

## Compliance Report on Corporate Governance

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

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

As part of Tata Group, your Company has a strong legacy of fair, transparent and ethical governance practices. This is further strengthened by the comprehensive written code of conduct "Tata Code of Conduct", which has been revised in line with the current amendments, which serves as a guide on the standards of values, ethics and business principles to be followed in running the Company's affairs. The Company has also adopted the Tata Code of Conduct for prevention of Insider Trading and Code of Corporate Disclosure practices in pursuance of the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations and Whistle Blower Policy. The Company also practices the Tata Business Excellence Model, which stresses on excellence in whatever the Company does, while upholding high levels of values and business ethics.

Your Company is in compliance with the requirements of Corporate Governance stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Clause 49 of the erstwhile Listing Agreement with the Stock Exchanges.

### 2. BOARD OF DIRECTORS

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

enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected.

The Board of Directors as on 31<sup>st</sup> March, 2016 comprised of 10 Directors, of which 6 were Non-Executive Directors. The Company had a Non-Executive Chairman and 5 Independent Directors as on 31<sup>st</sup> March, 2016 comprising of one-half of the total number of Directors. All Directors possess relevant qualifications and experience in general Corporate Management, Finance, Banking and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

None of the Directors on the Board hold Directorships in more than ten Public Companies. Further none of them is a member of more than ten Committees or Chairman of five Committees (committees being Audit Committee and Stake Holder's relationship Committee as per Regulation 26 of SEBI Listing Regulations) across all the Public Companies in which he/she is a Director. The necessary disclosures regarding their Committee positions in other Public Companies as on 31<sup>st</sup> March, 2016 have been given by all the Directors. None of the Directors are inter-se related to each other.

The Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 ("Act") and the Governance Guidelines for Board effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the Company's website [www.tatacoffee.com](http://www.tatacoffee.com).

#### Category and attendance of Directors

Details of attendance of Directors at the Board Meetings and at the last Annual General Meeting with particulars of their

Directorship and Chairmanship/Membership of Board/Committees in other Companies are as under:

Name of Directors	Category	No. of Board Meeting attended during 2015-16	Attendance of AGM held on 3 <sup>rd</sup> August, 2015	No. of other Directorships* (As on 31.03.2016)	No. of Committee Positions in Mandatory Committees*		No. of Shares held
					Member	Chairman	
Mr. R. Harish Bhat DIN: 00478198	C(NED)	7	Yes	5	3	1	-
Mr. S. Santhanakrishnan DIN: 00032049	NED and IND	7	Yes	6	4	2	-
Prof. Arun Monappa DIN: 00050840	NED and IND	4	Yes	1	1	-	-
Mr. V. Leeladhar DIN: 02630276	NED and IND	5	Yes	5	2	2	-
Ms. Sunalini Menon DIN: 06983334	NED and IND	6	Yes	-	-	-	-
Mr. Siraj Azmat Chaudhry (appointed w.e.f. 15.05.2015) DIN: 00161853	NED and IND	6	Yes	-	-	-	-
Mr. Sanjiv Sarin (appointed w.e.f. 25.04.2015) DIN: 02063332	MD & CEO	6	Yes	-	-	-	3,000
Mr. Chacko Purackal Thomas (appointed w.e.f. 04.08.2015) DIN: 05215974	ED & Deputy CEO	4	NA	-	-	-	-
Mr. K. Venkataramanan DIN: 01728072	ED and CFO	7	Yes	2	1	-	-
Mr. T. Radhakrishnan DIN: 03527405	ED	7	Yes	-	-	-	-

C-Chairman; NED-Non-Executive Director; IND – Independent Director; MD & CEO - Managing Director & Chief Executive Officer; ED-Executive Director, CFO- Chief Financial Officer.

\* Excludes Directorships in Associations, Private Limited Companies, Foreign Companies, Government Bodies and Companies registered under Section 8 of the Companies Act, 2013. Only Audit Committee and Stakeholders Relationship Committee of Indian Public Companies have been considered for Committee positions.

