

# Report on Corporate Governance

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company has based its principles of Corporate Governance philosophy 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. This is further strengthened by the comprehensive written code of conduct "Tata Code of Conduct", which has been revised in line with the current amendments, which serves as a guide on the standards of values, ethics and business principles to be followed in running the Company's affairs. The Company has also 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 (SEBI) (Prohibition of Insider Trading) Regulations, 2015 and Whistle Blower Policy. The Company also practices the Tata Business Excellence Model, which stresses on excellence in whatever the Company does, while upholding highest levels of values and business ethics.

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

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

## 2. BOARD OF DIRECTORS:

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. As on 31st March, 2017, the Company had 9 Directors, of which 4 are Executive Directors and 5 are 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.

All Directors possess relevant qualifications and experience in general Corporate Management, Coffee/Commodity expertise, Finance, Banking and other allied fields, which enable them to effectively contribute to the Company in their capacity as Directors. None of the Directors are related to each other. Mr. Sanjiv Sarin holds 3000 equity shares of the Company as on 31st March 2017. No other Director holds any shares in the Company.

None of the Directors on the Board is a member of more than ten Committees or Chairman of five Committees (committees being Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the Listing Regulations) across all the Public Companies in which he/she is a Director. The necessary disclosures regarding their Committee positions have been made by all the Directors.

None of the Directors hold office in more than 10 Public Companies. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance of the limit on Independent Directorships of listed companies as prescribed under Regulation 25(1) of the Listing Regulations.

### Composition and category of Directors vis-à-vis their attendance at meetings

Details of attendance of Directors at Board Meetings and at the last year's Annual General Meeting together with particulars of their Directorship and Chairmanship/Membership of Board Committees (excluding Tata Coffee Limited) as on 31st March, 2017, are as under:

| Name of Directors                                                                | Category                         | Attendance at                    |                   |                    | Directorships and Chairmanship/Memberships of Board Committees in other Indian Public Companies |                          |                           |
|----------------------------------------------------------------------------------|----------------------------------|----------------------------------|-------------------|--------------------|-------------------------------------------------------------------------------------------------|--------------------------|---------------------------|
|                                                                                  |                                  | Board Meetings during FY 2016-17 |                   | AGM 26th July 2016 | Directorship(#)                                                                                 | Committee Membership (#) | Committee Chairmanship(#) |
|                                                                                  |                                  | Meetings held                    | Meetings attended |                    |                                                                                                 |                          |                           |
| Mr. R. Harish Bhat<br>(Chairman)<br>DIN: 00478198                                | Non-Independent<br>Non-Executive | 9                                | 9                 | Yes                | 6                                                                                               | 2                        | 1                         |
| Mr. S. Santhanakrishnan<br>DIN: 00032049                                         | Independent<br>Non-Executive     | 9                                | 9                 | Yes                | 5                                                                                               | 4                        | 2                         |
| Prof. Arun Monappa (*)<br>DIN: 00050840                                          | Independent<br>Non-Executive     | 9                                | 7                 | Yes                | -                                                                                               | -                        | -                         |
| Mr. V. Leeladhar<br>DIN: 02630276                                                | Independent<br>Non-Executive     | 9                                | 9                 | Yes                | 5                                                                                               | 2                        | 3                         |
| Ms. Sunalini Menon<br>DIN: 06983334                                              | Independent<br>Non-Executive     | 9                                | 9                 | Yes                | -                                                                                               | -                        | -                         |
| Mr. Siraj Azmat Chaudhry<br>DIN: 00161853                                        | Independent<br>Non-Executive     | 9                                | 9                 | Yes                | -                                                                                               | -                        | -                         |
| Mr. Sanjiv Sarin<br>(Managing Director & CEO)<br>DIN: 02063332                   | Non-Independent<br>Executive     | 9                                | 9                 | Yes                | -                                                                                               | -                        | -                         |
| Mr. Chacko Purackal Thomas<br>(Executive Director & Deputy CEO)<br>DIN: 05215974 | Non-Independent<br>Executive     | 9                                | 8                 | Yes                | -                                                                                               | -                        | -                         |
| Mr. K. Venkataramanan<br>(Executive Director – Finance & CFO)<br>DIN: 01728072   | Non-Independent<br>Executive     | 9                                | 9                 | Yes                | 1                                                                                               | -                        | -                         |
| Mr. T. Radhakrishnan<br>(Executive Director – ICD Operations)<br>DIN: 03527405   | Non-Independent<br>Executive     | 9                                | 9                 | Yes                | -                                                                                               | -                        | -                         |

(\*) Prof. Arun Monappa retired as Director of the Company on 9th March 2017. Consequently, the Board at its meeting held on 18th May 2017, has appointed Dr. P G Chengappa (DIN: 06771287), as an Additional Director (Independent Non-Executive) of the Company, with effect from 18th May 2017.

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

The Company held 9 Board Meetings during financial year 2016-17, and the gap between two meetings did not exceed 120 days. The dates of which the Board Meetings were held were: 16th May 2016, 10th June 2016, 26th July 2016, 6th August 2016, 19th October 2016, 19th December 2016, 27th January 2017, 9th March 2017 and 28th March 2017.

