

## COMPLIANCE REPORT ON CORPORATE GOVERNANCE

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

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

### 2. Board of Directors

The Board of Directors comprises of the Managing Director, the Executive Director - Finance and six Non-Executive Directors. During the Financial Year 2012-13 the Board met Eleven times on 8th May, 30th May, 29th June, 16th July, 27th July, 28th August, 12th September, 22nd October and 14th December in 2012 & 25th January and 12th March in 2013.

Details of attendance of Directors at the Board Meetings and at the last Annual General Meeting with particulars of their Directorship and Chairmanship/ Membership of Board/ Committees in other Companies are as under:

Name of Director Messrs.	Category	Attendance at		No. of other Directorships	Committee Positions		No. of Shares held
		Board Meeting	Last AGM		Member	Chairman	
R.K. Krishna Kumar	C (NED)	8	No	12	2	1	-
P.T. Siganporia*	NED	3	-	-	-	-	50
U. Mahesh Rao	NED & IND	11	Yes	2	4	1	-
A. Monappa	NED & IND	10	Yes	-	-	-	-
Venu Srinivasan	NED & IND	1	No	13	3	1	-
S. Santhanakrishnan	NED & IND	9	Yes	4	3	1	-
Hameed Huq	MD	11	Yes	1	1	-	199
M. Deepak Kumar	ED	11	Yes	1	-	-	-
Harish Bhat**	NED	4	-	3	-	-	-

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

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

\* Mr.P.T. Siganporia ceased to be director with effect from 11.07.2012

\*\* Mr. Harish Bhat appointed as a director with effect from 27.07.2012

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

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

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

### 3. Audit Committee

During the Financial Year 2012-2013, the Audit Committee met twelve times on 7th May, 30th May, 5th June, 16th July, 26th July, 10th September, 22nd October, 24th November in 2012 & 15th January, 22nd January, 22nd February, 12th March in 2013. The Committee Meetings are attended by the Managing Director, Executive Director – Finance, Sr.

**TATA COFFEE LIMITED**

General Manager (Plantations), Vice President (Instant Coffee Division), Vice President (Corporate), Vice President (Legal), Sr. General Manager (Accounts) and the Company Secretary, who acts as the Secretary of the Audit Committee. The representatives of the Statutory Auditors also attend the Audit Committee Meetings.

The broad terms of reference of the Audit Committee include:

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

Details of Attendance of Directors at the Audit Committee Meetings during 2012-13 are given in the following table:

<b>Director</b>	<b>No. of Meetings attended</b>
Mr. S. Santhanakrishnan	12
Mr.U. Mahesh Rao	12
Prof. Arun Monappa	11

**4. Remuneration Committee**

The Remuneration Committee comprises of Mr. U. Mahesh Rao as Chairman, Mr. R.K. Krishna Kumar, Mr. Venu Srinivasan and Prof. A. Monappa being the other members. During the Financial Year 2012-13, the Remuneration Committee met thrice on 8th May, 29th June and 14th December in 2012.

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

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

Details of the remuneration paid during the year 2012-13

a) Non-Executive Directors

Name	Commission (₹) (Relating to 2011-12)	Sitting fee (₹)
Mr. R.K. Krishna Kumar	14,81,000	1,90,000
Mr. U. Mahesh Rao	20,04,000	5,50,000
Prof. A. Monappa	6,29,000	5,20,000
Mr. Venu Srinivasan	21,000	20,000
Mr. S. Santhanakrishnan	25,50,000	4,60,000
Mr. R. Govindarajan*	8,20,000	-
Mr. T.V. Alexander**	9,95,000	-

\*Mr. R. Govindarajan ceased to be director with effect from 05.08.2011

\*\* Mr. T.V. Alexander passed away on 05.02.2012

b) Managing Director and Executive Directors:

(₹ in Lakhs)

	Salary	Perquisites & Allowance	Contribution to Retiral funds	Commission
Mr. Hameed Huq	44.82	58.68	12.10	60.00
Mr. M. Deepak Kumar	34.80	44.96	9.40	35.00

## 5. Shareholders Committee

The Board has constituted a Shareholders/Investors Grievance Committee, which comprises of Mr. R.K. Krishna Kumar, Chairman; Mr. S. Santhanakrishnan and Mr. Hameed Huq. During the Financial Year 2012-13 the Committee met four times on 8th May, 16th July, 22nd October in 2012 and 22nd January in 2013. The Committee oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor service. The Company Secretary is the Compliance Officer. Given below is the position of complaints received and attended to for the year 2012-13.