The Company held 7 Board Meetings during the Financial Year 2015-16 and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings held were: 15<sup>th</sup> May, 20<sup>th</sup> July, 3<sup>rd</sup> August, 21<sup>st</sup> October, 5<sup>th</sup> December in 2015 and 27<sup>th</sup> January and 23<sup>rd</sup> March in 2016.

### Board Procedure

The Annual Calendar of the Board Meetings is circulated to the members of the Board in advance. The Agenda is circulated well in advance to the Board members, along with comprehensive back-ground information on the items in the agenda to enable the Board to arrive at appropriate decisions. The information

as required under Part A of Schedule II pursuant to Regulation 17 of SEBI Listing Regulations is made available to the Board. The Board also reviews the declarations made by the Managing Director & CEO and Chief Financial Officer 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 all Employees of the Company, including the Managing and Executive Directors. The Board has also approved a Code of Conduct for the Non-Executive Directors of the Company, which incorporates the duties of Independent

Directors as laid down in the Act. Both the Codes are posted on the Company's website.

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

Apart from receiving remuneration that they are entitled to under the Act as Non-Executive Directors, they have no 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.

### Separate Meeting of Independent Directors

A separate Meeting of Independent Directors of the Company was held on 23<sup>rd</sup> March, 2016, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the SEBI Listing Regulations. At the meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors, 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.

### Board and Director's Evaluation and Criteria for Evaluation

The Nomination and Remuneration Committee (NRC) has defined the evaluation criteria, procedure and the performance evaluation process for the Board, its Committees and Directors. The criteria for Board evaluation include inter alia, degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes; committees' information and functioning.

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

**Independence:** In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/she meets with the criteria for 'Independent Director' as laid down in the Act and SEBI Listing Regulations.

**Qualifications:** A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, age and gender. It is also ensured that the Board has an appropriate blend of functional and Industry expertise. While recommending the appointment of a Director, the NRC considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

In addition to the duties as prescribed under the Act, the Directors of the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the Code of Independent Directors as outlined in Schedule IV to the Act.

**Positive Attributes:** The criteria for evaluation of individual Directors include aspects such as attendance and contribution at Board/ Committee Meetings and guidance/support to the Management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director and CEO.

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

### Familiarization Programme for Independent Directors

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

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

### 3. AUDIT COMMITTEE

A qualified and Independent Audit Committee has been set up by the Board in compliance with the requirements of Regulation 18 of SEBI Listing Regulations read with Section 177 of the Act.

#### Terms of reference

The Audit Committee functions according to its Charter that defines its composition, authority, responsibilities and reporting functions. The terms of reference of the Audit Committee, inter alia, are as follows:

- a) Oversight of the Company's Financial Reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Review with the Management the Quarterly and Annual Financial Statements and the Auditor's Report thereon, before submission to the Board for approval.
- c) Discuss with the Statutory Auditors, before the Audit commences, about the nature and Scope of Audit, as well as post-audit discussion to ascertain any area of concern.
- d) Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of Statutory/Internal Auditors, remuneration and terms of appointment of Auditors, fixation of audit fees and to approve payment for any other services rendered by the Statutory/Internal Auditors.
- e) Review and monitor the Auditor's Independence and performance and effectiveness of audit process.
- f) Review with the Management, performance of the Statutory and Internal Auditors.
- g) Review the adequacy of the Internal Audit function and the adequacy and efficacy of the Internal Control Systems.
- h) Evaluate Internal Financial Controls and Risk Management Systems.
- i) Scrutinize Inter-Corporate Loans and Investments.
- j) Discuss any significant findings with Internal Auditors and follow-up thereon.
- k) Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or failure of Internal Control Systems of a material nature and reporting the matter to the Board.
- l) Look into the reasons for substantial defaults in payments to Depositors, Debenture Holders, Shareholders and Creditors.
- m) Approve transactions, including any subsequent modifications, of the Company with related parties.
- n) Valuation of undertakings or Assets of the Company, wherever it is necessary.
- o) Review and monitor the statement of use and application of funds raised through Public Offers and related matters.
- p) Review the functioning of the Whistle Blower Mechanism.
- q) Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.
- r) And, generally, all items listed in Part C to Regulation 18 of SEBI Listing Regulations and in Section 177 of the Act.

