

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 of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

The Corporate Governance practices followed by the Company are compatible with International Standards. Your Company has established systems to encourage and recognize employee participation and volunteering in environmental and social initiatives that contribute to Organizational Excellence, Sustainability, Human Resources Development and health of its employees and 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:

(i) Composition of the Board

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the

Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well informed Board with qualifications and experience in diverse areas. The Board composition is in conformity with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('the Listing Regulations') and the Companies Act, 2013 ("the Act").

The Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Director. The Board of Directors as at the end of 31st March 2019, comprised of 9 Directors, out of which 2 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. The Independent Directors constitute more than one-half of the total Board strength.

Category of Directors	No. of Directors	%
Non - Independent Non-Executive Directors	2	22%
Independent Directors	5	56%
Executive Directors (*)	2	22%

(*) Mr. Sanjiv Sarin, retired as Managing Director & CEO with effect from the closing hours of 31st March 2019, and hence his directorship has not been considered above. The Board of Directors has appointed Mr. Chacko Purackal Thomas, as the Managing Director & CEO of the Company with effect from 1st April, 2019.

None of the Directors are related to each other. Mr. Sanjiv Sarin, who was the Managing Director & CEO of the Company upto 31st March 2019 held 3000 equity shares of the Company as on 31st March 2019. 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 Indian 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

Report on Corporate Governance continued

Company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Independent Directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations. The Board confirms that the Independent Directors fulfil the conditions specified in these regulations and that they are Independent of the management.

- (ii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM)

and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2019 are given below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

Name of Director	Category of Directors	Attendance at		Directorships in Other Public Companies	Number of Committee Positions held in Other Public Companies	
		Board Meetings held during 2018-19	Last AGM held on 02.07.2018		Member	Chairman
Mr. R. Harish Bhat (Chairman) DIN: 00478198	Non-Independent Non-Executive	7	Yes	6	3	1
Mr. L. Krishnakumar DIN: 00423616	Non-Independent Non-Executive	6	ABSENT	2	1	-
Mr. S. Santhanakrishnan DIN: 00032049	Independent Non-Executive	7	Yes	5	5	1
Mr. V. Leeladhar DIN: 02630276	Independent Non-Executive	5	Yes	3	1	3
Ms. Sunalini Menon DIN: 06983334	Independent Non-Executive	7	Yes	-	-	-
Mr. Siraj Azmat Chaudhry DIN: 00161853	Independent Non-Executive	6	Yes	2	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	6	Yes	-	-	-
Mr. K. Venkataramanan (Executive Director – Finance & CFO) DIN: 01728072	Non-Independent Executive	7	Yes	1	-	-

(*) Mr. Sanjiv Sarin, retired as the Managing Director & CEO of the Company with effect from the closing hours of 31st March 2019.

(**) Mr. Chacko Purackal Thomas has been appointed as the Managing Director & CEO of the Company with effect from 1st April 2019.

(iii) Name of other listed entities where Directors of the company are Directors and the category of Directorship:

Sl. No.	Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
1.	Mr. R. Harish Bhat (Chairman) DIN: 00478198	i. Tata Global Beverages Limited	Non – Executive Non- Independent Director
		ii. Titan Company Limited	Non – Executive Non- Independent Director
		iii. Trent Limited	Non – Executive Non- Independent Director
2.	Mr. L. Krishnakumar DIN: 00423616	Tata Global Beverages Limited	Executive Director
3.	Mr. S. Santhanakrishnan DIN: 00032049	Tata Global Beverages Limited	Independent Director
4.	Mr. V. Leeladhar DIN: 02630276	Tata Global Beverages Limited	Independent Director
5.	Ms. Sunalini Menon DIN: 06983334	-	-
6.	Mr. Siraj Azmat Chaudhry DIN: 00161853	i. Tata Global Beverages Limited	Independent Director
		ii. IndusInd Bank Limited	Independent Director
7.	Dr. P.G. Chengappa DIN: 06771287	Tasty Bite Eatables Limited	Independent Director
8.	Mr. Sanjiv Sarin (*) (Managing Director & CEO) DIN: 02063332	-	-
9.	Mr. Chacko Purackal Thomas (**) (Executive Director & Deputy CEO) DIN: 05215974	-	-
10.	Mr. K. Venkataramanan (Executive Director – Finance & CFO) DIN: 01728072	-	-

(*) Mr. Sanjiv Sarin, retired as the Managing Director & CEO of the Company with effect from the closing hours of 31st March 2019.

