87	2945.68
Rent including Lease Rentals	42.98	63.34
Rates and Taxes	295.25	504.63
Advertisement and Sale Charges	4347.04	4905.63
Selling Expenses	4120.04	3552.20
Freight	9825.00	8792.08

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

	₹ Lakh	
Particulars	2022	2021
Insurance	1070.56	834.21
Exchange Fluctuation (Net)	-	281.97
Expenditure on Corporate Social Responsibility	174.72	129.75
Payment to Statutory Auditors [Refer Note No. 32]	114.00	100.00
Professional Charges	1818.50	1491.54
Miscellaneous Expenses	3382.52	2948.95
Loss on sale of Property, Plant and Equipment	47.92	-
	<b>43175.67</b>	<b>39146.14</b>

## Note No. 26: Exceptional Items

	₹ Lakh	
Particulars	2022	2021
<b>Expenses</b>		
Expenditure on Business Restructuring/Merger	626.32	315.89
	<b>(626.32)</b>	<b>(315.89)</b>

## Note No. 27: Estimated amounts of Contracts remaining to be executed:

	₹ Lakh	
Particulars	2022	2021
Estimated amounts of contracts remaining to be executed on capital account and not provided for	<b>304.78</b>	<b>1036.33</b>

## Note No. 28: Contingent Liabilities:

	₹ Lakh	
Particulars	2022	2021
Claims under adjudication not acknowledged as debts:		
i) Demands raised by Income Tax, Excise & Sales Tax Authorities	2317.27	1176.99
ii) Labour disputes under adjudication	65.15	94.00
iii) Claims by Customers / Suppliers	183.13	170.86
iv) For Bank & other Guarantees	31.55	734.33

## Note No. 29: Litigations

The Holding Company's overseas subsidiary in US along with several other coffee companies that roast, package, market and/or sell coffee in the State of California are defendants in public interest litigation filed by an organisation 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 they are roasted. The subsidiary is part of a Joint Defense Group (JDG) that is arguing the case on behalf of several leading coffee companies as defendants. During 2018 the California Office of Environmental Health Hazard Assessment (OEHHA) proposed a new regulation clarifying that cancer warnings are not required for coffee under Proposition 65 list and subsequently in June 2019, the proposed regulation was adopted by the Office of Administrative law which became law on October 1, 2019. The JDG filed a motion for summary judgment in January, 2020 which was granted in August, 2020. As a result, the litigation was dismissed and final judgment was entered on October 6, 2020. Defense filed appeals brief in August, 2021 and Plaintiff filed a reply to the Defense's appeal brief in November 2021. We expect Court to schedule oral arguments in the near term, then take the matter under submission and issue an opinion. At this stage of the proceedings, 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, if any, which is appealable in higher courts.

## Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

### Note No. 30:

The Board of Directors of the Holding Company in their meeting dated March 29, 2022 have approved the Composite Scheme of Arrangement amongst Tata Consumer Products Limited ("TCPL"), the Company and TCPL Beverages & Foods Limited ("TBFL") (the Company, TBFL and TCPL are collectively referred to as the "Companies") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and / or regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (such scheme referred to as the "Scheme"). The Scheme inter alia provides for the following: as a first step, the demerger of the Demerged Undertaking (as defined in the Scheme) comprising of Plantation Business (as defined in the Scheme) of the Company into TBFL and in consideration, the consequent issuance of equity shares by TCPL (as the holding company of TBFL) to all the shareholders of the Company (other than TCPL) in accordance with the Share Entitlement Ratio (as defined in the Scheme), pursuant to the provisions of Section 2(19AA) read with Section 2(41A) and other relevant provisions of the IT Act ("Demerger"); as a second step, followed immediately by the amalgamation of the Company (comprising the Remaining Business of the Company (as defined in the Scheme)) with TCPL and in consideration, the consequent issuance of equity shares by TCPL to all the shareholders of the Company (other than TCPL) in accordance with the Share Exchange Ratio (as defined in the Scheme) pursuant to the provisions of Section 2(1B) and other relevant provisions of the IT Act (as defined hereinafter) ("Amalgamation"); and various other matters consequential or otherwise integrally connected therewith. The Scheme is subject to inter-alia receipt of the approval of the requisite majority of the public shareholders and creditors (if applicable) of the Companies, the Stock Exchanges, the Securities and Exchange Board of India, National Company Law Tribunals (benches at Kolkata and Bengaluru) and other regulatory authorities, as may be applicable. Pending receipt of necessary approvals, no effect of the Scheme has been given in the financial statements for the year ended March 31, 2022.