#### Composition and Attendance during the year

The composition of the Audit Committee and the details of the Meetings attended by its Members during the Financial Year ended 31<sup>st</sup> March, 2016 are as under:

Director	Category	No. of Meetings attended
Mr. S. Santhanakrishnan – Chairman	Independent Non-executive	10
Prof. Arun Monappa *	Independent Non-executive	1
Ms. Sunalini Menon	Independent Non-executive	10
Mr. V. Leeladhar	Independent Non-executive	9
Mr. Siraj Azmat Chaudhry*	Independent Non-executive	5

\*Prof. Arun Monappa ceased to be a member of the Audit Committee and Mr. Siraj Azmat Chaudhry was inducted in his place w.e.f. 3<sup>rd</sup> August, 2015.

The Audit Committee met 10 times during the year and the gap between two meetings did not exceed 120 days. The dates on which Audit Committee Meetings held were: 30<sup>th</sup> April, 14<sup>th</sup> May, 17<sup>th</sup> July, 3<sup>rd</sup> August, 11<sup>th</sup> September, 21<sup>st</sup> October, 16<sup>th</sup> November and 8<sup>th</sup> December in 2015 and on 27<sup>th</sup> January & 15<sup>th</sup> February in 2016. Necessary quorum was present at the above Meetings. The Meetings are attended by the Managing Director and CEO, Executive Director and Deputy CEO, Executive Director – Finance and CFO, Executive Director (ICD Operations) and the respective Departmental heads. 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 about the significant discussions at Audit Committee Meetings.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 3<sup>rd</sup> August, 2015.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in the line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.

##### 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 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 Committee and the details of the Meetings attended by its Members during the Financial Year ended 31<sup>st</sup> March, 2016 are as under:

Director	Category	No. of Meetings attended
Mr. V. Leeladhar – Chairman*	Independent Non-executive	2
Mr. S. Santhanakrishnan	Independent Non-executive	3
Mr. R. Harish Bhat	Non-executive	3
Prof. Arun Monappa	Independent Non-executive	1
Mr. Siraj Azmat Chaudhry*	Independent Non-executive	2

\*Mr. V. Leeladhar and Mr. Siraj Azmat Chaudhry were inducted to the Committee w.e.f. 3<sup>rd</sup> August, 2015.

During the Financial Year 2015-16 the Committee met three times on 15<sup>th</sup> May, 3<sup>rd</sup> August, in 2015 and 23<sup>rd</sup> March, in 2016.

The Chairman of the NRC Committee was present at the Annual General Meeting of the Company held on 3<sup>rd</sup> August, 2015.

### Performance Evaluation Criteria for Independent Directors:

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

### Remuneration Policy

The Company's philosophy for remuneration of Directors, KMP 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, KMP 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, KMP 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.
- (d) 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 in 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 the remuneration paid during the year 2015-16:

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

(₹ in Lakhs)

Name of NEDs'	Commission relating to 2014-15 (paid in 2015-16)	Commission relating to 2015-16 (payable in 2016-17)	Sitting fee	Remarks
Mr. R. Harish Bhat			2.40	
Mr. S. Santhanakrishnan	58.00	45.00	6.95	
Prof. Arun Monappa	30.00	17.00	1.95	
Ms. Sunalini Menon	16.00	18.00	4.75	
Mr. V. Leeladhar	10.00	18.00	5.35	
Mr. Siraj Azmat Chaudhry	-	18.00	4.20	appointed w.e.f. 15.05.2015
Mr. Venu Srinivasan	2.00	-	-	resigned w.e.f. 01.09.2014
Mr. D. R. Kaarthikeyan	9.00	-	-	retired w.e.f 01.10.2014

##### b) Managing Director and Executive Directors for the Financial Year 2015-16:

(₹ in Lakhs)

Name of MD/EDs'	Salary	Perquisites and Allowance	Contribution to retiral funds	Commission relating to 2015-16
Mr. Sanjiv Sarin* (w.e.f 25.04.2015)	56.00	70.94	15.12	90.00
Mr. Chacko Purackal Thomas* (w.e.f. 04.08.2015)	27.66	35.04	7.47	31.00
Mr. K. Venkataramanan	37.28	47.59	10.07	45.00
Mr. T. Radhakrishnan	24.85	32.43	6.71	23.50

\*for the pro-rata period of his service.

