

# 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 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 that of the neighbouring community etc. These actions have become an integral part of your Company's operating plans in discharging social responsibilities too.

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

## 2. Board of Directors and Governance Framework:

### (i) Composition of the Board

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

The Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Director. The Board of Directors as at the end of March 31, 2020, 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. The Composition of the Board as of March 31, 2020 is given in the table 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. L. Krishnakumar		
Independent Directors	1. Mr. V. Leeladhar	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. As on March 31, 2020, none of the Directors held equity shares in the Company.

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

None of the Directors hold office in more than ten Public Companies. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Directorships / Independent Directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations.

The Company has received declarations on criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations

from the Directors of the Company who have been classified as Independent Directors as on March 31, 2020.

- (ii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2020 are given below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. 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 Director	AGM	Date of Board Meetings						% of Attendance	
		03.06.2019	19.04.2019	03.06.2019	25.07.2019	25.10.2019	28.01.2020		19.03.2020
Mr. R. Harish Bhat (Chairman) DIN: 00478198	Y	Y	Y	Y	Y	Y	Y	Y	100
Mr. L. Krishnakumar# DIN: 00423616	Y	Y	Y	Y	Y	Y	Y	Y	100
Mr. V. Leeladhar DIN: 02630276	Y	Y	Y	Y	Y	Y	Y	Y	100
Mr. S. Santhanakrishnan* DIN: 00032049	Y	Y	Y	NA	NA	NA	NA	NA	100
Ms. Sunalini Menon DIN: 06983334	Y	Y	Y	Y	Y	Y	Y	Y	100
Mr. Siraj Azmat Chaudhry DIN: 00161853	Y	Y	Y	Y	Y	Y	Y	Y	100
Dr. P.G. Chengappa DIN: 06771287	Y	Y	Y	Y	Y	Y	Y	Y	100
Mr. Chacko Purackal Thomas (Managing Director & CEO) DIN: 05215974	Y	Y	Y	Y	Y	Y	Y	Y	100
Mr. K. Venkataramanan (Executive Director – Finance & CFO) DIN: 01728072	Y	Y	Y	Y	Y	Y	Y	Y	100

The maximum time gap between any two Board Meetings was less than 120 days.

# Mr. L. Krishnakumar resigned from the Board w.e.f. May 5, 2020. Mr. Sunil A. D'Souza (DIN:07194259), was inducted as a Non-Executive Non-Independent Director on the Board w.e.f. May 5, 2020.

\* Mr. S. Santhanakrishnan ceased to be an Independent Director of the Company consequent to his retirement upon completion of his term of office on July 20, 2019.

- 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, 2020:

Name of Director	Category of Directors	Directorships in other Public Companies (excluding Tata Coffee Limited)	Number of Committee Positions held in Other Public Companies (excluding Tata Coffee Limited)		Other listed entities where directors of the Company held directorships	
			Member	Chairman	Name of Listed Entity	Category
Mr. R. Harish Bhat (Chairman) DIN: 00478198	Non-Independent Non-Executive	5	1	1	1. Tata Consumer Products Limited 2. Trent Limited	Non – Executive Non-Independent Director Non – Executive Non-Independent Director
Mr. L. Krishnakumar# DIN: 00423616	Non-Independent Non-Executive	2	1	-	Tata Consumer Products Limited	Executive Director
Mr. V. Leeladhar DIN: 02630276	Independent Non-Executive	1	-	1	-	-
Mr. S. Santhanakrishnan* DIN: 00032049	Independent Non-Executive	NA	NA	NA	-	-
Ms. Sunalini Menon DIN: 06983334	Independent Non-Executive	-	-	-	--	-
Mr. Siraj Azmat Chaudhry DIN: 00161853	Independent Non-Executive	2	1	-	Tata Consumer Products Limited	Independent Director
Dr. P.G. Chengappa DIN: 06771287	Independent Non-Executive	3	2	-	Tasty Bite Eatables Limited	Independent Director
Mr. Chacko Purackal Thomas (Managing Director & CEO) DIN: 05215974	Non-Independent Executive	-	-	-	-	-
Mr. K. Venkataramanan (Executive Director – Finance & CFO) DIN: 01728072	Non-Independent Executive	1	-	-	-	-

# Mr. L. Krishnakumar resigned from the Board w.e.f. May 5, 2020. Mr. Sunil A. D'Souza (DIN:07194259), was inducted as a Non-Executive Non-Independent Director on the Board w.e.f. May 5, 2020.

\* Mr. S. Santhanakrishnan ceased to be an Independent Director of the Company consequent to his retirement upon completion of his term of office on July 20, 2019.

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### (iii) Chart / matrix setting out the skills/expertise/competence of the Board of Directors

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 following are the skills as identified by the Board.