Requests/ Queries/ Complaints received	2112
Requests/ Queries/ Complaints attended	2065
Pending requests/ queries/ complaints as on 31.03.2013	47*

\* Letters were received in the last week of March and have been replied to in April 2013.

Letters received through Statutory/Regulatory bodies are considered as complaints for reporting under Clause 41 of the Listing Agreement

The Shares of the Company are traded in dematerialized form. During 2012-13, 99 requests for transfer/transmission covering 16212 shares and 226 requests for dematerialisation covering 44680 shares were received and processed. As on 31.03.2013, 3 share transfer cases covering 82 shares and 11 requests for dematerialisation covering 1925 shares were pending. These requests were attended to in April 2013.

## 6. Code of Conduct

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

**TATA COFFEE LIMITED****7. General Body Meetings**

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

Year	Date & Time of Meeting	Venue
2009-10	23rd July, 2010 at 12 Noon	Registered Office : Pollibetta – 571 215, Kodagu
2010-11	5th August, 2011 at 11.30 A.M.	-do-
2011-12	27th July, 2012 at 11.30 A.M	-do-

A Special Resolution was passed at the AGM held on 23rd July, 2010 approving payment of Commission not exceeding 1% of the net profits to Non-Executive Directors.

**8. Disclosures**

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

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

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

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

**9. Means of Communication**

The Quarterly and Annual Financial Results of the Company are faxed/couriered to the Stock Exchanges in accordance with the Listing Agreement. The Results are displayed on the BSE and NSE websites as well as on the Corporate Filing and Dissemination System (CFDS) portal. The Results are also published in Newspapers viz., Indian Express / Financial Express – English and Kannada Prabha – Kannada and posted on the Company's website "www.tatacoffee.com". In terms of Clause 47(f) of the Listing Agreement, the Company has designated a separate e-mail ID for entertaining investor complaints viz., [investors@tatacoffee.com](mailto:investors@tatacoffee.com)

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

**10. General Shareholder information**

<b>I.</b>	<b>AGM: Date, Time and Venue</b>	2nd July, 2013 at 11.30 A.M at the Registered Office: Pollibetta – 571 215, Kodagu.	
<b>II.</b>	<b>Financial Calendar (tentative)</b>	Board Meeting for approval of: Audited Results for the first quarter ending 30th June, 2013 Audited Results for the second quarter ending 30th September, 2013 Audited Results for the third quarter ending 31st December, 2013 Annual Accounts 2013-2014 Annual General Meeting for the year ended 31st March, 2014	In July/August 2013 In October/ November 2013 In January/February 2013 In May/June, 2014 In July/August, 2014
<b>III.</b>	<b>Dates of Book Closure</b>	13th June, 2013 to 2nd July, 2013 (both days inclusive)	
<b>IV.</b>	<b>Dividend Payment Date</b>	The Dividend warrants will be mailed on or after 3rd July, 2013.	
<b>V.</b>	<b>Listing on Stock Exchanges</b>	<b>Bangalore Stock Exchange Ltd.</b> Stock Exchange Towers, No. 51, 1st Cross, J.C. Road, Bangalore - 560 027. Tel.: 080-41575234/54 Fax: 080-22995242	