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

The Members have at the AGM of the Company on 21<sup>st</sup> 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 and contribution at the Board. The Company also reimburses the out of pocket expenses incurred by the Non-Executive Directors 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 SEBI Listing Regulations, the following are the terms of reference of the Stakeholders Relationship Committee:

- 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 Company has adopted the Code of Conduct for Prevention of Insider Trading, under the SEBI (Prohibition of Insider Trading) Regulations. The Code lays down guidelines for procedures to be followed and disclosures to be made while dealing with the shares of the Company. Mr. K Venkataramanan, Executive Director – Finance and CFO has been appointed as the Compliance Officer for the implementation of and overseeing compliance with the Regulations and the Code across the Company.

The composition of the Stakeholders Relationship Committee and the details of the Meetings attended by its Members during the Financial Year ended 31<sup>st</sup> March, 2016 are as under:

Director	Category	No. of Meetings attended
Mr. S. Santhanakrishnan-Chairman	Independent Non-executive	5
Mr. V. Leeladhar*	Independent Non-executive	2
Mr. R. Harish Bhat	Non-executive	4
Mr. Sanjiv Sarin	Managing Director & CEO	5
Mr. K Venkataramanan*	Executive Director Finance & CFO	2

\*Mr. V. Leeladhar and Mr. K. Venkataramanan were inducted to the Committee w.e.f. 3<sup>rd</sup> August, 2015

During the Financial Year 2015-16, the Committee met five times on 15<sup>th</sup> May, 20<sup>th</sup> July and 21<sup>st</sup> October, 8<sup>th</sup> December in 2015 and 27<sup>th</sup> January in 2016. The Committee oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality

of Investor service. The Company Secretary is the Compliance Officer. Given below is the position of complaints received and attended to for the Financial Year 2015-16.

Requests/Queries/Complaints received	1896
Requests/Queries/Complaints attended	1883
Pending requests/queries/complaints as on 31.03.2016	13*

\* Letters were received in the last week of March 2016 and have been replied to in April 2016.

The Shares of the Company are traded in dematerialized form. During 2015-16, 111 requests for transfer/transmission covering 2,55,260 shares and 211 requests for dematerialization covering 3,54,830 shares were received and processed. As on 31.03.2016, there was one request for transfer/transmission covering 160 shares and 5 requests for dematerialization covering 18,230 shares which were pending. These requests were received in last week of March 2016 and have been subsequently processed.

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Terms of reference

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

- 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 of the Act.
- Recommend the amount to be spent on the CSR activities.
- Monitor the Company's CSR Policy periodically.
- Attend to such other matters and functions as may be prescribed from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company. The Annual Report on CSR activities for the Financial Year 2015-16 forms a part of the Directors' Report.

During the Financial Year, the CSR Committee met on 15<sup>th</sup> February, 2016. The composition of the CSR Committee and the details of the Meetings attended by its Members during the Financial Year ended 31<sup>st</sup> March, 2016 are as under:



Director	Category	No. of Meetings attended
Ms. Sunalini Menon - Chairperson	Independent Non-executive	1
Mr. V Leeladhar	Independent Non-executive	1
Mr. Siraj Azmat Chaudhry	Independent Non-executive	1
Mr. Sanjiv Sarin	Managing Director & CEO	1

## 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 SEBI Listing Regulations.

The Board of the Company has formed 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.

Two meetings of the Risk Management Committee were held during the Financial Year on 27<sup>th</sup> January, 2016 and 23<sup>rd</sup> March, 2016. The composition of the Risk Management Committee and the details of the meetings attended by its members during the Financial Year ended 31<sup>st</sup> March, 2016 are as under:

Director	Category	No. of Meetings attended
Mr. Siraj Azmat Chaudhry – Chairman*	Independent Non-executive	2
Mr. S. Santhanakrishnan	Independent Non-executive	2
Mr. V. Leeladhar*	Independent Non-executive	2
Mr. Sanjiv Sarin	Managing Director & CEO	2
Mr. K. Venkataramanan	Executive Director Finance & CFO	2

\* Mr. Siraj Azmat Chaudhry and Mr. V. Leeladhar were inducted to the Committee w.e.f. 3<sup>rd</sup> August, 2015.

