

Report on Corporate Governance

1. Company's Philosophy on Code of Governance:

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

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

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

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

2. Board of Directors: Composition of the Board

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well informed

Board with qualifications and experience in diverse areas. The Board composition is in conformity with the Listing Regulations and the Companies Act, 2013 ("the Act").

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

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

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

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

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

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

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

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

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

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

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

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

Board Procedure

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

Code of Conduct

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

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

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

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

Independent Directors

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

Separate Meeting of Independent Directors

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

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

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

Board and Directors/Evaluation and Criteria for Evaluation

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

The Nomination and Remuneration Committee (NRC) has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation include inter-alia, structure of the Board, including 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 criteria for determining qualifications, positive attributes and independence of Directors in terms of Section 178(3) of the Act and the Listing Regulations.

Familiarization Programme for Independent Directors

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

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

3. Audit Committee:

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

Terms of reference

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

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending the appointment and removal of External Auditors, fixation of Audit Fee and approval for payment for any other services;
- iii. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
 - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
- (d) Significant adjustments made in the financial statements arising out of audit findings;
- (e) Compliance with listing and other legal requirements relating to financial statements
- (f) Disclosure of any Related Party Transactions;
- (g) Modified opinion(s) in the draft Audit Report;
- iv. Review of the quarterly and half yearly financial results with the management and the Statutory Auditors;
- v. Examination of the financial statement and the Auditors' Report thereon;
- vi. Review and monitor Statutory Auditor's independence and performance and effectiveness of audit process;
- vii. Approval or any subsequent modification of transactions with related parties;
- viii. Scrutiny of Inter-Corporate Loans and Investments;
- ix. Review of valuation of undertakings or assets of the company wherever it is necessary;
- x. Evaluation of Internal Financial Controls and Risk Management Systems;
- xi. Review with the Management, Statutory Auditors and the Internal Auditors about the nature and scope of audits and of the adequacy of internal control systems;
- xii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- xiii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xiv. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- xv. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders,

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

Internal Audit

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

Composition and Attendance during the year

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

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

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

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

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

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

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

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

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

4. Nomination and Remuneration Committee:

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

Terms of reference

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

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

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

Composition and Attendance during the year

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

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

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

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

Performance Evaluation:

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

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

etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

Remuneration Policy

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

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

The Company does not have any Employee Stock Option Scheme.

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

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

remuneration and be consistent with recognized best practices.

- c) The aggregate Commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board. The NRC will recommend to the Board the quantum of Commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee Meetings, individual contributions at the Meetings and contributions made by Directors other than in Meetings.
 - d) The remuneration payable to Directors shall be inclusive of any remuneration payable for services rendered in any other capacity, unless the services rendered are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the Profession.
- (ii) 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 2017-18:

a) Non-Executive Directors (NEDs)

(₹ in Lakhs)

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

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

b) Managing/Executive Directors:

(₹ in Lakhs)

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

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

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

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

Non-Independent Non-Executive Directors retire at the age of 70 years and the retirement age for Independent Directors is 75 years.

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

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:
Terms of reference

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

- 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, 2018 are as under:

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

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

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

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

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

As per Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules") read with Section 124 of the Act, intimations have been sent to shareholders concerned, requesting them to encash their unclaimed dividends failing which the corresponding shares held by them will be transferred to Investor Education and Protection Fund (IEPF) Authority.

As required under Section 124 of the Act, 12,42,821 equity shares, in respect of which dividend has not been claimed by the shareholders for seven consecutive years or more, have been transferred by the Company to the IEPF Authority during the financial year 2017-18. Details of shares transferred have been uploaded on the website of IEPF as well as the Company's website i.e., www.tatacoffee.com.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE: Terms of reference

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

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII to the Act.
- Recommend the amount to be spent on CSR activities.
- Monitor implementation and adherence to 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. The Annual Report on CSR activities for the financial year 2017-18 forms part of the Directors' Report.

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

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

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

7. OTHER COMMITTEES:

a) Risk Management Committee:

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

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

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

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

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

b) Ethics and Compliance Committee

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

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

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

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

8. SUBSIDIARY COMPANIES:

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

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

The Company has formulated a policy for determining Material Subsidiaries and the Policy is disclosed on the Company's website at 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
2014-15	3rd August, 2015 at 10:00 AM	Registered Office :
2015-16	26th July, 2016 at 10.30 AM	Pollibetta – 571215,
2016-17	17th July, 2017 at 11.00 AM	Kodagu

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

resolution was passed through postal ballot in the last year.