#### Board Procedure

The annual calendar of Board Meetings is circulated to the members of the Board, 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 to arrive at appropriate decisions. The agenda and related information is circulated in electronic form through a highly secure web based application, which is accessible

through iPad. The information as required under Part A of Schedule II to the Listing Regulations is also made available to the Board. The Board also reviews the declarations made by the Managing Director & CEO, the Chief Financial Officer and the Company Secretary regarding compliance with all applicable laws, on a quarterly basis.

#### Code of Conduct

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

All Board Members and Senior Management Personnel, as per Regulation 26 (3) of the Listing Regulations have affirmed compliance with the applicable Code of Conduct. A declaration to this effect, signed by the Managing Director & CEO, forms part of this Report.

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

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

#### **Independent Directors**

All the Independent Directors of the Company have been appointed as per the provisions of the Act 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).

#### **Separate Meeting of Independent Directors**

A separate meeting of Independent Directors of the Company was held on 27th March, 2017, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations.

At the meeting, the Independent Directors:

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

All the Independent Directors of the Company attended the Meeting of Independent Directors held on 27th March 2017. The Independent Directors expressed their entire satisfaction to the desired level on the governance of the Board.

#### **Board and Director Evaluation and Criteria for Evaluation**

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

The Nomination and Remuneration Committee (NRC) has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation include inter-alia, structure of the Board, including 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 and composition; effectiveness of the Committee; structure of the Committee; regularity and frequency of meetings, agenda, discussion and dissent, recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and management.

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

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

#### **Familiarization Programme for Independent Directors**

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

The Familiarization Programme for Independent Directors is disclosed on the Company's website at the web link: [http://www.tatacoffee.com/investors/shareholder\\_information/TCL\\_familiarisation\\_programme.pdf](http://www.tatacoffee.com/investors/shareholder_information/TCL_familiarisation_programme.pdf).

### **3. AUDIT COMMITTEE:**

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

#### **Terms of reference**

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

- a) Oversight of the Company's Financial Reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Review with the Management, the Quarterly and Annual Financial Statements and the Auditor's Report thereon, before submission to the Board for approval.
- c) Discuss with the Statutory Auditors, before the Audit commences, about the nature and Scope of Audit, as well as post-audit discussion to ascertain any area of concern.
- d) Recommend to the Board the appointment, reappointment and, if required, the replacement or removal of Statutory/Internal Auditors, remuneration and terms of appointment of Auditors, fixation of audit fees and to approve payment for any other services rendered by the Statutory/Internal Auditors.
- e) Review and monitor the Auditor's Independence and performance and effectiveness of audit process.

- f) Review with the Management, performance of the Statutory and Internal Auditors.
- g) Review the adequacy of the Internal Audit function and the adequacy and efficacy of the Internal Control Systems.
- h) Evaluate Internal Financial Controls and Risk Management Systems.
- i) Scrutinize Inter-Corporate Loans and Investments.
- j) Discuss any significant findings with Internal Auditors and follow-up thereon.
- k) Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or failure of Internal Control Systems of a material nature and reporting the matter to the Board.
- l) Look into the reasons for substantial defaults in payments to Depositors, Debenture Holders, Shareholders and Creditors.
- m) Approve transactions, including any subsequent modifications, of the Company with related parties.
- n) Valuation of undertakings or Assets of the Company, wherever it is necessary.
- o) Review and monitor the statement of use and application of funds raised through Public Offers and related matters.
- p) Review the functioning of the Whistle Blower Mechanism.
- q) Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.
- r) And generally, all items listed in Section 177 of the Act and Part C of Schedule II to the Listing Regulations.

#### **Internal Audit**

The Company has adequate internal control and Internal Audit system commensurate with its size and nature of its business.

#### **Composition and Attendance during the year**

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

The composition of the Audit Committee and the details of the meetings attended by its members during the financial year ended 31st March, 2017 are as under:

| Director                           | Category                  | No. of Meetings held | No. of Meetings attended |
|------------------------------------|---------------------------|----------------------|--------------------------|
| Mr. S. Santhanakrishnan – Chairman | Independent Non-Executive | 9                    | 9                        |
| Ms. Sunalini Menon                 | Independent Non-Executive | 9                    | 9                        |
| Mr. V. Leeladhar                   | Independent Non-Executive | 9                    | 9                        |
| Mr. Siraj Azmat Chaudhry           | Independent Non-Executive | 9                    | 8                        |

The Audit Committee met 9 times during the financial year 2016-17 and the gap between two meetings did not exceed 120 days. The dates on which Audit Committee Meetings held were: 6th April 2016, 29th April 2016, 14th May 2016, 27th June 2016, 5th August 2016, 18th October 2016, 18th November 2016, 27th January 2017 and 13th February 2017. Necessary quorum was present at the above Meetings.

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

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

During the year, the Audit Committee reviewed key audit findings covering Operational, Financial and Compliance areas, Risk Mitigation Plan covering key risks affecting the Company which were presented to the Committee. The Chairman of the Audit Committee briefed the Board members on the significant discussions which took place at Audit Committee Meetings.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 26th July, 2016.