Core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s)	Names of Directors who have such skills / expertise / competence
➤ Finance, Law, Management, Administration, Corporate Governance related to the Company's business	Mr. V. Leeladhar, Mr. L. Krishnakumar, Mr. K. Venkataraman
➤ Technical Operations and knowledge on Production, Processing, Quality and Marketing of Coffee	Ms. Sunalini Menon, Dr. P. G. Chengappa, Mr. Chacko Purackal Thomas
➤ Management, Strategy, Sales, Marketing, Administration Technical Operations related to the Company's business	Mr. Harish Bhat, Mr. Siraj Azmat Chaudhry, Mr. Chacko Purackal Thomas

### (iv) Board Procedure

The annual tentative calendar of Board Meetings is circulated to the members of the Board, well in advance. The agenda is circulated well in advance to the Board members, along with comprehensive back-ground information on the items in the agenda to enable the Board members to 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 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 appraises the Board on the overall performance of the Company every quarter including the performance of the overseas Subsidiary Companies.

The Board periodically reviews the strategy, annual business plan, business performance of the Company

and its Subsidiary Companies, 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.

### (v) 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 [www.tatacoffee.com](http://www.tatacoffee.com).

All the Board Members and Senior Management Personnel have affirmed compliance with the applicable Code of Conduct for the Financial Year 2019-20. A declaration to this effect, signed by the Managing Director & CEO, forms part of this Report.

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

The Senior Management of the Company has 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.

**(vi) 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 our 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.

**(vii) 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 [www.tatacoffee.com](http://www.tatacoffee.com).

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.

No Independent Director had resigned during the Financial Year 2019-20.

**(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 18, 2020 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 18, 2020. The Independent Directors expressed their satisfaction to the desired level of the governance of 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

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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.

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 is disclosed on the Company's website at the web link: [http://www.tatacoffee.com/investors/shareholder-information/TCL\\_familiarisaiton\\_programme.pdf](http://www.tatacoffee.com/investors/shareholder-information/TCL_familiarisaiton_programme.pdf).

### (viii) Board and Director 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 Boards' 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:

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

#### (i) 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. 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 Companies Act, 2013;
  - (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;
- iv. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
- v. Examination of the financial statements and the auditors' report thereon;
- vi. Review and monitor Statutory Auditor's independence and performance and effectiveness of audit process;
- vii. Approval or any subsequent modification of transactions with related parties;
- viii. Scrutiny of inter-corporate loans and investments;
- ix. Review of valuation of undertakings or assets of the company wherever it is necessary;
- x. Evaluation of Internal Financial Controls and Risk Management Systems;
- xi. 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;
- xii. Reviewing the adequacy of Internal Audit Function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the Department, reporting structure, coverage and frequency of Internal Audit;
- xiii. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board;
- xiv. Consideration of the reports of the Internal Auditors and discussion about their findings with the Management and suggesting corrective actions wherever necessary;
- xv. 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;
- xvi. Review the functioning of the Whistle Blower Mechanism;
- xvii. Review and monitor the end use of funds raised through public offers and related matters;
- xviii. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc., of the candidate;
- xix. Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading and supervise its implementation under the overall supervision of the Board;

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xx. 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

xxi. Carrying out any other function as may be referred to the Committee by the Board.

xxii. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II to the Listing Regulations.

xxiii. 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 and Attendance during the year

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of

the Listing Regulations and the provisions of Section 177 of the Act. All members of the Committee are financially literate, with Mr. V. Leeladhar, as Chairman of the Committee, having the relevant accounting and financial management expertise.

The composition of the Audit Committee and the details of the meetings attended by its members during the Financial Year ended March 31, 2020 are as under:

Name of Director	Category of Directors	No. of Meetings held	No. of Meetings attended
Mr. S. Santhanakrishnan – Chairman (up to July 20, 2019)*	Independent Non-Executive	2	2
Mr. V. Leeladhar – Chairman (from July 22, 2019)	Independent Non-Executive	9	9
Ms. Sunalini Menon	Independent Non-Executive	9	9
Mr. Siraj Azmat Chaudhry **(from July 22, 2019)	Independent Non-Executive	7	7
Dr. P. G. Chengappa** (from July 22, 2019)	Independent Non-Executive	7	7

\* Mr. S. Santhanakrishnan ceased to be a member of the Audit Committee of the Board of Directors of the Company consequent to his retirement upon completion of his term of office on July 20, 2019.

\*\*Mr. Siraj Azmat Chaudhry and Dr. P. G. Chengappa were inducted to the Audit Committee from July 22, 2019.

The Audit Committee met nine (9) times during the Financial Year 2019-20 and the gap between any two meetings did not exceed 120 days. The dates on which the Audit Committee Meetings held were: April 17, 2019, June 24, 2019, July 24, 2019, September 16, 2019, October 24, 2019, December 13, 2019, January 27, 2020, February 24, 2020 and March 18, 2020. Requisite quorum was present at the above Meetings.

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 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. S Santhanakrishnan, as Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on June 3, 2019.