### b) Ethics and Compliance Committee:

The Company has an 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. During the Financial Year, the Company adopted Insider Trading Code, pursuant to which the matters relating to the Insider Trading Code are being considered by the Committee.

The composition of the Ethics and Compliance Committee and the details of the meetings attended by its members during the Financial Year ended 31<sup>st</sup> March, 2016 as under:

Director	Category	No. of Meetings attended
Prof. Arun Monappa – Chairman	Independent Non-executive	1
Mr. S. Santhanakrishnan	Independent Non-executive	2
Ms. Sunalini Menon*	Independent Non-executive	1
Mr. T. Radhakrishnan	Executive Director - ICD Operations	2

\*Ms. Sunalini Menon was inducted to the committee w.e.f 3<sup>rd</sup> August, 2015.

Two meetings of the Ethics and Compliance Committee were held during the Financial Year on 14<sup>th</sup> May, 2015 and 28<sup>th</sup> March, 2016.

## 8. SUBSIDIARY COMPANIES:

The Company does not have any Material Non-listed Indian Subsidiary as defined under Regulation 16 of SEBI 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 [www.tatacoffee.com](http://www.tatacoffee.com).

## 9. GENERAL BODY MEETINGS:

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

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

Year	Date & Time of Meeting	Venue
2012-13	2 <sup>nd</sup> July, 2013 at 11:30 A.M	Registered Office :
2013-14	21 <sup>st</sup> July, 2014 at 10:00 AM	Pollibetta – 571215,
2014-15	3 <sup>rd</sup> August, 2015 at 10:00 AM	Kodagu

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

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

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

No special resolution has been passed through the exercise of postal ballot last year.

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

No special resolution is proposed to be conducted through postal ballot at the AGM to be held on 26<sup>th</sup> July, 2016.

## 10. DISCLOSURES

- a. All transactions entered into with related parties as defined under the Act and Regulation 23 of the SEBI Listing Regulations during the Financial Year 2015-16 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. Suitable disclosures as required by Accounting standard (AS 18) have been made in the Financial Statements. The Board has approved a policy for related party transactions which can be accessed at the Company's website link <http://www.tatacoffee.com>.
- 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 the necessary Vigil Mechanism as defined under Regulation 22 of the SEBI Listing Regulations for Directors and Employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has also been put up on the website of the Company on the link <http://www.tatacoffee.com>.
- 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 agreement a policy to determine a material subsidiary has been framed and the same may be accessed on the Company's website at the link <http://www.tatacoffee.com>.
- e. The Managing Director and CEO and the Chief Financial Officer have certified to the Board in accordance with Regulation 33(2)(a) of SEBI Listing Regulations pertaining to CEO/CFO certification for the Financial Year ended 31<sup>st</sup> March, 2016.
- f. The Company has complied with the mandatory and discretionary requirements specified in SEBI Listing Regulations relating to Corporate Governance. The status of compliance with the discretionary requirements under Regulation 27(1) of SEBI Listing Regulations are as under:
- (i) The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director and CEO.
- (ii) The Internal Auditor reports to the Audit Committee.
- g. Commodities form a major part of the raw materials required for Company's Products portfolio and hence Commodity price risk is one of the important risk for the Company. Your Company has a robust framework in place to protect the Company's interests from risks arising out of market volatility. The Risk Management team, based on market intelligence and continuous monitoring, advises the sales and procurement teams on appropriate strategy to deal with such market volatility.

- h. Your Company has managed the Foreign Exchange risk with appropriate hedging activities in accordance with the policies of the Company. The Company used Forward Exchange Contracts to hedge against its Foreign Currency exposures relating to firm commitments. There were no materially uncovered Exchange rate risks in the context of the Company's Foreign Exchange exposures. The details of Foreign Exchange exposures as on 31<sup>st</sup> March, 2016 are disclosed in Note 2.31 annexed to the Standalone Financial Statements.