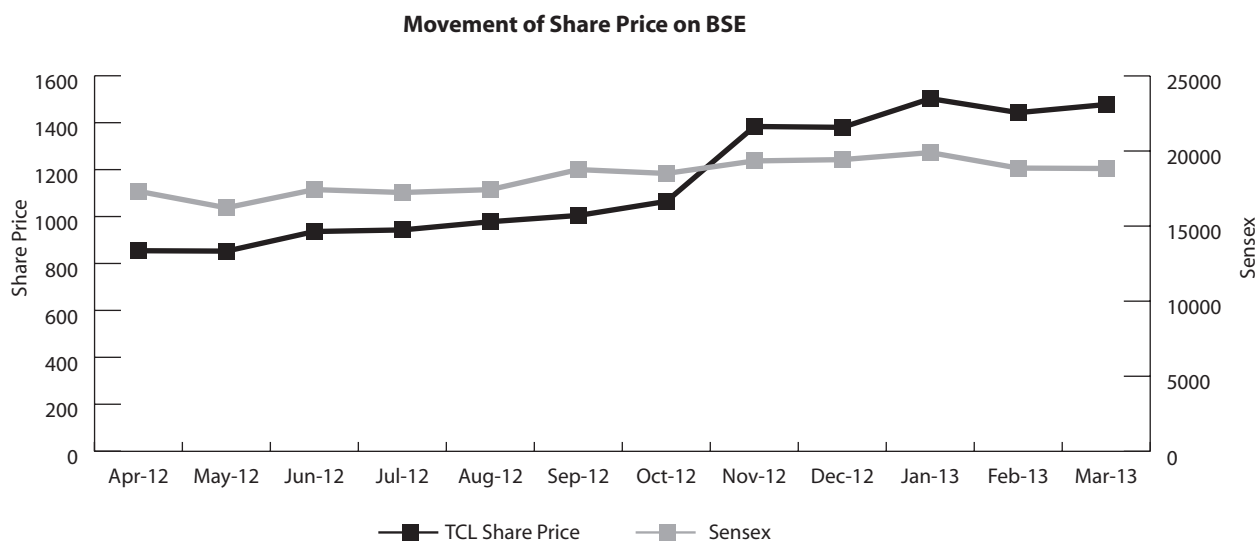
	<b>Bombay Stock Exchange Ltd.</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Tel.: 022-22721233/34 Fax: 022-22723121 Stock Code: 532301	
	<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, 5th Floor, Plot No.C/1, G. Block Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051 Tel.: 022-26598100-8114 Fax : 022-26598237/38 Stock Code: TATACOFFEE	

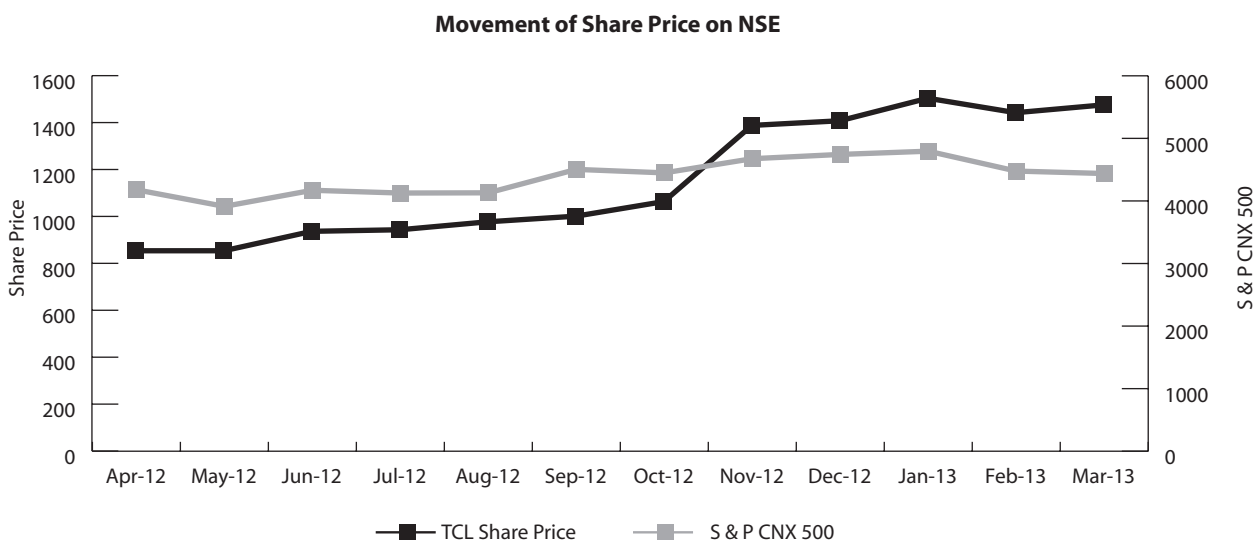
The Company has paid Listing Fees for the financial year 2013-14 to each of the Stock Exchanges.