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

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

#### Terms of reference

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

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

### Composition and Attendance during the year

The composition of the NRC and the details of meetings attended by its members during the financial year ended 31st March, 2017, are given below:

| Name of the Member          | Category                      | No. of Meetings held | No. of Meetings attended |
|-----------------------------|-------------------------------|----------------------|--------------------------|
| Mr. V. Leeladhar – Chairman | Independent Non-Executive     | 3                    | 3                        |
| Mr. S. Santhanakrishnan     | Independent Non-Executive     | 3                    | 3                        |
| Mr. R. Harish Bhat          | Non-Independent Non-Executive | 3                    | 3                        |
| Prof. Arun Monappa*         | Independent Non-Executive     | 3                    | 2                        |
| Mr. Siraj Azmat Chaudhry    | Independent Non-Executive     | 3                    | 3                        |

\*Prof. Arun Monappa retired as Director of the Company on 9th March, 2017

The NRC met three times during the financial year 2016-17 i.e., on 16th May 2016, 19th December 2016 and 28th March 2017.

The Chairman of the NRC was present at the Annual General Meeting of the Company held on 26th July, 2016.

### Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors are determined by the NRC. An indicative list of factors that are evaluated include participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

### 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:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

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

The Company does not have any Employee Stock Option Scheme.

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

- Independent Directors and Non-Independent Non-Executive Directors
  - 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.
  - 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.
  - The aggregate Commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board. The NRC will recommend to the Board the quantum of Commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee Meetings, individual contributions at the Meetings and contributions made by Directors other than in Meetings.
  - 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 Directors ('ED')/ Key Managerial Personnel ('KMP')/ rest of the employees

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

Basic/Fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and

experience. In addition, the Company provides employees with certain perquisites, allowances and benefits in accordance with terms of employment/contract.

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

#### Details of remuneration paid during the financial year 2016-17:

- a) Non-Executive Directors (NEDs')

(₹ in Lakhs)

| Name of Non-Executive Directors | Commission relating to FY 2015-16 (paid in FY 2016-17) | Commission relating to FY 2016-17 (payable in FY 2017-18) | Sitting fee |
|---------------------------------|--------------------------------------------------------|-----------------------------------------------------------|-------------|
| Mr. R. Harish Bhat *            | -                                                      | -                                                         | 2.80        |
| Mr. S. Santhanakrishnan         | 45.00                                                  | 50.00                                                     | 7.95        |
| Prof. Arun Monappa              | 17.00                                                  | 13.00                                                     | 3.30        |
| Ms. Sunalini Menon              | 18.00                                                  | 28.00                                                     | 5.85        |
| Mr. V. Leeladhar                | 18.00                                                  | 31.00                                                     | 7.65        |
| Mr. Siraj Azmat Chaudhry        | 18.00                                                  | 30.00                                                     | 6.45        |

\*Mr. R. Harish Bhat does not draw any commission as he is a full-time employee of Tata Sons Ltd.

- b) Managing Director and Executive Directors:

(₹ in Lakhs)

| Name of Managing/ Executive Directors | Salary | Perquisites and Allowance | Contribution to Retiral Funds | Commission FY 2016-17 | Total  |
|---------------------------------------|--------|---------------------------|-------------------------------|-----------------------|--------|
| Mr. Sanjiv Sarin                      | 65.67  | 85.52                     | 17.73                         | 150.00                | 318.92 |
| Mr. Chacko Purackal Thomas            | 45.97  | 62.92                     | 12.41                         | 84.00                 | 205.30 |
| Mr. K. Venkataramanan                 | 40.80  | 53.23                     | 11.02                         | 73.00                 | 178.05 |
| Mr. T. Radhakrishnan                  | 27.20  | 35.49                     | 7.34                          | 46.00                 | 116.03 |

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

The Members at the Annual General Meeting of the Company held on 21st July, 2014 approved payment of Commission to the NEDs within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Act. The said Commission payable to the NEDs is decided each

year by the Board of Directors and distributed amongst them based on their attendance, role and responsibility as Chairman/ Member of the Committees and overall contribution as well as time spent on operational matters otherwise than at the meetings. The Company also reimburses the out of pocket expenses incurred by the NEDs for attending meetings.

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

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

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

### Terms of reference

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

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

The composition of the Stakeholders Relationship Committee and the details of the meetings attended by its members during the financial year ended 31st March, 2017 are as under:

| Name of the Member                           | Category                         | No. of meetings held | No. of meetings attended |
|----------------------------------------------|----------------------------------|----------------------|--------------------------|
| Mr. S. Santhanakrishnan-Chairman             | Independent<br>Non-Executive     | 4                    | 4                        |
| Mr. V. Leeladhar                             | Independent<br>Non-Executive     | 4                    | 4                        |
| Mr. R. Harish Bhat                           | Non-Independent<br>Non-Executive | 4                    | 4                        |
| Mr. Sanjiv Sarin (till 16.05.2016)           | Non-Independent<br>Executive     | 4                    | 1                        |
| Mr. Chacko Purackal Thomas (from 26.07.2016) | Non-Independent<br>Executive     | 4                    | 3                        |
| Mr. K. Venkataramanan                        | Non-Independent<br>Executive     | 4                    | 4                        |

During the financial year 2016-17, the Committee met 4 times on 16th May 2016, 26th July 2016, 19th October 2016 and 27th January 2017. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of Investors' service. Mr. N. Anantha Murthy, Head-Legal & Company Secretary, is designated as Compliance Officer of the Company.