(**) Mr. Chacko Purackal Thomas has been appointed as the Managing Director & CEO of the Company with effect from 1st April 2019.

During the financial year 2018-19, the Board met 7 times i.e., on 7th May 2018, 2nd July 2018, 26th July 2018, 25th October 2018, 24th December 2018, 29th January 2019 and 22nd March 2019. The maximum time gap between any two board meetings was less than 120 days.

Report on Corporate Governance continued

(iv) Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- i) Knowledge on Company's businesses (Plantations and Instant Coffee), policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
- ii) Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- iii) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,
- iv) Financial and Management skills
- v) Technical / Professional skills and specialized knowledge in relation to Company's business

(v) Board Procedure

The annual tentative calendar of Board Meetings is circulated to the members of the Board, well in advance. The agenda is circulated well in advance to the Board members, along with comprehensive back-ground information on the items in the agenda to enable the Board members to take informed decisions. The agenda and related information are circulated in electronic form through a highly secured web-based application, which is accessible to the Board members through iPad. The information as required under Part A of Schedule II to the Listing Regulations is also made available to the Board, wherever applicable, for their consideration. 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 and reviews the related compliance reports, on a quarterly basis.

(vi) 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 for the financial year 2018-19. 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 Senior Management of the Company have made disclosures to the Board confirming that there are no material financial and/or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

(vii) Independent Directors

The Independent Directors of the Company have been appointed in terms of the requirements of the Act, the Listing Regulations and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the Company's website at www.tatacoffee.com. No Independent Director resigned during the financial year 2018-19.

(viii) Separate Meeting of Independent Directors

Separate meetings of Independent Directors of the Company without the presence of the Executive Directors & the management representatives were held on 21st March 2019 and 17th April 2019, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. At the said meeting, the Independent Directors:

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

All the Independent Directors of the Company attended the Meetings of Independent Directors held on 21st March, 2019 and 17th April 2019. The Independent Directors expressed their satisfaction to the desired level on the governance of the Board.

(ix) Board and Director Evaluation and Criteria for Evaluation

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

The Nomination and Remuneration Committee (NRC) has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation include inter-alia, structure of the Board, qualifications, experience and competency of Directors, diversity in Board and process of appointment; Meetings of the Board, including regularity and frequency, agenda, discussion and dissent, recording of minutes and dissemination of information; functions of the Board, including strategy and performance evaluation, corporate culture and values, governance and compliance, evaluation of risks, grievance redressal for investors, stakeholder value and responsibility, conflict of interest, review of Board evaluation and facilitating Independent Directors to perform their role effectively; evaluation of management's performance and feedback, independence of management from the Board, access of Board and management to each other, succession plan and professional development; degree of fulfillment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and functioning and quality of relationship between the Board and Management.

Criteria for evaluation of individual Directors include aspects such as professional qualifications, prior experience, especially experience relevant to the Company, knowledge and competency, fulfillment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity, independence and guidance/ support to management outside Board/ Committee Meetings. In addition, the Chairman is also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer meetings, impartiality, ability to keep shareholders' interests in mind and effectiveness as Chairman.

Criteria for evaluation of the Committees of the Board include mandate of the Committee and composition; effectiveness of the Committee; structure of the Committee; regularity and frequency of meetings, agenda, discussion and dissent, recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and Management.

The procedure followed for the performance evaluation of the Board, Committees and Directors is detailed in the Board's Report, which forms part of the Annual 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.

(x) Familiarization Programme for Independent Directors

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

Further, the Company also makes periodic presentations at the Board and Committee meetings on various aspects of the Company's operations including on Health and Safety, Sustainability, performance updates of the Company, Industry scenario, business strategy, internal control and risks involved and mitigation plan.

The details of the Familiarization Programme for Independent Directors is disclosed on the Company's website at the web link: https://tatacoffee.com/sites/default/files/collaterals/investors/tata_coffee_limited_familiarisation_final.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.

(i) Terms of reference

The terms of reference of the Audit Committee has been reviewed by the Board of Directors at its meeting held on 22nd March 2019, which covers the areas mentioned

Report on Corporate Governance continued

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

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
- iii. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
 - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report;
- iv. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
- v. Examination of the financial 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 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 of the Listing Regulations.