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

	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2012	894.70	823.30	894.90	822.40
May, 2012	871.40	812.00	871.60	811.00
June, 2012	958.35	825.70	958.20	825.00
July, 2012	980.00	904.05	985.00	906.50
August, 2012	1009.90	939.00	1009.75	890.00
September, 2012	1029.40	956.25	1027.80	955.00
October, 2012	1073.90	1052.00	1108.35	989.50
November, 2012	1562.45	1064.55	1564.00	1020.80
December, 2012	1458.60	1404.00	1457.40	1351.50
January, 2013	1674.50	1409.55	1673.90	1408.30
February, 2013	1608.50	1420.60	1551.90	1420.00
March, 2013	1624.00	1401.05	1623.95	1405.00

#### VII. Share price performance compared with Broad based indices





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

National Securities Depository Ltd.

INE 493A01019

Central Depository Services (India) Ltd.

INE 493A01019

**IX. Registrar and Transfer Agent**

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

**Regd. Office:**

TSR Darashaw Private Limited.  
6-10, Haji Moosa Patrawala Ind. Estate,  
20, Dr. E. Moses Road,  
Mahalaxmi  
Mumbai - 400 011  
Tel.: 022-66568484  
Fax: 022-66568494  
E-mail: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)  
Web: [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

**Branch Offices**

**(i) Bangalore**

TSR Darashaw Private Limited  
503, Barton Centre, 5th Floor,  
84, Mahatma Gandhi Road  
Bengaluru – 560 001.  
Tel: 080- 25320321  
Fax: 080-25580019  
E-mail: [tsrdlbbang@tsrdarashaw.com](mailto:tsrdlbbang@tsrdarashaw.com)

**(iii) Kolkata**

TSR Darashaw Private Limited  
Tata Centre, 1st Floor  
43, J L Nehru Road,  
Kolkata – 700 071  
Tel: 033-22883087  
Fax: 033-22883062  
E-mail: [tsrdlcal@tsrdarashaw.com](mailto:tsrdlcal@tsrdarashaw.com)

**(ii) New Delhi**

TSR Darashaw Private Limited  
2/42 Ansari Road, Daryaganj, Sant Vihar  
New Delhi – 110 002  
Tel: 011- 23271805  
Fax: 011-23271802  
E-mail: [tsrdldel@tsrdarashaw.com](mailto:tsrdldel@tsrdarashaw.com)

**(iv) Jamshedpur**

TSR Darashaw Private Limited  
'E' Road, Northern Town, Bistupur,  
Jamshedpur – 831 001.  
Tel: 0657-2426616  
E-mail: [tsrdljsr@tsrdarashaw.com](mailto:tsrdljsr@tsrdarashaw.com)

(v) **Ahmedabad (Agent)**  
 Shah Consultancy Services Limited  
 3, Sumathinath Complex,  
 2nd Dhal, Pritam Nagar,  
 Ellisbridge,  
 Ahmedabad – 380 006  
 Tel: 079- 26576038  
 E-mail: [shahconsultancy8154@gmail.com](mailto:shahconsultancy8154@gmail.com)

**Share holders may also contact/write to:**  
 The Secretarial Department  
 Tata Coffee Ltd.,  
 57, Railway Parallel Road, Kumara Park West,  
 Bengaluru - 560 020.  
 E-mail: [investors@tatacoffee.com](mailto:investors@tatacoffee.com)

**X. Share Transfer System Physical:**

Shares in physical form should be lodged for transfer at the office of the Company's Registrar & Transfer Agent, TSR Darashaw Private Ltd., Mumbai or at their branch offices at the addresses given above. The transfers are processed, if technically found to be in order and complete in all respects. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialised form.