Details of complaints received and attended to during the financial year 2016-17 are given below:

|                                                 |   |
|-------------------------------------------------|---|
| No. of complaints pending as on 1st April 2016  | 1 |
| No. of complaints received during the year      | 8 |
| No. of complaints resolved during the year      | 9 |
| No. of complaints pending as on 31st March 2017 | 0 |

The equity shares of the Company are traded on the stock exchanges in dematerialized form. During the financial year 2016-17, 36 requests for transfer/transmission covering 1,18,200 shares and 126 requests for dematerialization covering 1,89,510 shares were received and processed. As on 31st March 2017, there was 1 request for transfer/transmission covering 1,000 shares and 4 requests for dematerialization covering 23,350 shares were pending. These requests were received in last week of March 2017 and have been subsequently processed.

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

### Terms of reference

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

- 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 the 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 2016-17 forms part of the Directors' Report.

The composition of the CSR Committee and the details of the meetings attended by its members during the financial year ended 31st March, 2017 are as under:

| Name of the Member               | Category                     | No. of meetings held | No. of Meetings attended |
|----------------------------------|------------------------------|----------------------|--------------------------|
| Ms. Sunalini Menon - Chairperson | Independent<br>Non-Executive | 5                    | 5                        |
| Mr. V Leeladhar                  | Independent<br>Non-Executive | 5                    | 5                        |
| Mr. Siraj Azmat Chaudhry         | Independent<br>Non-Executive | 5                    | 5                        |
| Mr. Sanjiv Sarin                 | Non-Independent<br>Executive | 5                    | 5                        |

During the financial year 2016-17, the Committee met 5 times on 14th May 2016, 27th June 2016, 25th July 2016, 18th October 2016 and 27th March 2017.

## 7. OTHER COMMITTEES:

### a) Risk Management Committee:

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

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

The composition of the Risk Management Committee and the details of the meetings attended by its Members during the financial year ended 31st March, 2017 are as under:

| Name of the Member                 | Category                  | No. of meetings held | No. of meetings attended |
|------------------------------------|---------------------------|----------------------|--------------------------|
| Mr. Siraj Azmat Chaudhry –Chairman | Independent Non-Executive | 3                    | 3                        |
| Mr. S. Santhanakrishnan            | Independent Non-Executive | 3                    | 3                        |
| Mr. V. Leeladhar                   | Independent Non-Executive | 3                    | 3                        |
| Mr. Sanjiv Sarin                   | Non-Independent Executive | 3                    | 3                        |
| Mr. Chacko Purackal Thomas         | Non-Independent Executive | 3                    | 3                        |
| Mr. K. Venkataramanan              | Non-Independent Executive | 3                    | 3                        |
| Mr. T. Radhakrishnan               | Non-Independent Executive | 3                    | 3                        |

During the financial year 2016-17, the Committee met 3 times on 25th July 2016, 18th October 2016 and 27th March 2017.

### b) Ethics and Compliance Committee

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

The composition of the Ethics and Compliance Committee and the details of the meetings attended by

its members during the financial year ended 31st March, 2017 are as under:

| Name of the Member              | Category                  | No. of meetings held | No. of meetings attended |
|---------------------------------|---------------------------|----------------------|--------------------------|
| Prof. Arun Monappa * – Chairman | Independent Non-Executive | 3                    | 3                        |
| Mr. S. Santhanakrishnan         | Independent Non-Executive | 3                    | 2                        |
| Ms. Sunalini Menon              | Independent Non-Executive | 3                    | 3                        |
| Mr. Sanjiv Sarin                | Non-Independent Executive | 3                    | 2                        |
| Mr. T. Radhakrishnan            | Non-Independent Executive | 3                    | 3                        |

\*Prof. Arun Monappa retired as Director of the Company on 9th March, 2017

During the financial year 2016-17, the Committee met 3 times on 16th May 2016, 18th October 2016 and 9th March 2017.

## 8. SUBSIDIARY COMPANIES:

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

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

The Company has formulated a policy for determining Material Subsidiaries and the Policy is disclosed on the Company's website at [www.tatacoffee.com](http://www.tatacoffee.com).

## 9. GENERAL BODY MEETINGS:

### i. Location and time, where last three AGMs were held:

The last three Annual General Meetings of the Company were held as under:

| Year    | Date & Time of Meeting       | Venue                |
|---------|------------------------------|----------------------|
| 2013-14 | 21st July, 2014 at 10:00 AM  | Registered Office :  |
| 2014-15 | 3rd August, 2015 at 10:00 AM | Pollibetta – 571215, |
| 2015-16 | 26th July, 2016 at 10.30 AM  | Kodagu               |

**ii. Whether any special resolutions passed in the previous three AGMs**

Two Special Resolutions were passed at the AGM held on 21st July, 2014 for approving borrowing limits of the Company and creation of mortgage/charge on the assets of the Company.

**iii. Whether any Special Resolution passed last year through postal ballot- details of voting pattern**

No special resolution was passed through postal ballot in the last year.

**iv. Whether any special resolution is proposed to be conducted through postal ballot**

Yes. The Company is proposing to seek shareholders' approval via postal ballot, for increase in the limits applicable under Section 186 of the Act with regard to making investments / extending loans and giving guarantees or providing securities in connection with loans to persons / bodies corporate.