(ii) Internal Audit

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

(iii) Composition and Attendance during the year

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act. All members of the Committee are financially literate, with Mr. 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 2019 are as under:

Director	Category of Directors	No. of Meetings held	No. of Meetings attended
Mr. S. Santhanakrishnan Chairman	Independent	9	9
	Non-Executive		
Ms. Sunalini Menon	Independent	9	9
	Non-Executive		
Mr. V. Leeladhar	Independent	9	7
	Non-Executive		

The Audit Committee met 9 times during the financial year 2018-19 and the gap between any two meetings did not exceed 120 days. The dates on which the Audit Committee Meetings held were: 16th April 2018, 6th May 2018, 25th July 2018, 24th September 2018, 24th October 2018, 17th December 2018, 28th January 2019, 28th February 2019 and 21st March 2019. Requisite 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, 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 *inter alia* 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 2nd July 2018.

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.

(i) Terms of reference

The terms of reference of the Nomination and Remuneration Committee (NRC) has been reviewed by the Board of Directors at its meeting held on 22nd March, 2019, which covers the areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II to the Listing Regulations. The terms of reference of the NRC, inter-alia are as follows:

- (a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the

Report on Corporate Governance continued

- remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
 - devising a policy on diversity of board of directors;
 - identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
 - whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
 - recommend to the board, all remuneration, in whatever form, payable to senior management.

(ii) Composition and Attendance during the year

The composition of the NRC and details of meetings attended by its members during the financial year ended 31st March 2019, are given below:

Name of the Member	Category of Director	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. Siraj Azmat Chaudhry	Independent Non-Executive	3	2
Mr. R. Harish Bhat	Non-Independent Non-Executive	3	3

The NRC met 3 times during the financial year 2018 - 19 i.e., on 7th May 2018, 24th December 2018 and 21st March 2019.

The Chairman of the NRC was present at the Annual General Meeting of the Company held on 2nd July 2018.

(iii) Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the Listing Regulations, the Annual Performance Evaluation was carried out for the financial year 2018 - 19 by the Board in respect of its own performance, the Directors individually as well as

the evaluation of the working of its Audit, Nomination and Remuneration, Risk Management, Stakeholders' Relationship and Corporate Social Responsibility Committees. A structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared after taking into consideration the Guidance note issued by SEBI vide circular no, CMD/ CIR/P/2017/004 dated 05.01.2017.

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

(iv) Remuneration Policy

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

- 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.

5. Remuneration of directors

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

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

- a) Independent Directors ('ID') and Non-Independent Non-Executive Directors ('NEDs') are paid sitting fees for attending the Meetings of the Board and of Committees of which they are Members, and Commission within regulatory limits, as recommended by the NRC and approved by the Board.
- b) Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company taking into consideration the challenges faced by the Company and its future growth. Remuneration paid should be reflective of the size of the Company, complexity of the Sector / Industry / Company's Operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.
- c) The aggregate Commission payable to all the NEDs and IDs is recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board. The NRC recommends to the Board, the quantum of Commission payable for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee Meetings, individual contributions at the Meetings and contributions made by Directors other than in Meetings.

- d) The remuneration payable to Directors shall be inclusive of any remuneration payable for services rendered in any other capacity, unless the services rendered are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.

(ii) Managing Director ('MD')/ Executive 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 mentioned below, the Company provides to its MD/ EDs, such remuneration by way of Commission / Incentive 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.

Report on Corporate Governance continued

Details of remuneration paid during the financial year 2018-19:

a) Non-Executive Directors (NEDs')

₹ in Lakhs

Name of Non-Executive Director	Commission relating to FY 2017-18 (paid in FY 2018-19)	Commission relating to FY 2018-19 (payable in FY 2019-20)	Sitting fee
Mr. R. Harish Bhat *	-	-	2.10
Mr. L. Krishnakumar *	-	-	1.10
Mr. S. Santhanakrishnan	30.00	30.00	6.30
Ms. Sunalini Menon	15.00	15.00	4.65
Mr. V. Leeladhar	16.00	16.00	4.20
Mr. Siraj Azmat Chaudhry	11.00	11.00	2.55
Dr. P. G. Chengappa	8.00	8.00	2.40

*Mr. R. Harish Bhat and Mr. L. Krishnakumar do not draw any commission as they are full-time employee of Tata Sons Limited and Tata Global Beverages Limited respectively.

b) Managing Director and Executive Directors:

₹ in Lakhs

Name of Managing/Executive Directors	Salary	Perquisites and Allowance	Contribution to Retiral Funds	Commission for FY 2018-19 (payable in FY 2019-20)	Total
Mr. Sanjiv Sarin	219.88	0.77	20.85	110.00	351.50
Mr. Chacko Purackal Thomas	133.65	0.58	14.59	60.00	208.82
Mr. K. Venkataramanan	116.53	0.88	12.95	59.00	189.36

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 of the Board, Audit and NRC and for other Committees, the sitting fees shall be ₹10,000/- per meeting. No sitting fee is payable to the members for attending the Meetings of the Corporate Social Responsibility Committee.