#### 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) 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:

- 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;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of Board of Directors;
- 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.
- 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.
- recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

##### (ii) Composition and Attendance during the year

The composition of the NRC and details of meetings attended by its members during the Financial Year ended March 31, 2020, are given below:

Name of the Member	Category of Director	No. of Meetings held	No. of Meetings attended
Mr. V. Leeladhar – Chairman (up to 21.07.2019)	Independent Non-Executive	3	3
Mr. Siraj Azmat Chaudhry – Chairman (from 22.07.2019)	Independent Non-Executive	3	3
Mr. S. Santhanakrishnan*	Independent Non-Executive	1	1
Mr. R. Harish Bhat	Non-Independent Non-Executive	3	3

\* Mr. S. Santhanakrishnan ceased to be a member of the NRC of Board of Directors of the Company consequent to his retirement upon completion of his term of office on July 20, 2019.

The NRC met three times during the Financial Year 2019-20 i.e., on April 19, 2019, August 14, 2019 and March 19, 2020.

Mr. V. Leeladhar, as Chairman of the NRC, was present at the Annual General Meeting of the Company held on June 3, 2019.

##### (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 2019 - 20 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 05.01.2017.

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

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out by the entire Board. 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; and
- c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals 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.

## 5. Remuneration of directors

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

### (i) Independent Directors and Non-Independent Non-Executive Directors

- a) Independent Directors ('ID') and Non-Independent Non-Executive Directors ('NEDs') are paid sitting fees for attending the Meetings of the Board and of Committees of which they are Members, and Commission within regulatory limits, as recommended by the NRC and approved by the Board.

- b) Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company taking into consideration the challenges faced by the Company and its future growth. Remuneration paid should be reflective of the size of the Company, complexity of the Sector / Industry / Company's Operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.
- c) The aggregate Commission payable to all the NEDs and IDs 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 the 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 2019-20:

##### a) Non-Executive Directors (NEDs)

(₹ in Lakhs)			
Name of Non-Executive Director	Commission relating to FY 2018-19 (paid in FY 2019-20)	Commission relating to FY 2019-20 (payable in FY 2020-21)	Sitting fee (paid in FY 2019-20)
Mr. R. Harish Bhat *	-	-	2.20
Mr. L. Krishnakumar *	-	-	1.80
Mr. S. Santhanakrishnan (up to July 20, 2019)	30.00	10.00**	2.55
Ms. Sunalini Menon	15.00	15.50	5.25
Mr. V. Leeladhar	16.00	21.00	6.60
Mr. Siraj Azmat Chaudhry	11.00	16.00	5.40
Dr. P. G. Chengappa	8.00	11.50	5.10

\*Mr. R. Harish Bhat and Mr. L. Krishnakumar do not draw any commission as they are full-time employees of Tata Sons Private Limited and Tata Consumer Products Limited, respectively.

(\*\*) Pro-rata, since Mr. S. Santhanakrishnan ceased to be a Director of the Company effective July 20, 2019.

##### b) Managing Director and Executive Director:

(₹ in Lakhs)					
Name of Managing / Executive Director	Salary	Perquisites and Allowance	Contribution to Retiral Funds	Commission for FY 2019-20 (payable in FY 2020-21)	Total
Mr. Chacko Purackal Thomas, Managing Director & CEO	156.67	8.97	17.50	80.00	263.14
Mr. K. Venkataramanan, Executive Director - Finance & CFO	123.50	7.09	14.07	58.00	202.66

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

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

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

## Report on Corporate Governance [Contd.]

### 6. 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.

#### 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:

- 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 share certificates, etc.
- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 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.

The composition of the Stakeholders' Relationship Committee and the details of the meetings attended by its members during the Financial Year ended March 31, 2020 are as under:

Name of the Member	Category of Directors	No. of meetings held	No. of meetings attended
Mr. S. Santhanakrishnan- Chairman (up to July 20, 2019)*	Independent Non-Executive	1	1
Dr. P. G. Chengappa – Chairman** (from July 22, 2019)	Independent Non-Executive	3	3
Mr. V. Leeladhar (up to July 22, 2019)#	Independent Non-Executive	1	1
Mr. R. Harish Bhat (up to July 22, 2019)#	Non-Independent Non-Executive	1	1

Name of the Member	Category of Directors	No. of meetings held	No. of meetings attended
Mr. L. Krishnakumar ** (from July 22, 2019)	Non-Independent Non-Executive	3	2
Mr. Chacko Purackal Thomas	Non-Independent Executive	4	4
Mr. K. Venkataramanan	Non-Independent Executive	4	4

\* Mr. S. Santhanakrishnan ceased to be a member of the SRC of Board of Directors of the Company consequent to his retirement upon completion of his term of office on July 20, 2019.

\*\*Dr. P. G. Chengappa and Mr. L. Krishnakumar were inducted as members of the Committee with effect from July 22, 2019.