### Note No. 31: R & D Expenditure

	₹ Lakh	
Particulars	2022	2021
Capital Expenditure	2.53	0.10
Revenue Expenditure	88.63	76.25
<b>Total</b>	<b>91.16</b>	<b>76.35</b>
<b>Total R&amp;D Expenditure as % of Revenue</b>	<b>0.04%</b>	<b>0.03%</b>

### Note No. 32: Payment to Statutory Auditors

	₹ Lakh	
Particulars	2022	2021
Audit Fees	60.00	40.00
Tax Audit Fees	15.00	12.00
Quarterly Audit Fees	25.00	18.00
Other Services	12.50	25.00
Reimbursement of expenses	1.50	5.00
<b>Total</b>	<b>114.00</b>	<b>100.00</b>

### Note No. 33: Leases

	₹ Lakh	
Minimum lease payments:	2022	2021
Within 1 Year	634.67	598.06
1 to 2 Years	705.01	1034.29
2 to 5 Years	1239.62	1431.89
<b>Total</b>	<b>2579.30</b>	<b>3064.24</b>

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

## Note No. 34: Basic and Diluted Earnings per share

Particulars	2022	2021
Profit for the year attributable to owners of the Holding Company (₹ Lakh)	14773.10	13364.04
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 (₹)	7.91	7.16

## Note No. 35: Financial Instruments-Accounting Classification and Fair Values

### A. Financial Instruments

#### A. Accounting Classification and Fair Values

₹ Lakh

March 31, 2022		Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Cost / Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets:</b>									
Quoted Equity Investments	Non-current	-	1.46	-	1.46	1.46	-	-	1.46
Unquoted Equity Investments	Non-current	-	9.82	-	9.82	-	9.82	-	9.82
Loans	Non-current	-	-	20.98	20.98	-	-	-	-
Other Financial Assets	Non-current	-	-	36.83	36.83	-	-	-	-
Investment in Mutual Funds	Current	4093.73	-	-	4093.73	4093.73	-	-	4093.73
Trade Receivables	Current	-	-	29320.59	29320.59	-	-	-	-
Cash and Cash Equivalents & Other Bank Balances	Current	-	-	18092.77	18092.77	-	-	-	-
Loans	Current	-	-	177.76	177.76	-	-	-	-
Other Financial Assets	Current	-	446.69	5997.01	6443.70	-	446.69	-	446.69
<b>Total Financial Assets</b>		<b>4093.73</b>	<b>457.97</b>	<b>53645.94</b>	<b>58197.64</b>	<b>4095.19</b>	<b>456.51</b>	<b>-</b>	<b>4551.70</b>

₹ Lakh

March 31, 2022		Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Cost / Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities:</b>									
Borrowings	Non-current	-	-	50523.34	50523.34	-	-	-	-
Lease Liabilities	Non-current	-	-	8485.20	8485.20	-	-	-	-
Other Financial Liabilities	Non-current	-	-	156.15	156.15	-	-	-	-
Borrowings	Current	-	-	51312.29	51312.29	-	-	-	-
Lease Liabilities	Current	-	-	608.40	608.40	-	-	-	-
Trade payables	Current	-	-	17117.77	17117.77	-	-	-	-
Other Financial Liabilities	Current	-	451.12	17088.34	17539.46	-	451.12	-	451.12
<b>Total Financial Liabilities</b>		<b>-</b>	<b>451.12</b>	<b>145291.49</b>	<b>145742.61</b>	<b>-</b>	<b>451.12</b>	<b>-</b>	<b>451.12</b>

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to the Consolidated Financial Statements for the year ended March 31, 2022

March 31, 2021		Carrying Amount			Fair Value				₹ Lakh
		FVTPL	FVTOCI	Cost / Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets:</b>									
Quoted Equity Investments	Non-current	-	1.13	-	1.13	1.13	-	-	1.13
Unquoted Equity Investments	Non-current	-	24.97	-	24.97	-	24.97	-	24.97
Loans	Non-current	-	-	16.45	16.45	-	-	-	-
Other Financial Assets	Non-current	-	-	65.42	65.42	-	-	-	-
Investment in Mutual Funds	Current	3538.82	-	-	3538.82	3538.82	-	-	3538.82
Trade Receivables	Current	-	-	21321.32	21321.32	-	-	-	-
Cash and Cash Equivalents & Other Bank Balances	Current	-	-	28462.36	28462.36	-	-	-	-
Loans	Current	-	-	7210.20	7210.20	-	-	-	-
Other Financial Assets	Current	-	1754.89	2528.62	4283.51	-	1754.89	-	1754.89
<b>Total Financial Assets</b>		<b>3538.82</b>	<b>1780.99</b>	<b>59604.37</b>	<b>64924.18</b>	<b>3539.95</b>	<b>1779.86</b>	<b>-</b>	<b>5319.81</b>