**v. Procedure for postal ballot**

In compliance with the provisions of Section 108, 110 and other applicable provisions, if any, of the Act and the rules made thereunder, the Company provides e-voting facility to all its Members, to enable them to cast their votes electronically. The Company engages the services of NSDL for the purpose of providing e-voting facility to all its Members. The Members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its Members whose names appear on register of members / list of beneficiaries as on a cut-off date. The postal ballot notice is sent to Members in electronic form to the e-mail addresses registered with their depository participant (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agent (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and the rules made thereunder.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members desiring to exercise their votes by physical ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to

exercise their vote by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot and e-voting are then announced by the Chairman / Director of the Company. The results are also displayed on the website of the Company at [www.tatacoffee.com](http://www.tatacoffee.com) besides being communicated to the stock exchanges, depository and Registrar and Share Transfer Agent.

**10. DISCLOSURES:**

- a. All transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations, during the financial year 2016-17 were in the ordinary course of business and on arm's length pricing basis and do not attract provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Necessary disclosures as required under Ind AS have been made in the Financial Statements. The Board has approved a policy for related party transactions and the same is disclosed on the website of the Company at the link [http://www.tatacoffee.com/investors/related\\_party.pdf](http://www.tatacoffee.com/investors/related_party.pdf).
- b. The Company has complied with the requirements of the Stock Exchanges / SEBI and Statutory Authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by these authorities.
- c. The Company has adopted a Whistle Blower Policy and has established necessary Vigil Mechanism as defined under Regulation 22 of the Listing Regulations for Directors and employees to report concerns about any unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has also been disclosed on the website of the Company at the link [http://www.tatacoffee.com/investors/whistle\\_blower\\_policy\\_May14.pdf](http://www.tatacoffee.com/investors/whistle_blower_policy_May14.pdf).
- d. The Company does not have any material non-listed Indian subsidiary whose net worth exceeds 20% of the consolidated net worth of the Holding Company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. However, in line with the requirements of the Listing Regulations, a policy to determine a material subsidiary has been framed and the same is disclosed on the Company's website at the link [http://www.tatacoffee.com/investors/material\\_subsidary.pdf](http://www.tatacoffee.com/investors/material_subsidary.pdf).

- e. The Managing Director & CEO and the Chief Financial Officer have certified to the Board in accordance with Regulation 33(2)(a) of the Listing Regulations pertaining to CEO/CFO certification for the financial year ended 31st March, 2017.
- f. The Company has complied with all the mandatory requirements of the Listing Regulations. The Company has also fulfilled the following discretionary requirements as provided for in the Listing Regulations:
- (i) The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
- (ii) The Internal Auditor reports to the Audit Committee.
- (iii) The financial statements of the Company are with unmodified audit opinion.
- g. Commodities form a major part of business of the Company and hence Commodity price risk is one of the important risk for the Company. Your Company has a robust framework in place to protect the Company's interests from risks arising out of market volatility. The Risk Management Team, based on market intelligence and continuous monitoring, advises the sales and procurement teams on appropriate strategy to deal with such market volatility.
- h. Your Company has managed the Foreign Exchange risk with appropriate hedging activities in accordance with the policies of the Company. The Company used Forward Exchange Contracts to hedge against its Foreign Currency

exposures relating to firm commitments. There were no materially uncovered exchange rate risks in the context of the Company's Foreign Exchange exposures. The details of Foreign Exchange exposures as on 31st March, 2017 are disclosed in Note No. 36 annexed to the Standalone Financial Statements.

i. Insider Trading Regulations

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

## 11. MEANS OF COMMUNICATION:

The quarterly and annual financial results of the Company are uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre in accordance with the Listing Regulations. The financial results are displayed on BSE and NSE websites. The financial results are also published in 'The Business Line' (English) and 'Kannada Prabha' (Kannada) newspapers and posted on the Company's website at [www.tatacoffee.com](http://www.tatacoffee.com). In terms of the Listing Regulations, the Company has designated a separate 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 transcript/ audio recording of Analyst Calls are posted on the Company's website.