#Mr. V. Leeladhar and Mr. R. Harish Bhat ceased to be members of the Committee effective July 22, 2019.

During the Financial Year 2019-20, the Committee met four times i.e., on April 19, 2019, July 25, 2019, October 25, 2019 and January 28, 2020. 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 correspondences received and attended to during the Financial Year 2019-20 are given below:

	Complaints	Queries / Requests / Other Correspondences
No. of complaints pending as on April 1, 2019	0	0
No. of complaints received during the year	8	1881
No. of complaints resolved during the year	8	1862
No. of complaints pending as on March 31, 2020 (received during the last week of March 2020)	0	19*

\* Due to complete lockdown on account of COVID-19 from the last week of March, 2020 and the whole of April, 2020, letters which remained pending as on March 31, 2020, have since been attended to.

The equity shares of the Company are traded in dematerialized form. During 2019-20, 142 demat requests for dematerialization covering 457695 shares were received and processed and 333 request for Transfer / Transmission covering 285592 shares were received and processed. As on March 31, 2020, no requests for transfer / transmission were pending and 2 requests for dematerialization covering 200 shares were pending. These requests were received in the last week of March 2020 and have subsequently been processed.

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

As per Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund)

Rules, 2016 ("IEPF 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.

As required under Section 124 of the Act read with the IEPF Rules as amended, 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 following table gives information relating to outstanding dividend accounts and the dates when due for transfer to IEPF:

Financial year ended	Date of payment of Dividend	Last date for claiming Unpaid Dividend	Transfer to IEPF Fund due during
March 31, 2013	03.07.2013	08.08. 2020	September 2020
March 31, 2014	22.07.2014	27.08.2021	September 2021
March 31, 2015	06.08.2015	12.09.2022	October 2022
March 31, 2016	29.07.2016	04.09.2023	October 2023
March 31, 2017	20.07.2017	24.08.2024	September 2024
March 31, 2018	05.07.2018	11.08.2025	September 2025
March 31, 2019	06.06.2019	13.07.2026	August 2026

Shareholders are requested to get in touch with the RTA for encashing the Unclaimed Dividend amount, if any, standing to the credit of their account.

During the Financial Year 2019-20, the Company has transferred following amounts and shares to Investor Education and Protection Fund Authority (IEPF):

Financial year	Amount of unclaimed dividend/ Interest on matured 7% Debenture / Redemption of matured 7% Debenture (₹)	Number of shares transferred
2011-12 Unclaimed Dividend	23,89,255	1,06,333
2012-13 Unclaimed Interim Dividend	12,05,190	1,02,893
2011-12 Redemption of matured 7% Debenture	3,14,300	-
2011-12 Interest of Matured 7% Debenture	25,343	-

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

## Report on Corporate Governance [Contd.]

### 7. 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.

#### Terms of reference

The terms of reference of the CSR Committee are:

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII to the Act.
- Recommend the amount to be spent on CSR activities.
- 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 [www.tatacoffee.com](http://www.tatacoffee.com). The Annual Report on CSR activities for the Financial Year 2019-20 forms part of the Board's Report.

The composition of the CSR Committee and the details of the meetings attended by its members during the Financial Year ended March 31, 2020 are as under:

Name of the Member	Category of Directors	No. Meetings held	No. of Meetings attended
Ms. Sunalini Menon – Chairperson	Independent Non-Executive	2	2
Mr. V Leeladhar	Independent Non-Executive	2	2
Mr. Siraj Azmat Chaudhry	Independent Non-Executive	2	2
Dr. P. G. Chengappa	Independent Non-Executive	2	2
Mr. Chacko Purackal Thomas	Non-Independent Executive	2	2

During the Financial Year 2019-20, the Committee met two times i.e., on July 24, 2019 and March 18, 2020.

### 8. Other Committees:

#### a) Risk Management Committee:

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

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

The composition of the Risk Management Committee and the details of the meetings attended by its Members during the Financial Year ended March 31, 2020 are as under:

Name of the Member	Category of Directors	No. of meetings held	No. of meetings attended
Mr. Siraj Azmat Chaudhry – Chairman	Independent Non-Executive	2	2
Mr. V. Leeladhar	Independent Non-Executive	2	2
Dr. P. G. Chengappa	Independent Non-Executive	2	2
Mr. Chacko Purackal Thomas	Non-Independent Executive	2	2
Mr. K. Venkataramanan	Non-Independent Executive	2	2
Mr. L. Krishnakumar	Non-Independent Non-Executive	2	2

During the Financial Year 2019-20, the Committee met two times i.e., on October 24, 2019 and March 18, 2020.