The Members at the Annual General Meeting of the Company held on 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 out of pocket expenses incurred by the NEDs for attending meetings.

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

6. Stakeholders' Relationship Committee:

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

Terms of reference

The terms of reference of the Stakeholders Relationship Committee (SRC) has been reviewed by the Board of Directors at its meeting held on 22nd March 2019, which covers the areas mentioned in Section 178 (5) of the Act and Regulation 20 read with Part D (B) of Schedule II to the Listing Regulations.

The terms of reference of the SRC, inter-alia are as follows:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The composition of the Stakeholders Relationship Committee and the details of the meetings attended by its members during the financial year ended 31st March 2019 are as under:

Name of the Member	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	3
Mr. K. Venkataramanan	Non- Independent Executive	4	4

During the financial year 2018-19, the Committee met 4 times i.e., on 7th May 2018, 26th July 2018, 25th October 2018 and 29th January 2019. The Committee also oversees

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

Details of complaints received and attended to during the financial year 2018-19 are given below:

No. of complaints pending as on 1st April 2018	0
No. of complaints received during the year	10
No. of complaints resolved during the year	10
No. of complaints pending as on 31st March 2019	0

The equity shares of the Company are traded in dematerialized form. During the financial year 2018-19, 185 requests for transfer/transmission covering 1,88,060 shares and 225 requests for dematerialization covering 4,58,335 shares were received and processed. As on 31st March 2019, there were 9 requests for transfer / transmission covering 7,287 shares, 18 requests for dematerialization covering 2,72,490 shares which were pending. These requests were received in the last week / second fortnight of March 2019 respectively and have subsequently been 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 unclaimed dividends and the corresponding shares held by them be transferred to IEPF Authority.

As required under Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs. The Company has transferred 96,142 equity shares, in respect of which dividend has not been claimed by the shareholders for seven consecutive years or more pertaining to the financial year ended 31st March 2011, to the Investor Education and Protection Fund Authority (IEPF) during the financial year 2018 -19. Details of shares transferred have been uploaded on the website of IEPF as well as the Company's website i.e., www.tatacoffee.com.

Report on Corporate Governance continued

7. Corporate Social Responsibility Committee:

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

Terms of reference

The terms of reference of the CSR Committee are:

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII to the Act.
- Recommend the amount to be spent on CSR activities.
- Monitor implementation and adherence to the CSR Policy of the Company from time to time.
- Such other activities as the Board of Directors determine as they may deem fit in line with CSR Policy.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The CSR Policy is available on the website of the Company at www.tatacoffee.com. The Annual Report on CSR activities for the financial year 2018-19 forms part of the Board's Report.

The composition of the CSR Committee and the details of the meetings attended by its members during the financial year ended 31st March 2019 are as under:

Name of the Member	Category of Directors	No. of Meetings held	No. of Meetings attended
Ms. Sunalini Menon Chairperson	Independent Non-Executive	2	2
Mr. V Leeladhar	Independent Non-Executive	2	0
Mr. Siraj Azmat Chaudhry	Independent Non-Executive	2	2
Dr. P. G. Chengappa	Independent Non-Executive	2	2
Mr. Sanjiv Sarin*	Non-Independent Executive	2	2

*Mr. Sanjiv Sarin ceased to be a member of the Committee with effect from the closing hours of 31st March 2019 consequent to his retirement.

During the financial year 2018-19, the Committee met 2 times i.e., on 24th October 2018 and 12th March 2019.