## 11. MEANS OF COMMUNICATION:

The Quarterly and Annual Financial Results of the Company are uploaded in NSE Electronic Application Processing System (NEAPS) and BSE Listing in accordance with the SEBI Listing Regulations. The Results are displayed on the BSE and NSE websites. The Results are also published in leading English and Kannada Newspapers and posted on the Company's website "www.tatacoffee.com". In terms of SEBI Listing Regulations, the Company has designated a separate email ID for entertaining Investor complaints viz., investors@tatacoffee.com. The Official Media releases and presentations made to Institutional Investors/Analysts are posted on the Company's website.

## 12. GENERAL SHAREHOLDER INFORMATION:

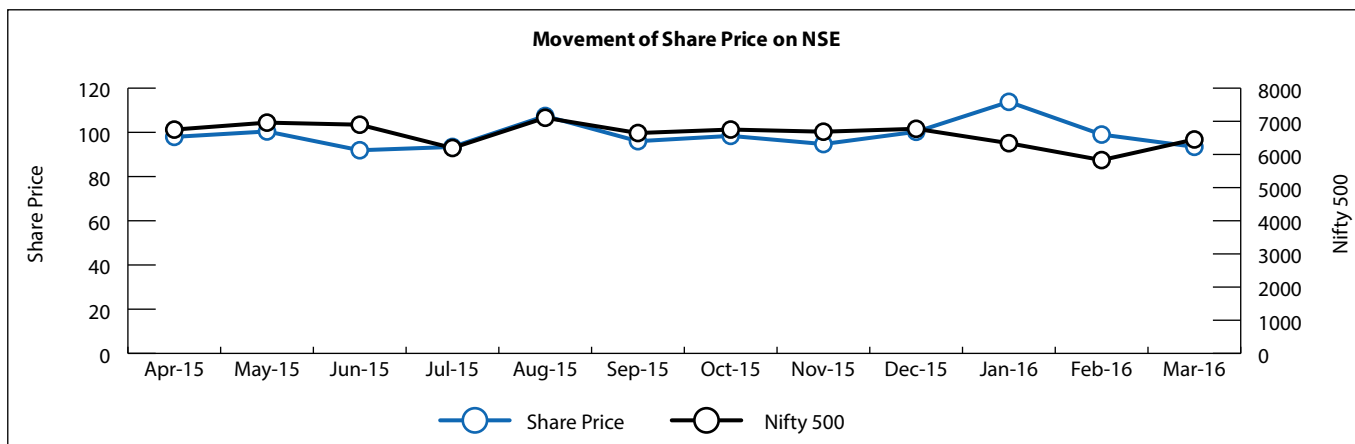
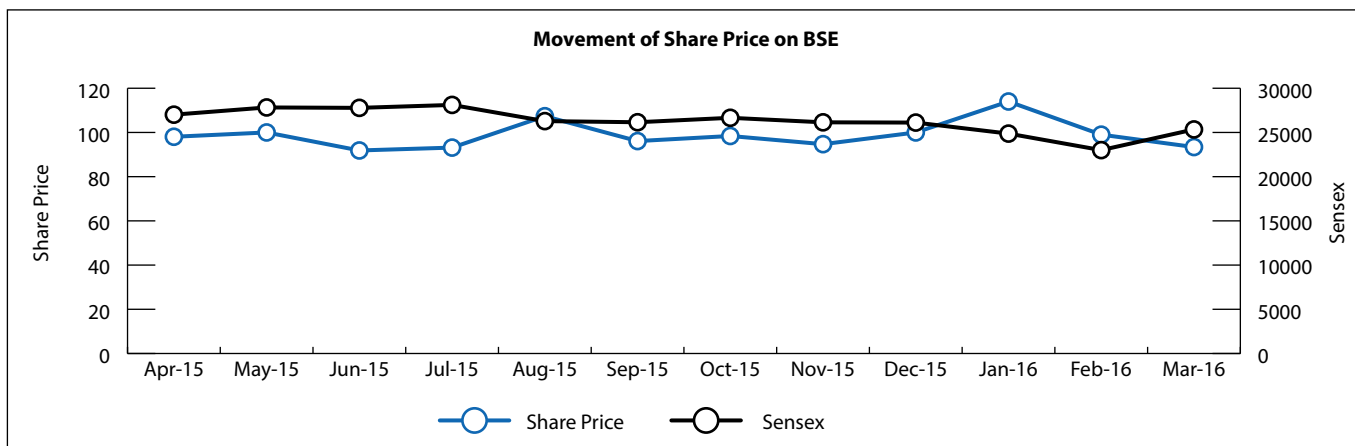
<b>I. AGM: Date, Time and Venue</b>	Tuesday, the 26 <sup>th</sup> July, 2016 at 10:30 A.M at the Registered Office: Pollibetta – 571 215, Kodagu, Karnataka	
<b>II. Financial Calendar (tentative)</b>	Board Meeting for approval of: Audited Results for the first quarter ending June 30, 2016 Audited Results for the second quarter ending September 30, 2016 Audited Results for the third quarter ending December 31, 2016 Annual Accounts 2016-2017 Annual General Meeting for the year ended March 31, 2017	In July/August 2016 In October/November 2016 In January/February 2017 In May, 2017 In July/August, 2017
<b>III. Dates of Book Closure</b>	12 <sup>th</sup> July, 2016 to 26 <sup>th</sup> July, 2016 (both days inclusive)	
<b>IV. Dividend Payment Date</b>	The Dividend will be paid on or after 29 <sup>th</sup> July, 2016.	
<b>V. Listing on Stock Exchanges</b>	Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Tel: 022-22721233/34 Fax: 022-22723121 Stock Code: 532301	
	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G.Block Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051 Tel Nos: 022-26598100-8114 Fax : 022-26598237/38 Stock Code: TATACOFFEE	