#### b) Ethics and Compliance Committee

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



The composition of the Ethics and Compliance Committee and the details of the meetings attended by its members during the Financial Year ended 31st March 2020 are as under:

Name of the Member	Category of Directors	No. of meetings held	No. of meetings attended
Dr. P. G. Chengappa	Independent Non-Executive	1	1
Mr. S. Santhanakrishnan	Independent Non-Executive	1	1
Ms. Sunalini Menon	Independent Non-Executive	1	1
Mr. Chacko Purackal Thomas	Non-Independent Executive	1	1

During the Financial Year 2019-20, the Committee met once i.e., June 24, 2019.

The Ethics & Compliance Committee of the Board, has been merged with the Audit Committee with effect from July 22, 2019 and since then, the Audit Committee has dealt with all ethics / compliance related issues in addition to role to be performed by it as envisaged under the Companies Act, 2013 and SEBI Listing Regulations.

## 9. 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 [www.tatacoffee.com](http://www.tatacoffee.com).

## 10. 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
2016-17	July 17, 2017 at 11.00 AM	Registered Office :
2017-18	July 2, 2018 at 11.00 AM	Pollibetta – 571215, Kodagu
2018-19	June 3, 2019 at 11.00 AM	

- ii. Whether any special resolutions passed in the previous three AGMs – One special resolution was passed at the AGM held on July 2, 2018
- 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

## 11. Means of Communication:

The quarterly and annual financial results of the Company are uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre in accordance with the 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). The official media releases and presentations made to Institutional Investors/Analysts and audio recording of Analyst Calls are posted on the Company's website at [www.tatacoffee.com](http://www.tatacoffee.com).

## Report on Corporate Governance [Contd.]

### 12. General Shareholder information:

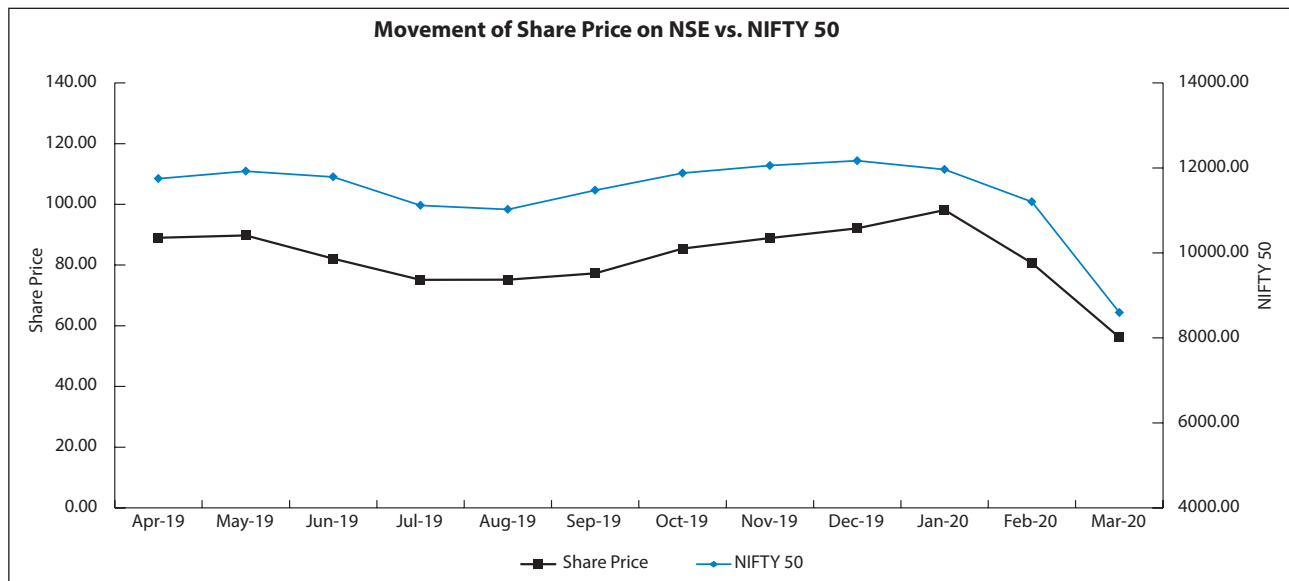
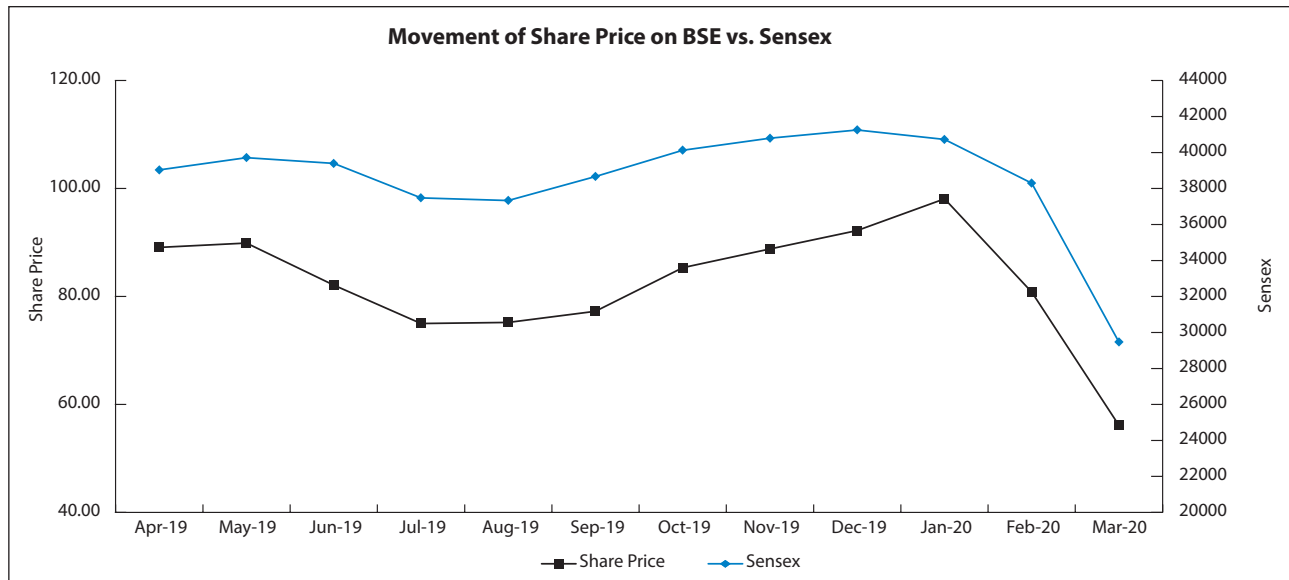
<b>I. Annual General Meeting (AGM) for FY 2019-20</b>			
<b>Date</b>	Monday, June 29, 2020		
<b>Time</b>	11.00 AM		
<b>Venue</b>	The Company is conducting AGM through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details, 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, 2020 Financial Results for the second quarter ending September 30, 2020 Financial Results for the third quarter ending December 31, 2020 Annual Accounts for Financial Year 2020-2021 Annual General Meeting for the year ending March 31, 2021	Before August 14, 2020 Before November 14, 2020 Before February 14, 2021 In April / May 2021 In June / July 2021	
<b>III. Dates of Book Closure</b>	June 16, 2020 to June 22, 2020 (both days inclusive)		
<b>IV. Dividend Payment Date</b>	The Dividend, if declared at AGM, will be paid on or after July 2, 2020.		
<b>V Listing on Stock Exchanges and Stock Code</b>	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Tel: +91 22 22721233/34 Fax: +91 22 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: +91 22 26598100-14 / 66418100 Fax No: +91 22 26598120 Stock Code: TATACOFFEE	