**Dematerialisation of Shares and liquidity**

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

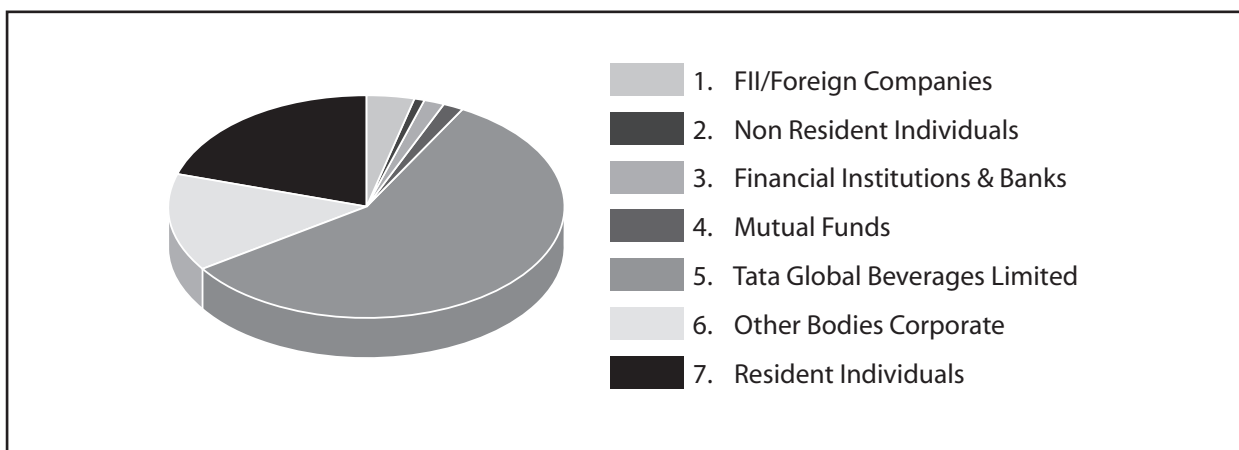
**XI. Distribution of Shareholding as on 31st March, 2013**

No. of Equity Shares held	No. of Shareholders	% to Shareholders	No. of Shares	% of Shareholdings
1- 500	26,771	96.20	11,62,332	6.22
501- 1000	506	1.82	3,77,112	2.02
1001-2000	291	1.04	4,08,218	2.19
2001-3000	91	0.33	2,21,700	1.19
3001-4000	44	0.16	1,55,124	0.83
4001-5000	21	0.08	97,972	0.52
5001 – 10000	39	0.14	2,60,329	1.39
10001 & above	64	0.23	1,59,94,250	85.64
<b>TOTAL</b>	<b>27,827</b>	<b>100.00</b>	<b>1,86,77,037</b>	<b>100.00</b>

**TATA COFFEE LIMITED**

**XII. Categories of Shareholders as on March 31, 2013**

Sr. No.	Category of Shareholders	Total Holdings	Percentage
1.	FII/Foreign Companies	7,58,631	4.06
2.	Non-Resident Individuals	1,39,290	0.75
3.	Financial Institutions & Banks	3,09,078	1.65
4.	Mutual Funds	3,13,942	1.68
5.	Tata Global Beverages Limited	1,07,35,982	57.48
6.	Other Bodies Corporate	26,38,998	14.13
7.	Resident Individuals	37,81,116	20.25
	<b>Total</b>	<b>1,86,77,037</b>	<b>100.00</b>



XIII. Shares in physical and demat form as on 31st March, 2013	No. of Shares	Percentage
In Physical Form	7,32,356	3.92
In Dematerialised Form	1,79,44,681	96.08

XIV. No. of share holders whose shares as on 31st March, 2013 are in physical and demat form.	No. of Shares	Percentage
In Physical Form	9,521	34.21
In Dematerialised Form	18,306	65.79

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

**XVI. Plant Locations**

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



**XVIII. Address for correspondence** As stated in 10 (ix) above

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

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

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

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

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

In terms of Clause 49 of the Listing Agreement, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Codes of Conduct, as applicable to them for the year ended 31st March, 2013.

**HAMEED HUQ**  
*Managing Director*

Place: Mumbai  
Dated: 24th May, 2013