## 12. GENERAL SHAREHOLDER INFORMATION:

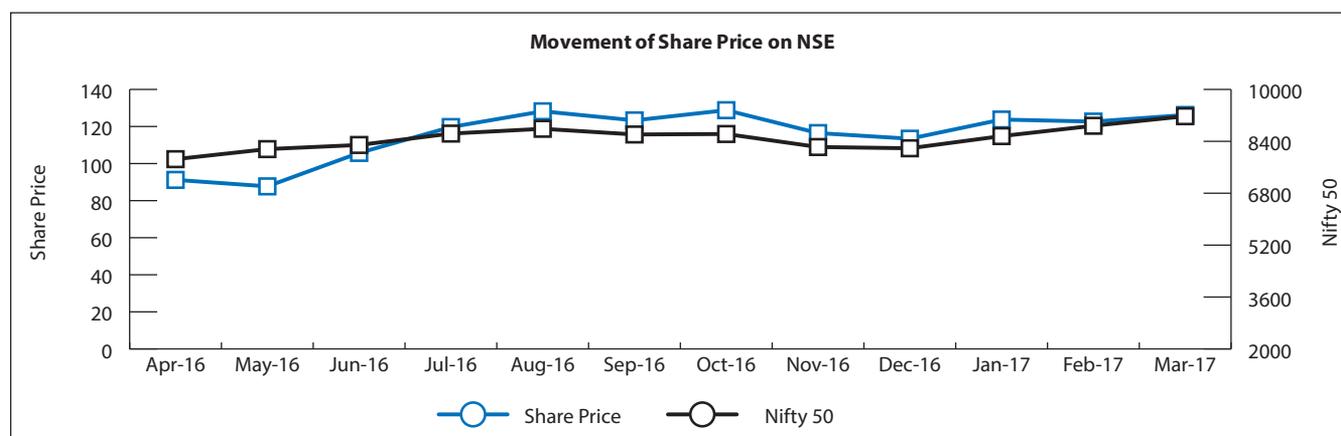
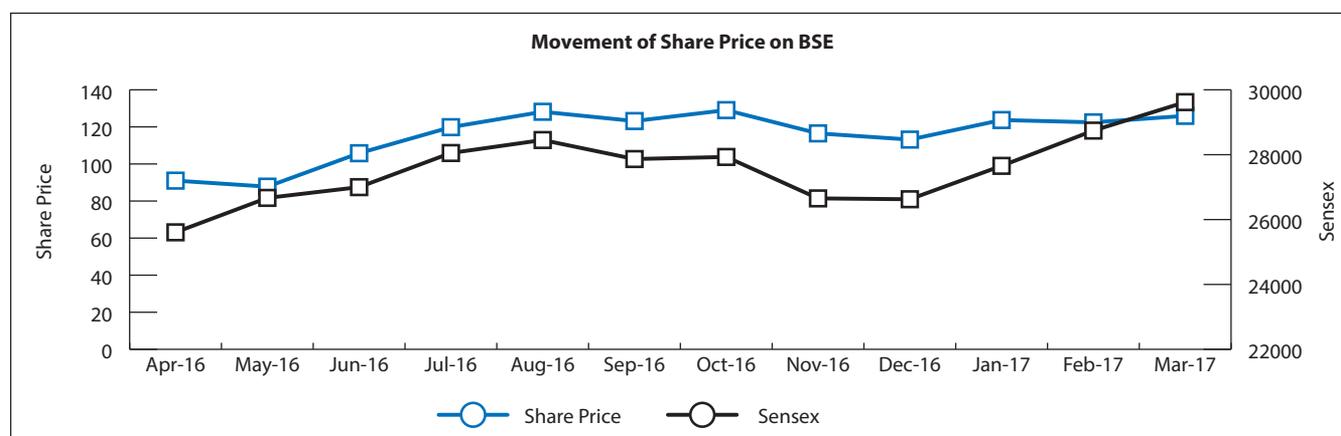
|                                           |                                                                                                                                             |                                                                                                                                                                                                                                  |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>I. AGM: Date, Time and Venue</b>       | Monday, the 17th July, 2017 at 11.00 A.M at the Registered Office: Pollibetta – 571 215, Kodagu, Karnataka                                  |                                                                                                                                                                                                                                  |
| <b>II. Financial Calendar (tentative)</b> | Board Meetings for approval of:                                                                                                             |                                                                                                                                                                                                                                  |
|                                           | Financial Results for the first quarter ending 30th June, 2017                                                                              | In July/August 2017                                                                                                                                                                                                              |
|                                           | Financial Results for the second quarter ending 30th September, 2017                                                                        | In October/November 2017                                                                                                                                                                                                         |
|                                           | Financial Results for the third quarter ending 31st December, 2017                                                                          | In January/February 2018                                                                                                                                                                                                         |
|                                           | Annual Accounts for FY 2017-2018                                                                                                            | In May, 2018                                                                                                                                                                                                                     |
|                                           | Annual General Meeting for the year ending 31st March, 2018                                                                                 | In July/August, 2018                                                                                                                                                                                                             |
| <b>III. Dates of Book Closure</b>         | 4th July, 2017 to 17th July, 2017 (both days inclusive)                                                                                     |                                                                                                                                                                                                                                  |
| <b>IV. Dividend Payment Date</b>          | The Dividend will be paid on or after 20th July, 2017.                                                                                      |                                                                                                                                                                                                                                  |
| <b>V Listing on Stock Exchanges</b>       | BSE Ltd.<br>Phiroze Jeejeebhoy Towers, Dalal Street,<br>Mumbai - 400 001<br>Tel: 022-22721233/34<br>Fax: 022-22723121<br>Stock Code: 532301 | National Stock Exchange of India Ltd.<br>Exchange Plaza, 5th Floor, Plot No. C/1, G.Block<br>Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051<br>Tel Nos: 022-26598100-8114<br>Fax : 022-26598237/38<br>Stock Code: TATACOFFEE |

The Company has paid Listing Fees for the Financial Year 2017-18 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 2016-17:

| Month           | BSE Ltd.   |           | National Stock Exchange of India Ltd. |           |
|-----------------|------------|-----------|---------------------------------------|-----------|
|                 | High (Rs.) | Low (Rs.) | High (Rs.)                            | Low (Rs.) |
| April, 2016     | 95.80      | 89.00     | 95.80                                 | 89.10     |
| May, 2016       | 93.30      | 85.40     | 93.25                                 | 85.20     |
| June, 2016      | 109.70     | 86.75     | 109.70                                | 87.05     |
| July, 2016      | 123.80     | 105.60    | 123.80                                | 106.10    |
| August, 2016    | 135.50     | 111.40    | 135.70                                | 111.55    |
| September, 2016 | 131.40     | 118.35    | 131.60                                | 118.10    |
| October, 2016   | 150.05     | 124.10    | 150.00                                | 123.95    |
| November, 2016  | 131.70     | 107.30    | 131.60                                | 107.10    |
| December, 2016  | 120.80     | 108.80    | 120.80                                | 108.40    |
| January, 2017   | 127.60     | 113.40    | 127.70                                | 113.05    |
| February, 2017  | 131.80     | 115.50    | 132.00                                | 115.85    |
| March, 2017     | 132.00     | 120.00    | 132.20                                | 120.00    |