8. Other Committees:

a) Risk Management Committee:

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

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

The composition of the Risk Management Committee and the details of the meetings attended by its Members during the financial year ended 31st March 2019 are as under:

Name of the Member	Category of Directors	No. of meetings held	No. of meetings attended
Mr. Siraj Azmat Chaudhry Chairman	Independent Non-Executive	3	3
Mr. V. Leeladhar	Independent Non-Executive	3	1
Dr. P. G. Chengappa	Independent Non-Executive	3	3
Mr. Sanjiv Sarin*	Non-Independent Executive	3	3
Mr. Chacko Purackal Thomas	Non-Independent Executive	3	2
Mr. K. Venkataramanan	Non-Independent Executive	3	3
Mr. L. Krishnakumar (w.e.f. 25.10.2018)	Non-Independent Non-Executive	1	1

*Mr. Sanjiv Sarin ceased to be a member of the Committee with effect from the closing hours of 31st March 2019 consequent to his retirement.

During the financial year 2018-19, the Committee met 3 times i.e., on 19th June 2018, 25th July 2018 and 12th March 2019.

b) Ethics and Compliance Committee

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

The composition of the Ethics and Compliance Committee and the details of the meetings attended by its members during the financial year ended 31st March 2019 are as under:

Name of the Member	Category of Directors	No. of meetings held	No. of meetings attended
Dr. P. G. Chengappa Chairman	Independent Non-Executive	3	3
Mr. S. Santhanakrishnan	Independent Non-Executive	3	3
Ms. Sunalini Menon	Independent Non-Executive	3	3
Mr. Sanjiv Sarin*	Non-Independent Executive	3	3

*Mr. Sanjiv Sarin ceased to be a member of the Committee with effect from the closing hours of 31st March 2019 consequent to his retirement.

During the financial year 2018-19, the Committee met 3 times i.e., on 25th July 2018, 24th December 2018 and 21st March 2019.

9. Subsidiary Companies:

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

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

10. General Body Meetings:**i. Location and time, where last three AGMs were held:**

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

Year	Date & Time of Meeting	Venue
2015-16	26th July 2016 at 10.30 AM	Registered Office :
2016-17	17th July 2017 at 11.00 AM	Pollibetta – 571215,
2017-18	2nd July 2018 at 11.00 AM	Kodagu

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

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. Person who conducted the postal ballot exercise - Not Applicable.

v. Whether any special resolution is proposed to be conducted through postal ballot – At present, there is no proposal to pass any special resolution through Postal Ballot.

vi. Procedure for Postal Ballot: Not Applicable.