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

10. Disclosures:

- a. All transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations, during the financial year 2017-18 were in the ordinary course of business and on arm's length pricing basis and do not attract provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements. The Board has approved a policy for dealing with related party transactions and the same is disclosed on the website of the Company at the link 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.
- 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.

e. The Managing Director & CEO and the Chief Financial Officer have certified to the Board in accordance with Regulation 33(2)(a) of the Listing Regulations pertaining to CEO/CFO certification for the financial year ended 31st March, 2018.

f. The Company has complied with all the mandatory requirements of the Listing Regulations. The Company has also fulfilled the following discretionary requirements as provided for in the Listing Regulations:

- (i) The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
- (ii) The Internal Auditor reports to the Audit Committee.
- (iii) The financial statements of the Company are with unmodified audit opinion.

g. Commodities form a major part of business of the Company and hence Commodity price risk is one of the important risks for the Company. Your Company has a robust framework in place to protect the Company's interests from risks arising out of market volatility. The Risk Management Team, based on market intelligence and continuous monitoring, advises the sales and procurement teams on appropriate strategy to deal with such market volatility.

h. Your Company has managed the Foreign Exchange risk with appropriate hedging activities in accordance with the policies of the Company. The Company used Forward Exchange Contracts to hedge against its Foreign Currency exposures relating to firm commitments. There were no materially uncovered exchange rate risks in the context of the Company's Foreign Exchange exposures.

i. Insider Trading Regulations

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

11. Means of Communication:

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

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

12. General Shareholder information:

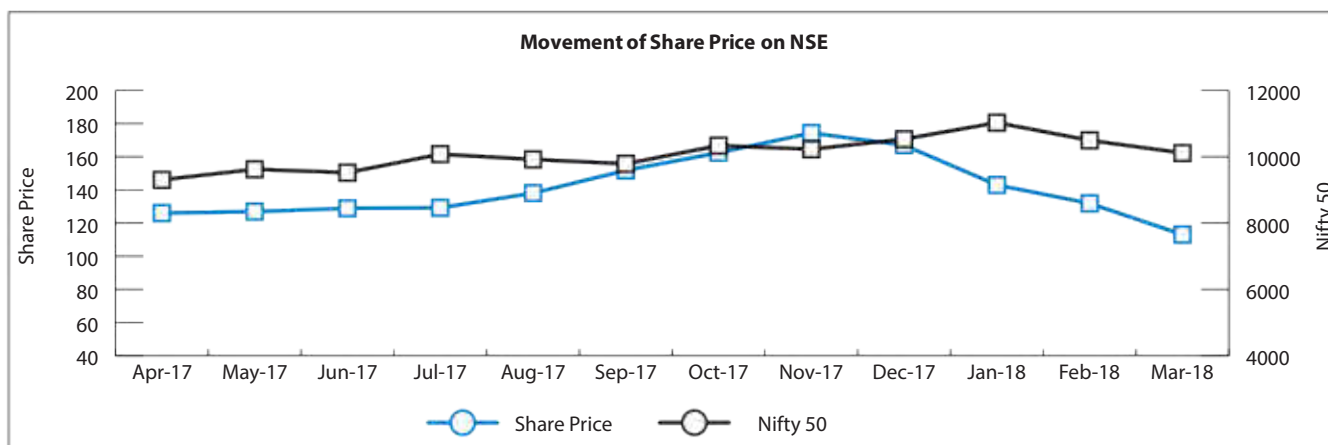
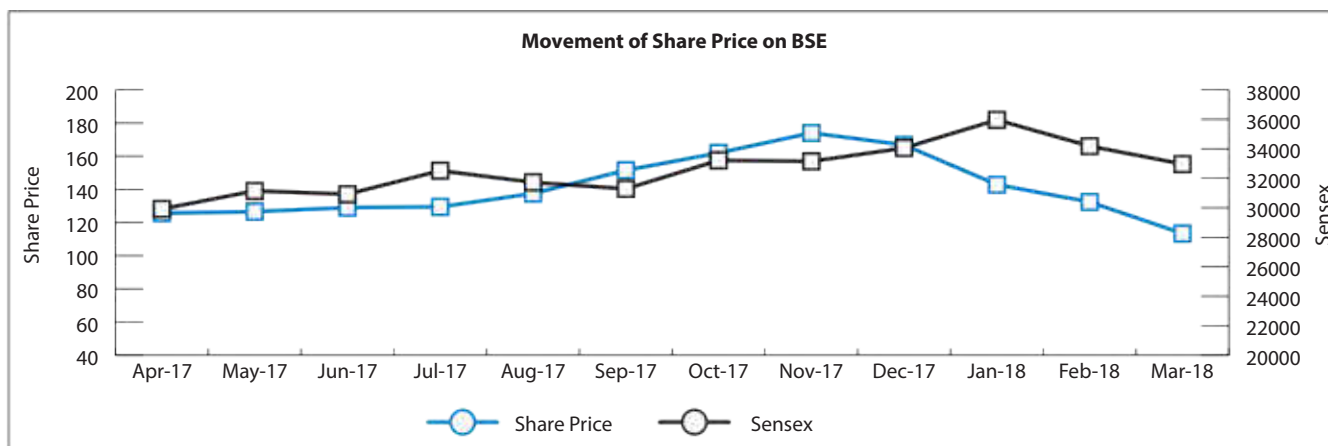
I. AGM: Date, Time and Venue	Monday, the 2nd July, 2018 at 11.00 A.M at the Registered Office: Pollibetta – 571215, Kodagu, Karnataka		
II. Financial Calendar (tentative)	Board Meetings for approval of:		
	Financial Results for the first quarter ending 30th June, 2018	In July/August 2018	
	Financial Results for the second quarter ending 30th September, 2018	In October/November 2018	
	Financial Results for the third quarter ending 31st December, 2018	In January/February 2019	
	Annual Accounts for FY 2018-2019	In May, 2019	
	Annual General Meeting for the year ending 31st March, 2019	In July/August, 2019	
III. Dates of Book Closure	20th June, 2018 to 2nd July, 2018 (both days inclusive)		
IV. Dividend Payment Date	The Dividend will be paid on or after 5th July, 2018.		
V Listing on Stock Exchanges	BSE Ltd.	National Stock Exchange of India Ltd.	
	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	Exchange Plaza, 5th Floor, Plot No. C/1, G.Block Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	
	Tel: 022-22721233/34	Tel Nos: 022-26598100-8114	
	Fax: 022-22723121	Fax : 022-26598237/38	
	Stock Code: 532301	Stock Code: TATACOFFEE	