## VII. Performance of the Company's equity shares in comparison to BSE Sensex and NSE Nifty during the financial year 2016-17:



|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>VIII. Name of the Depository with whom the Company has entered into Agreement:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | ISIN Number                                                                                                                                                                                                                     |
| 1. National Securities Depositories Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | INE493A01027                                                                                                                                                                                                                    |
| 2. Central Depository Services (India) Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | INE493A01027                                                                                                                                                                                                                    |
| <b>IX. Registrar and Share Transfer Agent:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                 |
| <b>Share Transfer System</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                 |
| Share transfers, dividend payments and all other investor related activities are attended to and processed at the Registered Office of the Company's Registrar and Share Transfer Agent. For lodgment of transfer deeds and any other documents or for any grievances/complaints, kindly contact any of the offices of TSR Darashaw Limited which are open from 10.00 a.m. to 3.30 p.m. between Monday to Friday (except on bank holidays)                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                 |
| <b>TSR Darashaw Limited</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                 |
| <b>REGISTERED OFFICE:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                 |
| 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                 |
| Tel: 022-66568484, Fax: 022-66568494                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                 |
| E-mail: <a href="mailto:csg_unit@tsrdarashaw.com">csg_unit@tsrdarashaw.com</a> Web: <a href="http://www.tsrdarashaw.com">www.tsrdarashaw.com</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                 |
| <b>BRANCH OFFICES:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                 |
| <b>i. Bengaluru</b><br>503, Barton Centre, 5th Floor, 84, Mahatma Gandhi Road,<br>Bengaluru – 560001<br>Tel: 080- 25320321<br>Fax: 080-25580019<br>E-mail: <a href="mailto:tsrdlbgang@tsrdarashaw.com">tsrdlbgang@tsrdarashaw.com</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>ii. New Delhi</b><br>2/42 Ansari Road, 1st Floor, Daryaganj, Sant Vihar,<br>New Delhi – 110 002<br>Tel: 011- 23271805<br>Fax: 011-23271802<br>E-mail: <a href="mailto:tsrdldel@tsrdarashaw.com">tsrdldel@tsrdarashaw.com</a> |
| <b>iii. Kolkata</b><br>Tata Centre, 1st Floor, 43, J. L. Nehru Road, Kolkata – 700 071<br>Tel: 033-22883087<br>Fax: 033-22883062<br>E-mail: <a href="mailto:tsrdlcal@tsrdarashaw.com">tsrdlcal@tsrdarashaw.com</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>iv. Jamshedpur</b><br>'E' Road, Northern Town, Bistupur,<br>Jamshedpur – 831 001.<br>Tel: 0657-2426616<br>Fax: 0657 2426937<br>E-mail: <a href="mailto:tsrdljsr@tsrdarashaw.com">tsrdljsr@tsrdarashaw.com</a>                |
| <b>v. Ahmedabad (Agent)</b><br>Shah Consultancy Services Limited<br>3, Sumathinath Complex<br>2nd Dhal, Pritam Nagar<br>Ellisbridge<br>Ahmedabad – 380 006<br>Tel: 079- 26576038<br>Email: <a href="mailto:shahconsultancy8154@gmail.com">shahconsultancy8154@gmail.com</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                 |
| <b>X. Share Transfer System:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                 |
| Shares in physical form should be lodged for transfer at the office of the Company's Registrar & Share Transfer Agent, TSR Darashaw Ltd., Mumbai or at their branch offices at the addresses given above. The transfers are processed, if technically found to be in order and complete in all respects.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | and an electronic credit of shares is given to the account of the Shareholder.                                                                                                                                                  |
| <b>Dematerialization of Shares and Liquidity</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                 |
| 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 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 dematerialised                                                                                                                                                                                |                                                                                                                                                                                                                                 |
| <b>XI. Secretarial Audit:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                 |
| <p>a) M/s HBP &amp; Co., Practicing Company Secretaries have conducted a Secretarial Audit of the Company for the year 2016-17. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made there under, Listing Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.</p> <p>b) Pursuant to Regulation 40(9) of the Listing Regulations certificates have been issued on a half-yearly basis, by M/s Parikh &amp; Associates, Practicing Company Secretaries, certifying due compliance of share transfer formalities by the Company.</p> <p>c) M/s Parikh &amp; Associates, Practicing Company Secretaries carry out a quarterly Reconciliation of Share Capital Audit, to</p> |                                                                                                                                                                                                                                 |

reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

d) The Company submitted Compliance Certificate to the concerned stock exchanges duly signed by both the Compliance Officer of the Company and the Registrar & Share Transfer Agent within one month of end of each half of the financial year 2016-17 certifying compliance with the requirements of clause(2) of Regulation 7 of the Listing Regulations.