March 31, 2021		Carrying Amount			Fair Value				₹ Lakh
		FVTPL	FVTOCI	Cost / Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities:</b>									
Borrowings	Non-current	-	-	50685.58	50685.58	-	-	-	-
Lease Liabilities	Non-current	-	-	8654.66	8654.66	-	-	-	-
Other Financial Liabilities	Non-current	-	-	403.56	403.56	-	-	-	-
Borrowings	Current	-	-	65028.99	65028.99	-	-	-	-
Lease Liabilities	Current	-	-	537.34	537.34	-	-	-	-
Trade payables	Current	-	-	12900.78	12900.78	-	-	-	-
Other Financial Liabilities	Current	144.76	2026.60	14398.48	16569.84	144.76	2026.60	-	2171.36
<b>Total Financial Liabilities</b>		<b>144.76</b>	<b>2026.60</b>	<b>152609.39</b>	<b>154780.75</b>	<b>144.76</b>	<b>2026.60</b>	<b>-</b>	<b>2171.36</b>

### B. Measurement of Fair Values

The basis of measurement with respect to each class of financial assets and financial liabilities are disclosed in Note 2.2 (h) of the Significant Accounting Policies.

### Note No. 36: 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, which are responsible 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

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

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 function, 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.

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 ₹ 8215.24 Lakh at March 31, 2022 (March 31, 2021: ₹ 23968.24 Lakh).

## 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:

₹ Lakh

Particulars	2022					2021				
	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	70926.19	5926.02	11904.34	13079.08	101835.63	85898.12	5716.47	13749.80	10350.18	115714.57
Leases	608.40	792.95	1239.62	6452.63	9093.60	537.34	927.57	1380.32	6346.77	9192.00
Trade Payables	17117.77	-	-	-	17117.77	12900.78	-	-	-	12900.78
Other Financial Liabilities	17539.46	156.15	-	-	17695.61	16569.84	323.18	80.38	-	16973.40
<b>Total</b>	<b>106191.82</b>	<b>6875.12</b>	<b>13143.96</b>	<b>19531.71</b>	<b>145742.61</b>	<b>115906.08</b>	<b>6967.22</b>	<b>15210.50</b>	<b>16696.95</b>	<b>154780.75</b>

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to the Consolidated Financial Statements for the year ended March 31, 2022

### 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 and Tea Mosquito Bug [TMB] infestation are continuous threats being faced. The Holding 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 and Government agencies 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.

#### Coffee Futures/Options:

The Holding Company uses Coffee futures/options contracts to reduce its price risk associated with forecasted sales of Coffee beans. These coffee futures/options have been designated as Cash Flow Hedges.

Type of Derivatives	Currency Pair	2022			2021		
		No. of Contracts	Amount Hedged USD in Mm	Fair Value ₹ lakh	No. of Contracts	Amount Hedged USD in Mm	Fair Value ₹ lakh
Coffee	Futures	55	1.83	10.25	47	0.74	28.26
Coffee	Options - Written Calls	15	1.36	(15.47)			
Coffee	Options - Purchased Puts	30	1.59	48.93			

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:

The overseas subsidiary had 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 had 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 trades in 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. The bought calls give the subsidiary the right to buy coffee if the spot price rises above the contract strike price.

Type of Commodities	Futures / Options	2022			2021		
		No. of Contracts	Amount Hedged USD in Mm	Fair Value ₹ Lakh	No. of Contracts	Amount Hedged USD in Mm	Fair Value ₹ Lakh
Coffee	Options - Written Puts	-	-	-	259	11.07	(220.06)
Coffee	Options - Purchased Puts	-	-	-	190	(7.84)	89.93
Coffee	Options - Written Calls	-	-	-	475	31.35	(57.03)
Coffee	Options - Purchased Calls	-	-	-	480	(30.92)	42.40
Coffee	Futures	322	26.68	261.90	441	18.92	1514.84

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to the Consolidated Financial Statements for the year ended March 31, 2022

## Currency Risk

The Group is exposed to currency risk on account of its borrowings, receivables 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, mostly 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, 2022:

Type of Derivatives	Currency Pair	2022			2021		
		No. of Contracts	Amount Hedged Mm	Fair Value ₹ lakh	No. of Contracts	Amount Hedged Mm	Fair Value ₹ lakh
Forward exchange contracts	USD INR	101	16.20	62.68	121	17.48	159.99
Forward exchange contracts	EUR INR	12	1.41	26.81	15	1.56	51.80
Forward exchange contracts	GBP INR	6	0.74	15.72			

The carrying amount of the Group's foreign currency denominated Monetary Assets and Liabilities as at the end of reporting period are as below:

Currency	Amount in Mm			
	Monetary Assets		Monetary Liabilities	
	2022	2021	2022	2021
USD	7.97	8.63	2.02	1.30
EUR	0.32	0.21	-	-
GBP	0.26	-	-	-

The following table summarises approximate gain/(loss) on the Group's Profit before tax and pre-tax equity on account of appreciation/depreciation of underlying foreign currency amounts stated in the above table.