The Company has paid Listing Fees for the financial year 2018-19 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 2017-18:

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

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



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

- | | ISIN Number |
|--|--------------|
| 1. National Securities Depositories Limited | INE493A01027 |
| 2. Central Depository Services (India) Limited | INE493A01027 |

IX. Registrar and Share Transfer Agent:

Share Transfer System

Share transfers, dividend payments and all other investor related activities are attended to and processed at the 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)

TSR Darashaw Limited

Registered Office:

6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011

Tel: 022-66568484, Fax: 022-66568494

E-mail: csg-unit@tsrdarashaw.com Web: www.tsrdarashaw.com

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

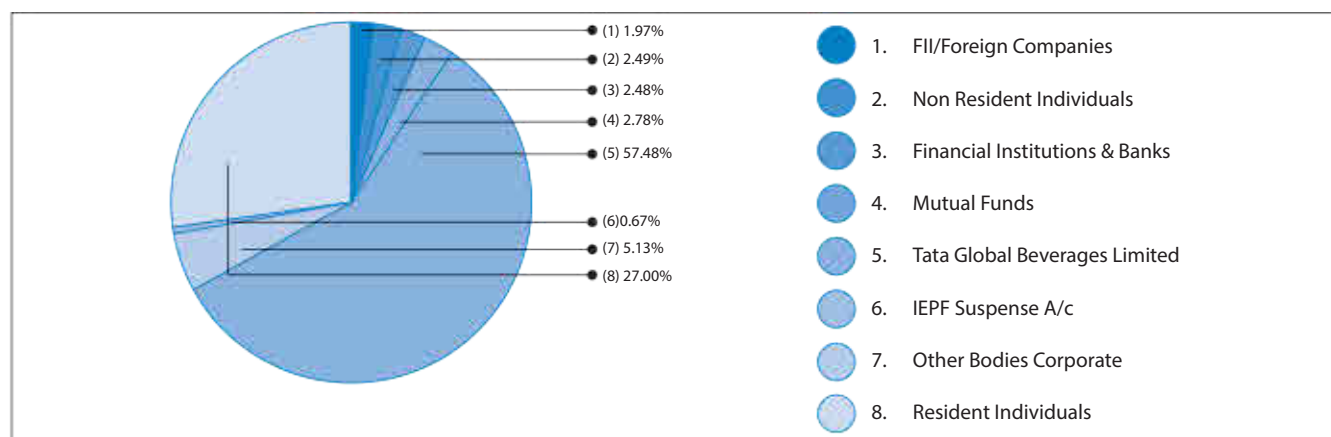
X. Distribution of Shareholding as on 31st March, 2018:

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

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

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

Category-wise Shareholders as on 31st March, 2018



XII. Shares in Physical and Demat form as on 31st March, 2018:		No. of Shares	Percentage
	In Physical Form	4637270	2.48
	In Dematerialized Form	182133100	97.52

XIII. No. of shareholders whose shares as on 31st March, 2018 are in Physical and Demat form:		No. of Shareholders	Percentage
	In Physical Form	6104	6.72
	In Dematerialized Form	84703	93.28

XIV. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:	Nil
--	-----

XV. Plant Locations:	
17 Coffee Estates in Kodagu, Hassan and Chickmagalur District.	
1 Tea Estate in Kodagu Dist. and	State of Karnataka
1 Tea and Coffee (mixed) in Chickmagalur District.	
	State of Tamil Nadu
4 Tea Estates in Pachaimallai, Pannimade, Uralikal & Velonie and 1 Coffee Estate in Valparai	
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

XVI. Address for correspondence:

As stated in 12 (IX) above

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

14. Certificate on Corporate Governance

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

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

In terms of the Listing Regulations, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Codes of Conduct, as applicable to them for the year ended 31st March, 2018.

Place: Bengaluru
Date: 7th May, 2018

Sanjiv Sarin
Managing Director & CEO

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Tata Coffee Limited,

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

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

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

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

Dr. Asim Kumar Chattopadhyay
Practising Company Secretary

Place: Bengaluru
Date: 7th May, 2018

FCS No. 2303
CP No. 880