The Company has paid Listing Fees for the Financial Year 2020 - 21 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 2019 -20:

Month	BSE Ltd.			National Stock Exchange of India Ltd.		
	High (₹)	Low (₹)	No. of Shares Traded	High (₹)	Low (₹)	No. of Shares Traded
April, 2019	96.00	88.75	6,33,575	95.65	88.55	51,66,771
May, 2019	93.40	82.45	9,78,963	93.65	82.05	52,49,126
June, 2019	92.85	75.05	8,96,489	92.95	72.00	50,18,858
July, 2019	82.20	70.10	8,14,169	82.50	71.20	39,68,772
August, 2019	77.50	67.00	5,97,743	78.00	67.10	36,98,301
September, 2019	85.00	72.50	8,79,667	84.80	72.45	60,00,317
October, 2019	86.90	71.65	6,49,236	87.00	71.60	51,80,542
November, 2019	90.25	79.30	7,60,631	90.30	79.00	81,40,913
December, 2019	99.00	88.20	12,77,812	99.00	88.15	1,25,89,882
January, 2020	107.20	88.60	23,84,701	107.80	88.60	2,80,89,789
February, 2020	101.90	80.25	9,44,444	102.00	80.00	93,41,633
March, 2020	83.80	47.10	9,94,990	83.50	48.00	87,11,461

**VII. Performance of the Company's equity shares (closing share price) in comparison to BSE Sensex and NSE Nifty during the Financial Year 2019-20:**



<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

## Report on Corporate Governance [Contd.]

### IX. Registrar and Share Transfer Agent:

Pursuant to the demerger, the Registry Business of TSR Darashaw Limited ('TSRDL') stands transferred to a new entity, TSR Darashaw Consultants Private Ltd. ('TSRDCPL'), with effect from May 28, 2019.

#### 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 Darashaw 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 reodge 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 to the account of the Shareholder.