Particulars	Effect on Profit before tax		Effect on Pre-tax equity	
	2022	2021	2022	2021
Average USD rate	74.15	74.28	74.15	74.28
Average EUR rate	86.45	86.91	86.45	86.91
Average GBP rate	101.57	-	101.57	-
5% appreciation of USD INR	248	281	(700)	(716)
5% depreciation of USD INR	(248)	(281)	700	716

## 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 Group'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.

Type of Derivatives	Currency	No. of Contracts	2022		2021	
			Amount Hedged	Fair Value	Amount Hedged	Fair Value
			USD Mm	₹ Lakh	USD Mm	₹ Lakh
Interest Rate Swap - ECB	USD	3	22.33	(451.12)	27.01	(1532.38)
Interest Rate Swap - Senior Debt	USD	-	-	-	29.60	(494.22)

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to the Consolidated Financial Statements for the year ended March 31, 2022

### 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:

Particulars	₹ Lakh	
	Effect on Profit Before Tax	
	2022	2021
50 basis Points increase	(468.54)	(378.90)
50 basis Points decrease	468.54	378.90

### 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 requirements are met through equity, borrowings and operating cash flows.

The Group's Debt to equity ratio at March 31, 2022 is as below:

Particulars	₹ Lakh	
	2022	2021
Total Debt [including Lease Liabilities]	110929.23	124906.57
Total Equity	202555.27	182001.41
Debt Equity Ratio	0.55:1	0.69:1

## Note No. 37: Employee Benefits Obligations

### Post Retirement Employee Benefits:

#### a) Defined Contributions:

An amount of ₹ 1997.02 Lakh (previous year: ₹ 1749.66 Lakh) has been charged to the Statement of Profit and Loss towards defined contribution schemes.

#### (b) Defined Benefits:

The post retirement Defined Benefit Plans are limited to the Holding Company and the disclosures on the same are covered in Note No. 39 of the Standalone Financial Statements.

## Note No. 38: Fair Value Measurement of Agricultural Produce

The Fair Value Measurement disclosures are limited to the Holding Company and disclosures of the same are covered in Note No. 40 of the Standalone Financial Statements.

## Note No. 39: 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 yearical 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.

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

Primary Segment		₹ Lakh						
	PLANTATIONS		VALUE ADDED PRODUCTS		UNALLOCATED		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>I. Segment Revenue</b>								
External Sales	37309.74	36779.60	203835.19	191188.90	916.00	2603.94	242060.93	230572.44
Less: Inter-Segment Sales	3138.23	1698.28	-	-	-	-	3138.23	1698.28
<b>TOTAL REVENUE</b>	<b>34171.51</b>	<b>35081.32</b>	<b>203835.19</b>	<b>191188.90</b>	<b>916.00</b>	<b>2603.94</b>	<b>238922.70</b>	<b>228874.16</b>
<b>II. Segment Results</b>	2427.20	2834.99	34558.21	29879.67	-	-	36985.41	32714.66
Interest Expense	-	-	-	-	-	-	(4648.02)	(5357.55)
Unallocated & Exceptional Income / (Expense)	-	-	-	-	-	-	(1223.42)	1075.66
<b>PROFIT BEFORE TAX</b>	-	-	-	-	-	-	<b>31113.97</b>	<b>28432.77</b>
<b>III. Income Taxes</b>	-	-	-	-	-	-	7773.89	7277.99
<b>IV. Net Profit</b>	-	-	-	-	-	-	23340.08	21154.78
<b>V. Segment Assets</b>	57144.00	53282.84	294766.54	280253.99	16958.95	23525.93	368869.49	357062.76
<b>VI. Segment Liabilities</b>	6287.00	6199.76	144399.20	153348.33	15628.02	15513.26	166314.22	175061.35
<b>VII. Additions to Non-current Assets</b>	2156.75	2156.75	4078.55	1071.90	129.34	129.34	6364.64	3357.99
<b>VIII. Depreciation and Amortisation</b>	994.82	971.83	6956.20	7123.43	144.47	182.98	8095.49	8278.24
<b>IX. Material Non-Cash Items other than Depreciation and Amortisation</b>	-	-	-	-	-	-	-	-

Notes :

- a) Business Segments : The internal business segmentation and the activities encompassed therein are as follows :
  - i) Plantations: Includes cultivation, manufacture and sale of Coffee and Other Plantation Crops.
  - ii) Value Added Products: Includes Production and Sale of Roasted & Ground and Instant Coffee Products
  - iii) Unallocated income includes income from investments & exceptional items and expenditure includes expenses incurred on common services at the Corporate level
- b) The Segment-wise revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments.