11. Means Of Communication:

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

Report on Corporate Governance continued

12. General Shareholder information:

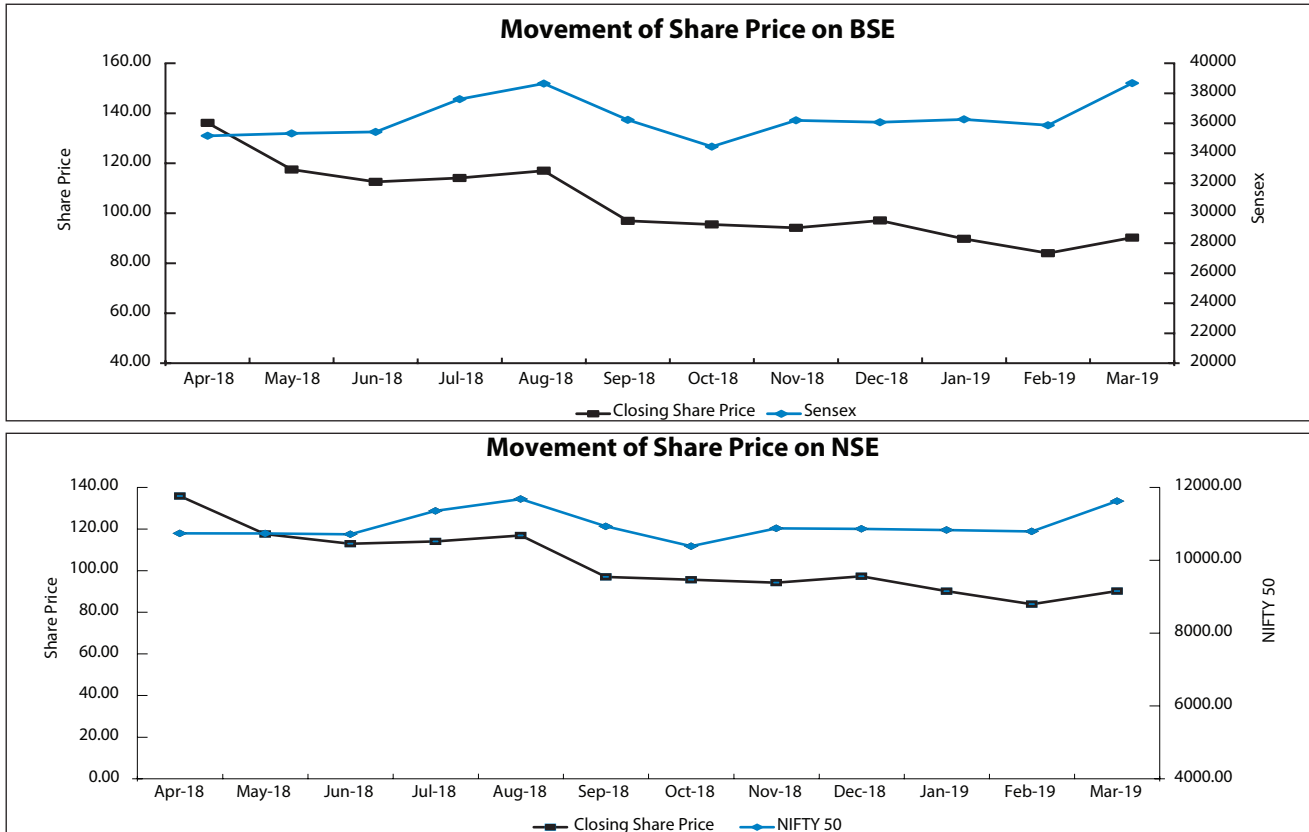
I. AGM: Date, Time and Venue	Monday, the 3rd June, 2019 at 11.00 A.M at the Registered Office: Pollibetta – 571215, Kodagu, Karnataka	
II. Financial Calendar (tentative)	Board Meetings for approval of: Financial Results for the first quarter ending 30th June, 2019	Before 14th August 2019
	Financial Results for the second quarter ending 30th September, 2019	Before 14th November 2019
	Financial Results for the third quarter ending 31st December, 2019	Before 14th February 2020
	Annual Accounts for FY 2019-2020	During April / May 2020
	Annual General Meeting for the year ending 31st March, 2020	During June/July 2020
III. Dates of Book Closure	22nd May 2019 to 3rd June 2019 (both days inclusive)	
IV. Dividend Payment Date	The Dividend, if declared at AGM, will be paid on or after 6th June 2019.	
V Listing on Stock Exchanges and Stock Code	BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 Phones : (022) 22721233/4, 91-22-66545695 Fax : (022) 22721919 Stock Code: 532301	National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 Tel No: (022) 26598100 - 8114 Fax No: (022) 26598120 Stock Code: TATACOFFEE

The Company has paid Listing Fees for the financial year 2019 - 20 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 2018-19:

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2018	137.15	112.20	137.45	113.20
May, 2018	137.00	109.50	136.90	109.15
June, 2018	126.65	111.00	127.00	110.80
July, 2018	133.00	107.75	134.00	107.70
August, 2018	118.25	109.35	118.00	108.70
September, 2018	119.40	95.10	119.70	95.20
October, 2018	106.60	91.80	105.70	91.95
November, 2018	100.75	93.50	100.70	93.20
December, 2018	98.25	89.50	98.50	89.30
January, 2019	102.45	87.20	102.50	87.15
February, 2019	91.00	81.00	91.00	80.55
March, 2019	99.45	83.85	99.65	83.75

VII. Performance of the Company's equity shares (closing share price) in comparison to BSE Sensex and NSE Nifty during the financial year 2018-19:



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

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

IX. Registrar and Share Transfer Agent:

Share Transfer System

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

Share Transfer Physical System:

Shares in physical form should be lodged for transfer at the office of the Company's Registrar & Transfer Agent, TSR Darashaw Ltd., Mumbai or at their branch offices at the addresses given below. The transfers are processed, if technically found to be in order and complete in all respects. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form. Effective April 1, 2019, transfer of shares in physical form has ceased. Shareholders who had lodged their request for transfer prior to March 31, 2019 and, have received the same under objection can relodge the transfer request after rectification of the documents. Request for transmission of shares and dematerialization of shares will continue to be accepted.