#### TSR Darashaw Consultants Private Limited

Registered Office:

6, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011

Tel: +91 22 66568484, Fax: +91 22 66568494

E-mail: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)

Web: [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

#### BRANCH OFFICES:

##### i. Bengaluru

TSR Darashaw Consultants Private Limited  
503, Barton Centre, 5th Floor, 84,  
Mahatma Gandhi Road,  
Bengaluru – 560001  
Tel: +91 80 25320321  
Fax: +91 80 25580019  
E-mail: [tsrdlbgang@tsrdarashaw.com](mailto:tsrdlbgang@tsrdarashaw.com)

##### iii. New Delhi

TSR Darashaw Consultants Private Limited  
2/42 Ansari Road, 1st Floor,  
Daryaganj, Sant Vihar,  
New Delhi – 110 002  
Tel: +91 11 23271805  
Fax: +91 11 23271802  
E-mail: [tsrdldel@tsrdarashaw.com](mailto:tsrdldel@tsrdarashaw.com)

##### ii. Kolkata

TSR Darashaw Consultants Private Limited  
Tata Centre, 1st Floor, 43, J. L. Nehru Road,  
Kolkata – 700 071  
Tel: +91 33 22883087  
Fax: +91 33 22883062  
E-mail: [tsrdlcal@tsrdarashaw.com](mailto:tsrdlcal@tsrdarashaw.com)

##### iv. Jamshedpur

TSR Darashaw Consultants Private Limited  
'E' Road, Northern Town, Bistupur,  
Jamshedpur – 831 001  
Tel: +91 657 2426616  
Fax: +91 657 2426937  
E-mail: [tsrdljsr@tsrdarashaw.com](mailto:tsrdljsr@tsrdarashaw.com)

##### v. Ahmedabad (Agent)

Shah Consultancy Services Limited  
3, Sumatinath Complex  
2nd Dhal, Pritam Nagar  
Ellisbridge  
Ahmedabad – 380 006  
Tel: +91 79 26576038  
Email: [shahconsultancy8154@gmail.com](mailto:shahconsultancy8154@gmail.com)

**Shareholders' Relations Cell**

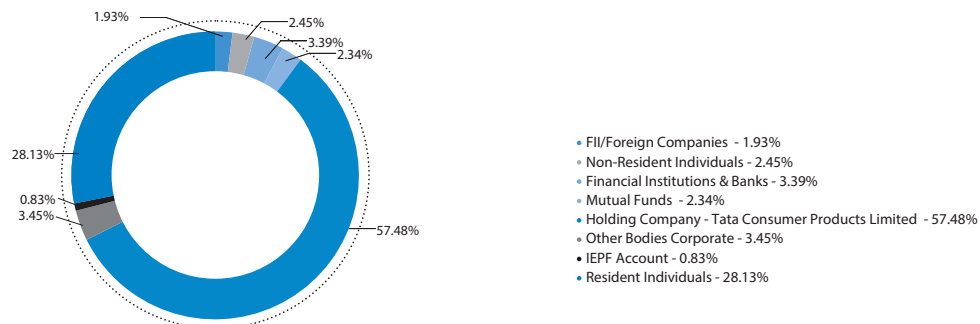
Contact Person	Address	Contact details
Mr. N Anantha Murthy Head - Legal & Company Secretary	Tata Coffee Limited No. 57, Railway Parallel Road Kumara Park West Bangalore – 560 020	Tel: +91 80 23561976/81 Fax: +91 80 23341843 e-mail ID.: <a href="mailto:Investors@tatacoffee.com">Investors@tatacoffee.com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

**X. Distribution of Shareholding as on March 31, 2020:**

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholders
1 – 500	85,503	83.64	11,195,606	5.99
501 - 1000	8,018	7.84	6,504,486	3.48
1001 - 2000	4,099	4.01	6,324,441	3.39
2001 - 3000	1,503	1.47	3,890,048	2.08
3001 - 4000	806	0.79	2,918,814	1.56
4001 - 5000	587	0.57	2,773,050	1.49
5001 - 10000	971	0.95	7,182,795	3.85
10001 & above	736	0.73	145,981,130	78.16
<b>TOTAL</b>	<b>102,223</b>	<b>100.00</b>	<b>186,770,370</b>	<b>100.00</b>

**XI. Category-wise Shareholders as on March 31, 2020:**

Sl. No.	Category of Shareholders	No. of Shares	Percentage
1	FII/Foreign Companies	36,04,125	1.93
2	Non-Resident Individuals	45,72,895	2.45
3	Financial Institutions & Banks	63,26,999	3.39
4	Mutual Funds	43,78,931	2.34
5	Holding Company - Tata Consumer Products Limited [Formerly known as Tata Global Beverages Limited]	10,73,59,820	57.48
6	Other Bodies Corporate	64,46,379	3.45
7	IEPF Account	15,48,029	0.83
8	Resident Individuals	5,25,33,192	28.13
	<b>TOTAL</b>	<b>18,67,70,370</b>	<b>100.00</b>