## Note No. 39 (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.

		₹ Lakh	
Particulars		2022	2021
Secondary (Geographical) Segments			
CIS Countries *		16376.31	14393.01
Rest of the World *		60999.73	51019.20
USA		129771.03	129412.07
India		31775.63	34049.88
<b>Total</b>		<b>238922.70</b>	<b>228874.16</b>

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

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

## Additional Information pertaining to the Holding Company and its Subsidiaries

Name of the Entity	For the Year ended March 31, 2022						For the Year ended March 31, 2021						₹ Lakh				
	Net Assets		Share in Profit or Loss		Share of Other Comprehensive Income		Share of Total Comprehensive Income		Net Assets		Share in Profit or Loss			Share of Other Comprehensive Income		Share of Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount (₹ Lakh)	As a % of Consolidated Profit or Loss	Amount (₹ Lakh)	As a % of Consolidated Profit or Loss	Amount (₹ Lakh)	As a % of Consolidated Profit or Loss	Amount (₹ Lakh)	As a % of Consolidated Net Assets	Amount (₹ Lakh)	As a % of Consolidated Profit or Loss	Amount (₹ Lakh)		As a % of Consolidated Profit or Loss	Amount (₹ Lakh)	As a % of Consolidated Profit or Loss	Amount (₹ Lakh)
<b>Holding Company</b>																	
Tata Coffee Limited	76.70%	116448.45	38.59%	5700.23	(2.36%)	(6951)			79.68%	109135.28	42.41%	5667.76	328.98%	1231.12		6898.88	
<b>Subsidiaries</b>																	
<b>Foreign</b>																	
Consolidated Coffee Inc.	66.92%	101619.67	116.17%	17162.61	106.62%	3144.75			65.87%	90222.05	116.79%	15607.23	(667.41%)	(2497.57)		13109.96	
Tata Coffee Vietnam Company Limited	6.04%	9163.80	3.23%	477.24	48.96%	1444.26			3.76%	5155.51	(0.90%)	(12051)	105.28%	393.97		2734.6	
Less : Non controlling Interest	(33.41%)	(50725.00)	(57.99%)	(8566.98)	(53.22%)	(15697.5)			(32.87%)	(45035.71)	(58.30%)	(77907.4)	333.15%	1246.70		(6544.04)	
Less : Consolidation Elimination	(16.25%)	(24676.66)							(16.44%)	(22511.43)							
<b>TOTAL</b>	<b>100.00%</b>	<b>151830.26</b>	<b>100.00%</b>	<b>14773.10</b>	<b>100.00%</b>	<b>2949.75</b>	<b>100.00%</b>	<b>17722.85</b>	<b>100.00%</b>	<b>136965.70</b>	<b>100.00%</b>	<b>13564.04</b>	<b>100.00%</b>	<b>374.22</b>	<b>100.00%</b>	<b>13738.26</b>	

## Note No. 40: Financial Ratios

Ratio	Numerator	Denominator	2022	2021	% Variance
Current Ratio	Current Assets	Current Liabilities	1.35	1.14	18
Debt - Equity Ratio	Total Debt [including Lease Liabilities]	Total Equity	0.55	0.69	20
Debt Service Coverage Ratio <sup>^</sup>	Earnings available for Debt Service	Debt Service	0.66	2.73	(76)*
Return on Equity Ratio	Profit After Tax	Average Equity	12.14%	12.07%	1
Inventory Turnover Ratio	Net Sales	Average Inventory	4.66	5.28	(12)
Trade Receivables Turnover Ratio	Revenue from Contracts with Customers	Average Accounts Receivables	9.26	9.79	(5)
Trade Payables Turnover Ratio	Adjusted Expenses	Average Trade Payables	10.48	10.66	(2)
Net Capital Turnover Ratio	Revenue from Operation	Average Working Capital	1.13	1.24	(9)
Net Profit Ratio	Profit After Tax	Revenue from Operations	9.88%	9.38%	5
Return on Capital Employed	Earnings Before Interest and Tax	Average Capital Employed	21.40%	19.97%	7
Return on Investment	Income generated from Investments	Average Investments	4.20%	5.53%	(24)

<sup>^</sup>Excluding Working Capital facilities which are re-drawable subsequently after repayment

\*On repayment of borrowings during the year

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

## Note No. 41: Other Disclosures

- Relationship with Struck off Companies - The Holding Company does not have any transactions or relationships with any companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- There are no transactions for the Holding Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 which have not been recorded in the books of account.
- There are no charges or satisfaction of charges for the Holding Company yet to be registered with Registrar of Companies beyond the statutory period.