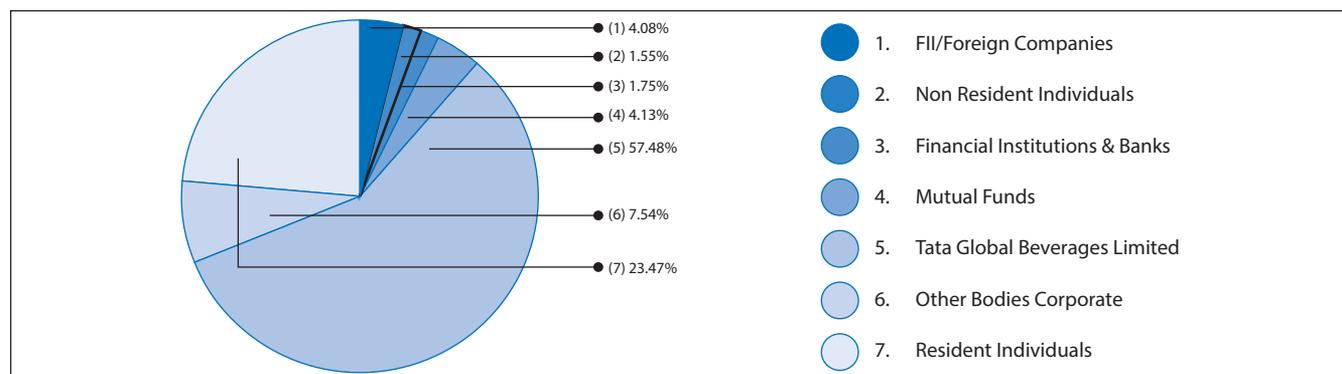
## XII. Distribution of Shareholding as on 31st March, 2017:

| No. of Equity Shares | No. of Shareholders | % to Shareholders | No. of Shares    | % of Shareholders |
|----------------------|---------------------|-------------------|------------------|-------------------|
| 1 - 500              | 58691               | 83.02             | 8472057          | 4.54              |
| 501 - 1000           | 5527                | 7.82              | 4648924          | 2.49              |
| 1001 - 2000          | 2793                | 3.95              | 4398520          | 2.36              |
| 2001 - 3000          | 1168                | 1.65              | 3033329          | 1.62              |
| 3001 - 4000          | 526                 | 0.75              | 1910374          | 1.02              |
| 4001 - 5000          | 489                 | 0.69              | 2327981          | 1.25              |
| 5001 - 10000         | 772                 | 1.09              | 5738413          | 3.07              |
| 10001 & above        | 727                 | 1.03              | 15624072         | 83.65             |
| <b>TOTAL</b>         | <b>70693</b>        | <b>100.00</b>     | <b>186770370</b> | <b>100.00</b>     |

## XIII. Category-wise Shareholders as on 31st March, 2017:

| Sl. No.      | Category of Shareholders       | No. of Shares    | Percentage    |
|--------------|--------------------------------|------------------|---------------|
| 1            | FII/Foreign Companies          | 7630396          | 4.08          |
| 2            | Non-Resident Individuals       | 2890695          | 1.55          |
| 3            | Financial Institutions & Banks | 3261445          | 1.75          |
| 4            | Mutual Funds                   | 7710603          | 4.13          |
| 5            | Tata Global Beverages Limited  | 107359820        | 57.48         |
| 6            | Other Bodies Corporate         | 14090684         | 7.54          |
| 7            | Resident Individuals           | 43826727         | 23.47         |
| <b>TOTAL</b> |                                | <b>186770370</b> | <b>100.00</b> |

Category-wise Shareholders as on 31st March, 2017



| <b>XIV. Shares in Physical and Demat form as on 31st March, 2017:</b>                                                   | <b>No. of Shares</b>              | <b>Percentage</b> |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------|
| In Physical Form                                                                                                        | 60,51,330                         | 3.24              |
| In Dematerialized Form                                                                                                  | 18,07,19,040                      | 96.76             |
| <b>XV. No. of shareholders whose shares as on 31st March, 2017 are in Physical and Demat form:</b>                      | <b>No. of Shares</b>              | <b>Percentage</b> |
| In Physical Form                                                                                                        | 8,617                             | 12.19             |
| In Dematerialized Form                                                                                                  | 62,076                            | 87.81             |
| <b>XVI. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:</b> |                                   | Nil               |
| <b>XVII. Plant Locations:</b>                                                                                           |                                   |                   |
| 17 Coffee Estates in Kodagu, Hassan and Chikmagalur District.                                                           |                                   |                   |
| 1 Tea Estate in Kodagu Dist. and<br>1 Tea and Coffee (mixed) in Chikmagalur District.                                   | State of Karnataka                |                   |
| 4 Tea Estates in Pachaimalai, 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 Toopran, Brahmanpally Village.                                                                | State of Telangana                |                   |
| 1 Instant Coffee Plant at Jayamangalam Village, Theni                                                                   | State of Tamil Nadu               |                   |
| <b>XVIII. Address for correspondence:</b>                                                                               | <b>As stated in 12 (IX) above</b> |                   |

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

#### 14. Certificate on Corporate Governance

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

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

In terms of the Listing Regulations, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Codes of Conduct, as applicable to them for the year ended 31st March, 2017.

Place: Bengaluru  
Date: 18<sup>th</sup> May, 2017

**SANJIV SARIN**  
Managing Director & CEO

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

To the Members of Tata Coffee Limited

I have examined the compliance of the conditions of Corporate Governance by Tata Coffee Limited ('the Company') for the year ended 31st March 2017, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

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

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

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

Place: Bengaluru  
Date: 18<sup>th</sup> May, 2017

**DR. ASIM KUMAR CHATTOPADHYAY**  
Practising Company Secretary  
FCS No. 2303  
CP No. 880