**Categories of Shareholders as on March 31, 2020**

## Report on Corporate Governance [Contd.]

<b>XII.</b> Shares in Physical and Demat form as on March 31, 2020:	No. of Shares	Percentage
	In Physical Form	33,82,040
	In Dematerialized Form	18,33,88,330
		98.19
<b>XIII.</b> No. of shareholders whose shares as on March 31, 2020 are in Physical and Demat form:	No. of Shareholders	Percentage
	In Physical Form	5,281
	In Dematerialized Form	96,942
		94.83
<b>XIV.</b> Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:		Nil
<b>XV.</b> Plant Locations:		
17 Coffee Estates in Kodagu, Hassan and Chickmagalur District		
1 Tea Estate in Kodagu District and	State of Karnataka	
1 Tea and Coffee (mixed) in Chickmagalur District		
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 Jayamangalam Village, Theni	State of Tamil Nadu	
<b>XVI.</b> Address for correspondence:	As stated in 12 (IX) above	

**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, 2020.

**XVIII.** The details of credit rating of the Company as at March 31, 2020 is given below:

Instrument details	Amount (₹ in Crore)	Rating
Fund-based Bank Facilities	65.00	(ICRA)AA/ [ICRA]A1+ Reaffirmed; Outlook revised to Stable from Positive
Commercial Paper	30.00	(ICRA)A1+ Reaffirmed

### 13. Other Disclosures:

- All transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations during the Financial Year 2019-20 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 interest of 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.pdf](https://tatacoffee.com/sites/default/files/collaterals/investors/Related_Party_Transaction_Policy.pdf)
- 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.
- 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 16092019.pdf>
- d. 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:
- The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
  - The Internal Auditor reports to the Audit Committee.
  - 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\\_Subsiadiary.pdf](https://tatacoffee.com/sites/default/files/collaterals/investors/Policy_for_determining_Material_Subsiadiary.pdf)
- f. Commodities form a major part of business of the Company and hence Commodity price risk is one of the important risks for the Company. Your Company has a robust framework in place to protect the Company's interests from risks arising out of market volatility. The Risk Management Team, based on market intelligence and continuous monitoring, advises the sales and procurement teams on appropriate strategy to deal with such market volatility:
- The Risk Management Policy of the Company with respect to commodities including hedging has been framed.
  - 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.
- Mr. K. Venkataramanan, Executive Director-Finance & CFO, sets risk limits on timely basis to address various 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. 37 under the head 'Financial Risk Management Framework', forming part of Notes to Financial Statements.
- h. During the Financial Year 2019-20, 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 2019-20.
- 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. 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 2019-20</b>
Audit Fees	274.88
Quarterly Audit Fees	24.43
Tax Audit Fees	12.00
Other Services	73.37
Reimbursement of expenses	12.46
<b>Total</b>	<b>397.15</b>

## Report on Corporate Governance [Contd.]

- n. 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 2019-20	6
Number of Complaints disposed of during the Financial Year 2019-20	6
Number of Complaints pending as at the end of the Financial Year	0

- o. 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, 2020. 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.

- p. 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, Practicing Company Secretary, has submitted a certificate to this effect.

A certificate from Mr. V. Madan, Practicing Company Secretary pursuant to the requirements of Schedule V to the Listing Regulations regarding compliance with the conditions of Corporate Governance is attached.

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

In terms of the Listing Regulations, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Codes of Conduct, as applicable to them for the year ended March 31, 2020.

Date: May 5, 2020  
Place: Bengaluru

**Chacko Purackal Thomas**  
Managing Director & CEO

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

To,  
The Members  
Tata Coffee Limited,

I have examined the compliance with the conditions of Corporate Governance by Tata Coffee Limited ('the Company') for the year ended March 31, 2020, 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, 2020.

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.

Date: May 5, 2020  
Place: Bengaluru

**V Madan**  
Practicing Company Secretary

ACS No. 5048  
CP No. 21778

## Report on Corporate Governance [Contd.]

### 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 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, 2020 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. L. Krishnakumar#	00423616	07.11.2017
3	Mr. V. Leeladhar	02630276	22.12.2014
4	Mr. S. Santhanakrishnan*	00032049	21.07.2014
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. Venkataraman	01728072	25.10.2014

# Mr. L. Krishnakumar resigned from the Board w.e.f. May 5, 2020. Mr. Sunil A. D'Souza (DIN:07194259), was inducted as a Non-Executive Non-Independent Director on the Board w.e.f. May 5, 2020.

\* Mr. S. Santhanakrishnan ceased to be an Independent Director of the Company consequent to his retirement upon completion of his term of office on July 20, 2019.

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.

Date: May 5, 2020  
Place: Bengaluru

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

## 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, 2020)

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, 2020 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, 2020 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 2019-20;
- f. That there have been no significant changes in the accounting policies during the Financial Year 2019-20.
- g. We have not noticed any significant fraud particularly those involving the Management or any Employee having a significant role in the Company's Internal Control System over Financial Reporting.

**K. Venkataramanan**  
Executive Director - Finance & CFO

**Chacko Purackal Thomas**  
Managing Director & CEO