## Note No. 42 (a): Related Party Transactions

In accordance with Ind AS 24, the disclosures required are given below:

₹ Lakh

Sl.	Nature of transaction	Promoter		Parent Company		Key Management Personnel		Fellow Subsidiaries/JVs		Subsidiaries/JVs of Promoter		Post Employment Benefit Plans		Total	
		For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
1	Sale of Goods	-	-	5092.78	4514.69	-	-	2406.58	1578.53	70.58	-	-	-	7569.94	6093.22
2	Rendering of Services	-	-	-	-	-	-	78.70	88.69	40.32	31.89	-	-	119.02	120.58
3	Purchase of Goods	-	-	-	10.65	-	-	8.18	-	3683.13	3221.47	-	-	3691.31	3232.12
4	Directors' Remuneration**	-	-	-	-	559.30	505.89	-	-	-	-	-	-	559.30	505.89
5	Receiving of Services	330.93	320.67	103.96	323.78	-	-	2306.07	2494.29	552.86	546.67	-	-	3293.82	3685.41
6	Reimbursement of expenses / (income) - Net	-	-	(121.58)	(124.89)	-	-	-	-	-	-	-	-	(121.58)	(124.89)
7	Interest Payment	-	-	-	-	-	-	1467.55	1200.45	-	-	-	-	1467.55	1200.45
8	Dividend Paid	-	-	4556.16	4529.63	-	-	1479.93	1503.88	-	-	-	-	6036.09	6033.51
9	Contribution to Post Retirement Benefit Plans	-	-	-	-	-	-	-	-	-	-	742.12	715.03	742.12	715.03
10	Inter Corporate Deposits at the year end	-	-	-	-	-	-	-	-	-	7000.00	-	-	-	7000.00
11	Interest Accrued on Inter Corporate Loans	-	-	-	-	-	-	-	-	104.07	263.60	-	-	104.07	263.60
12	Interest Payable on Inter Corporate Loans	-	-	-	-	-	-	-	-	15.16	-	-	-	-	-
13	Loan outstanding at the year end - Tata Consumer Products UK Group Limited	-	-	-	-	-	-	52861.79	21931.38	-	-	-	-	52861.79	21931.38
14	Outstanding at the year end														
	Credit	330.93	320.67	91.35	164.72			983.81	1035.98	71.80	16.14	-	-	1477.89	1537.51
	Debit	-	-	1216.42	688.79			562.07	456.29	1108.90	1258.15	-	-	2887.39	2403.23

The above information is excluding taxes and duties except Outstanding Balances at the year end

\*\* Includes contribution towards Provident Fund and Superannuation Fund

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

## Names of related parties and description of relationship

1. Promoter Company	Tata Sons Private Limited
2. Parent Company	Tata Consumer Products Limited
3. Key Management Personnel	Mr Chacko Purackal Thomas, Managing Director & CEO Mr K Venkataramanan, Executive Director - Finance & CFO
4. Fellow Subsidiaries / JVs/Associates	Tata Global Beverages Investments Limited Tata Consumer Products UK Group Limited Tata Consumer Products GB Limited Good Earth Tea Inc. Good Earth Corporation Tetley USA Inc. Kanan Devan Hills Plantations Company Private Limited Amalgamated Plantations Private Limited Tata Consumer Products US Holdings Inc. Tata Global Beverages Services Limited Tata Consumer Products Capital Limited Tata Consumer Products Canada Inc. Tata Starbucks Private Limited Empirical Group LLC [upto March 31, 2021] Tata Water LLC Tea Pigs US LLC Tata Consumer Products Polska Sp. z o.o. Tata Consultancy Services Limited Tata Housing Development Company Limited Tata International Limited Tata Teleservices Limited Tata Uganda Limited Tata International Singapore Pte Limited Tata Unistore Limited Tata Communications Limited Tata AIG General Insurance Company Limited Tata AIA Life Insurance Company Limited Tata Industries Limited Tata International Vietnam Company Limited Tata Digital Limited
5. Subsidiaries / JVs of Promoter Company	Tata Coffee Staff Provident Fund Trust Tata Coffee Superannuation Scheme Tata Coffee Employees Gratuity Fund
6. Post Retirement Benefit Plans	