Report on Corporate Governance continued

Dematerialization of Shares and Liquidity:

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

TSR 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: csq-unit@tsrdarashaw.com Web: www.tsrdarashaw.com

BRANCH OFFICES:

i. Bengaluru

TSR Darashaw Limited

503, Barton Centre, 5th Floor, 84, Mahatma Gandhi Road,
Bengaluru – 560001

Tel: 080- 25320321

Fax: 080-25580019

E-mail: tsrdlbg@tsrdarashaw.com

ii. 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

v. Ahmedabad (Agent)

Shah Consultancy Services Limited

3, Sumatinath Complex
2nd Dhal, Pritam Nagar
Ellisbridge

Ahmedabad – 380 006

Tel: 079- 26576038

Email: shahconsultancy8154@gmail.com

iii. 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

iv. Jamshedpur

TSR Darashaw Limited

'E' Road, Northern Town, Bistupur,
Jamshedpur – 831 001.

Tel: 0657-2426616

Fax: 0657-2426937

E-mail: tsrdljsr@tsrdarashaw.com

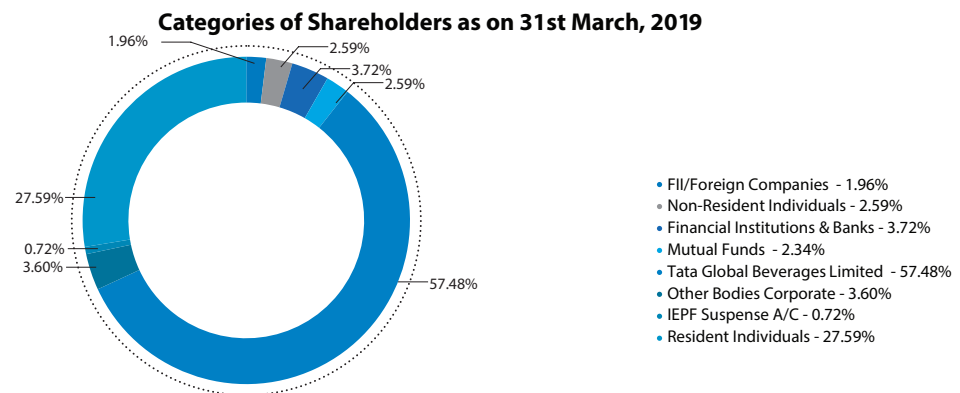
Compliance Officer	Address	Contact details
Mr. N Anantha Murthy Head - Legal & Company Secretary	Tata Coffee Limited No. 57, Railway Parallel Road Kumara Park West Bangalore – 560 020	Tel: (080) 23560695 Fax: (080) 23341843 e-mail ID: Investors@tatacoffee.com website: www.tatacoffee.com

XII. Distribution of Shareholding as on 31st March 2019:

No. of Equity Shares	No. of Shareholders	% to Shareholders	No. of Shares	% of Shareholders
1 - 500	83,929	84.19	11,333,789	6.07
501 - 1000	7,289	7.31	6,007,606	3.22
1001 - 2000	3,843	3.86	5,979,682	3.20
2001 - 3000	1,526	1.53	3,942,011	2.11
3001 - 4000	839	0.84	3,050,212	1.63
4001 - 5000	592	0.60	2,796,431	1.50
5001 - 10000	948	0.95	6,987,694	3.74
10001 & above	721	0.72	146,672,945	78.53
TOTAL	99,687	100.00	186,770,370	100.00

XIII. Category-wise Shareholders as on 31st March 2019:

Sl. No.	Category of Shareholders	No. of Shares	Percentage
1	FII/Foreign Companies	3,655,125	1.96
2	Non-Resident Individuals	4,836,137	2.59
3	Financial Institutions & Banks	6,952,994	3.72
4	Mutual Funds	4,368,125	2.34
5	Tata Global Beverages Limited (Holding Company)	107,359,820	57.48
6	Other Bodies Corporate	6,723,929	3.60
7	IEPF Suspense A/C	1,338,963	0.72
8	Resident Individuals	51,535,277	27.59
TOTAL		186,770,370	100.00