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

## Note No. 42 (b): Details of Material Transactions with Related Parties

₹ Lakh

Particulars	2022	2021
<b>Sale of Goods</b>		
<b>Parent Company</b>		
Tata Consumer Products Limited	5092.79	4514.69
<b>Fellow Subsidiaries / JVs</b>		
Tata Starbucks Private Limited	2270.78	1451.92
<b>Purchase of Goods</b>		
<b>Subsidiaries / JVs of Promoter</b>		
Tata Uganda Limited	3476.60	2820.09
<b>Receiving of Services</b>		
<b>Fellow Subsidiaries / JVs</b>		
Tetley USA Inc.	1306.16	1045.86
Empirical Group LLC.		912.16
Good Earth Tea Inc.	679.77	528.87
<b>Interest Payment</b>		
<b>Fellow Subsidiaries / JVs</b>		
Tata Consumer Products UK Group Limited	1467.55	1200.45

For and on behalf of the Board of Directors

**CHACKO PURACKAL THOMAS**  
Managing Director & CEO

**K. VENKATARAMANAN**  
Executive Director - Finance & CFO

**S. VENKATRAMAN**  
Director

**N. ANANTHA MURTHY**  
Company Secretary

Place: Bengaluru  
Date: April 26, 2022

## Statement of Crop particulars of Coffee (Arabica and Robusta Estates), Tea &amp; Pepper

Name of the Estate	ARABICA			ROBUSTA			TEA			PEPPER	
	Bearing area in Hectares	Crop MT	YPH in Kgs	Bearing area in Hectares	Crop MT	YPH in Kgs	Bearing area in Hectares	Crop MT	YPH in Kgs	Mature Vines (Nos.)	Yield Per Vine (in Kgs)
<b>COFFEE:</b>											
<b>KARNATAKA</b>											
Anandapur	15.00	11	731	356.70	603	1691				23244	1.72
Balmany	4.10	1	175	209.10	172	821				8213	2.68
Cannoncadoo	104.20	39	370	198.50	326	1644				17484	1.94
Cottabetta	6.56	2	317	387.43	493	1273				31897	2.79
Coovercolly	256.85	87	338	204.20	169	829				33503	1.76
Jumboor	369.90	170	459	0.00	0	0				25122	1.75
Margolly	189.76	79	417	285.04	528	1852				27186	1.58
Nullore	373.06	252	672	87.70	122	1391				47977	1.56
Pollibetta	12.30	4	345	291.56	419	1437				10776	2.23
Sunticoppa	231.60	87	374	0.00	0	0				20217	1.34
Woshully	17.25	5	267	415.05	451	1087				18997	2.32
Yemmigoondi	61.30	23	380	465.10	612	1317				18969	2.32
<b>COORG</b>	<b>1641.88</b>	<b>759</b>	<b>461</b>	<b>2900.38</b>	<b>3896</b>	<b>1343</b>				<b>283585</b>	<b>1.92</b>
Gubgul	3.60	2	472	125.95	149	1182				4500	3.33
Goorghully	164.57	88	534	233.05	400	1716				32776	1.25
Karadibetta	122.40	35	286	257.30	301	1170				24729	1.46
Merthikhan	78.86	50	628	25.25	31	1212				446	0.15
Mylemoney	309.33	115	373	78.90	116	1475				9174	0.87
Ubban	197.90	95	479	210.75	332	1575				21400	1.31
<b>HASSAN</b>	<b>876.66</b>	<b>384</b>	<b>438</b>	<b>931.20</b>	<b>1329</b>	<b>1427</b>				<b>93025</b>	<b>1.38</b>
	<b>2518.54</b>	<b>1143</b>	<b>453</b>	<b>3831.58</b>	<b>5225</b>	<b>1364</b>				<b>376610</b>	<b>1.79</b>
<b>Tamil Nadu</b>											
Valparai	422.49	66	156	233.64	282	1206				15367	0.46
<b>TEA:</b>											
<b>KARNATAKA</b>											
Merthikhan							40	65*	1623		
Glenlorna							245	776	3168	6670	1.65
<b>TAMIL NADU</b>											
Pachamalai							301	502	1670	830	1.20
Pannimade							416	612	1471	1961	0.51
Uralikal							430	683	1590	4445	1.57
Velonie							384	764	1991	4621	1.51
<b>KERALA</b>											
Malakiparai							512	903	1765	4098	1.46
<b>Grand Total</b>	<b>2941.03</b>	<b>1209</b>	<b>411</b>	<b>4065.22</b>	<b>5506</b>	<b>1354</b>	<b>2327</b>	<b>4305</b>	<b>1850</b>	<b>414602</b>	<b>1.72</b>
Add : Tea manufactured out of bought leaf at Anamallais							486				
<b>Total made tea production during 2021-22</b>							4791				

\* Made tea equivalent of Green Leaf sales

To,  
**M/s. TSR Consultants Private Limited**  
 Unit: Tata Coffee Limited  
 C-101, 1<sup>st</sup> Floor, 247, Park  
 L.B.S. Marg, Vikhroli (West), Mumbai – 400083

Tel: +91-22-66568484  
 Extn: 411 / 412 / 413

### 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./ beneficiary account.

Place:

Date:

\_\_\_\_\_  
 Signature of Sole/ First holder

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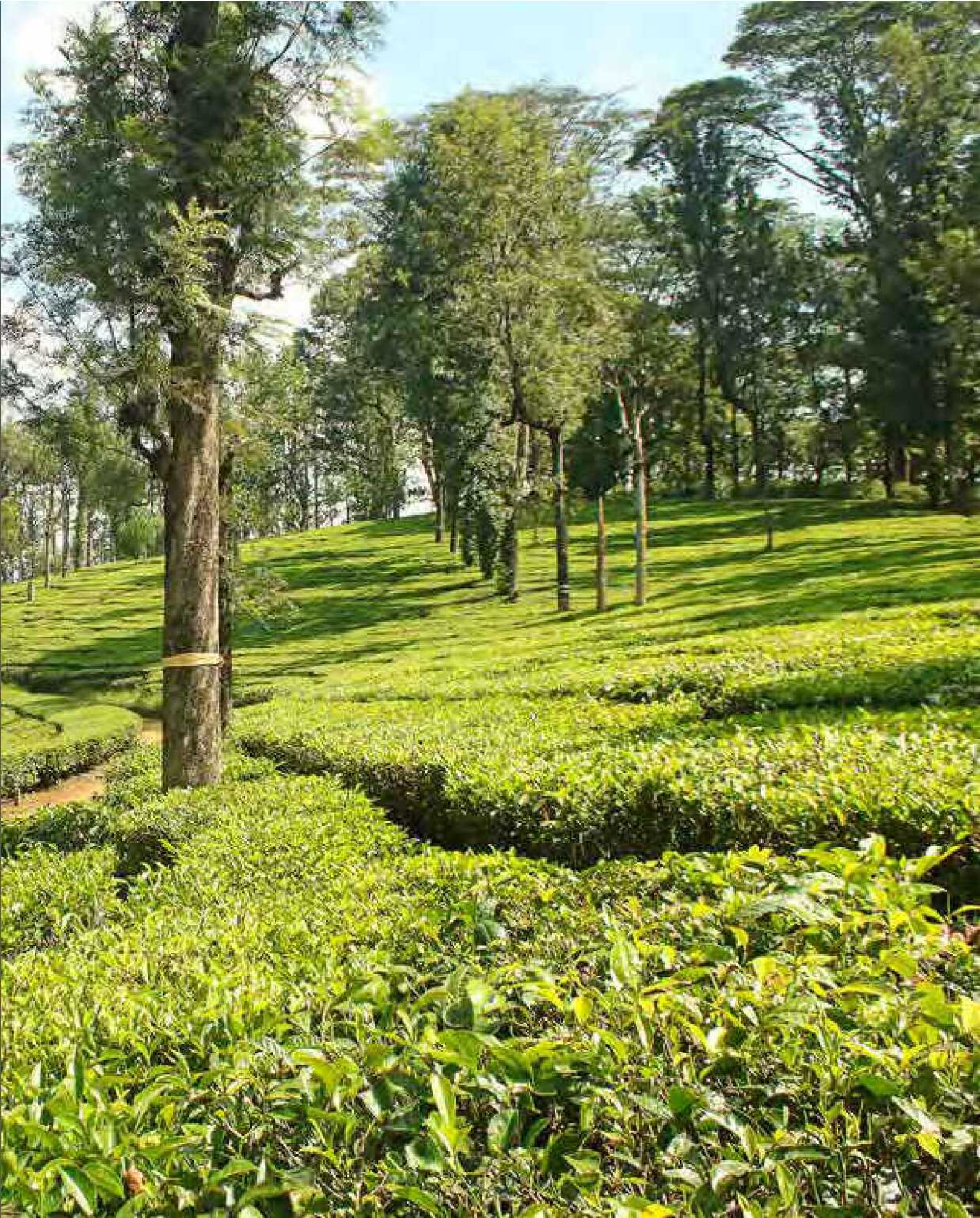
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## **TATA COFFEE LIMITED**

No. 57, Railway Parallel Road,  
Kumara Park (W), Bengaluru – 560 020

Tel: (080) 2356 0695, 23561976/81

Fax: (080) 233 41843

E-mail : [investors@tatacoffee.com](mailto:investors@tatacoffee.com)

Website : [www.tatacoffee.com](http://www.tatacoffee.com)