Report on Corporate Governance continued

XIV.	Shares in Physical and Demat form as on 31st March 2019:	No. of Shares	Percentage
		In Physical Form	4063155
		In Dematerialized Form	182707215
			2.18
			97.82
XV.	No. of shareholders whose shares as on 31st March 2019 are in Physical and Demat form:	No. of Shareholders	Percentage
		In Physical Form	5736
		In Dematerialized Form	93951
			5.75
			94.25
XVI.	Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:	Nil	
XVII.	Plant Locations:		
	17 Coffee Estates in Kodagu, Hassan and Chickmagalur District.	State of Karnataka	
	1 Tea Estate in Kodagu District and		
	1 Tea and Coffee (mixed) in Chickmagalur District.		
	4 Tea Estates in Pachaimallai, Pannimade, Uralikal & Velonie and 1 Coffee Estate in Valparai	State of Tamil Nadu	
	1 Tea Estate in Malakiparai	State of Kerala	
	Curing Works, R&G factory and Pepper Processing Unit in Kudige, Kushalnagar	State of Karnataka	
	1 Instant Coffee Plant at Toopran, Brahmanpally Village.	State of Telangana	
	1 Instant Coffee Plant at Jayamangalam Village, Theni	State of Tamil Nadu	
XVIII.	Address for correspondence:	As stated in 12 (IX) above	

The Company has not issued any global depository receipts or American depository receipts. There are no warrants or any convertible instruments outstanding as on 31st March, 2019.

13. Other 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 2018-19 were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements. The Board has approved a policy on materiality of related party transactions and on dealing with related party transactions and the same is disclosed on the website of the Company at the link https://tatacoffee.com/sites/default/files/collaterals/investors/Related_Party_Transaction_Policy.pdf
- 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 any of these authorities.
- c. The Company has adopted a Whistle Blower Policy and has established necessary Vigil Mechanism as required under Regulation 22 of the Listing Regulations for Directors and employees to report concerns about any unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has also been disclosed on the website of the Company at the link https://tatacoffee.com/sites/default/files/collaterals/investors/Whistle_Blower_Policy.pdf
- d. The Company has complied with all the mandatory requirements of the Listing Regulations. The Company has also fulfilled the following discretionary requirements as provided in the Listing Regulations:
 - (i) The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.

- (ii) The Internal Auditor reports to the Audit Committee.
- (iii) The financial statements of the Company are with unmodified audit opinion.
- e. The policy to determine a material subsidiary has been framed and the same is disclosed on the Company's website at the link https://tatacoffee.com/sites/default/files/collaterals/investors/Policy_for_determining_Material_Subsiidiary.pdf
- f. 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 2019. The MD & CEO and Chief Financial Officer have also issued compliance certificate to the Board pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.
- 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.

The Risk Management Policy of the Company with respect to commodities including hedging has been framed.

Commodity risks faced by the Company during the year and how they have been managed:

Our Plantation exposure of Green Beans consisting of Arabica and Robusta grades, export pricing is directly linked to exchange terminals traded in ICE (Inter Continental Exchange). A decline in exchange traded

value results in a decline in the realization, hence a prudent hedge methodology is adopted. Risk Manager has been specifically appointed to execute hedge based on the Risk Management Policy approved by the Board and that the commodity / hedging risk is monitored appropriately.

Mr. K. Venkataramanan, Executive Director-Finance & CFO, sets risk limits on timely basis to address various market conditions.

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

The Company's exposure to market risks for commodities and currencies are detailed in Note No.37 under the head 'Financial Risk Management Framework', forming part of Notes to Financial Statements.
- i. During the financial year 2018-19, the Board has accepted all the recommendations of its Committees.
- j. The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements for 2018-19.
- k. Disclosure with respect to demat suspense account/ unclaimed suspense account: Not applicable.
- l. The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- m. Particulars of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting have been provided in the Notice of the Annual General Meeting.

Report on Corporate Governance continued

- n. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

	₹ in Lakhs
Payment to Statutory Auditors	FY 2018-19
Audit Fees	268.75
Tax Audit Fees	12.00
Other Services	41.43
Reimbursement of expenses	20.53
Total	342.71

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

Number of complaints filed during the financial year 2018-19	3
Number of complaints disposed off during the financial year 2018-19	3
Number of complaints pending as on end of the financial year.	0

- p. Insider Trading Regulations

The 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 persons who are expected to have access to unpublished price sensitive information relating to the Company. Mr. K. Venkataramanan, Executive Director- Finance & CFO of the Company, is the Compliance Officer for the purpose of this regulation.

- q. Certificate on Corporate Governance

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

A compliance certificate from Mr. V Madan, 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, 2019.

Place: Bengaluru
Date: 19th April 2019

Chacko Purackal Thomas
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 2019, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

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

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended 31st March 2019.

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

V Madan
Practicing Company Secretary

Place: Bengaluru
Date: 19th April, 2019

ACS No. 5048
CP No. 21778