The Company has paid Listing Fees for the Financial Year 2016-17 to each of the Stock Exchanges.

**VI. Market Price Data: High and Low during each month in the last Financial Year.**

Month	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2015	98.05	86.00	97.95	85.90
May, 2015	100.00	86.10	100.40	86.00
June, 2015	91.85	84.20	91.90	84.25
July, 2015	93.15	86.40	93.40	86.40
August, 2015,	107.35	86.10	107.40	86.10
September, 2015	96.10	87.10	96.00	86.90
October, 2015	98.40	88.10	98.40	88.00
November,2015	94.70	85.35	94.70	83.55
December, 2015	100.00	86.00	100.25	86.25
January,2016	114.00	88.10	113.80	88.25
February, 2016	99.00	81.70	99.00	81.30
March, 2016	93.40	83.25	93.45	83.35

**VII. Share price performance compared with Broad based indices:**



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

1. National Securities Depositories Limited (NSDL)
2. Central Depository Services (India) Limited (CDSL)

ISIN Number  
INE493A01027  
INE493A01027

**IX. Registrar and 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 our Registrars and Transfer Agent (R&T). 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.****REGD.OFFICE:**

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

**BRANCH OFFICES:****i. Bengaluru:**

503, Barton Centre, 5th Floor, 84,  
Mahatma Gandhi Road, Bengaluru – 560001  
Tel: 080- 25320321  
Fax: 080-25580019  
E-mail: [tsrdlbang@tsrdarashaw.com](mailto:tsrdlbang@tsrdarashaw.com)

**ii. New Delhi:**

2/42 Ansari Road, 1st Floor, Daryaganj, Sant Vihar,  
New Delhi – 110 002  
Tel: 011- 23271805  
Fax: 011-23271802  
E-mail: [tsrdldel@tsrdarashaw.com](mailto:tsrdldel@tsrdarashaw.com)

**iii. Kolkata:**

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

**iv. Jamshedpur:**

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

**v. Ahmedabad (Agent):**

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

**X. 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 above. The transfers are processed, if technically found to be in order and complete in all respects. As per directives issued by SEBI, it is compulsory to trade in the Company's Equity Shares in dematerialised form.

**Dematerialization of Shares and Liquidity**

The process of conversion of Shares from physical form to electronic form is known as dematerialisation. For

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

### Secretarial Audit

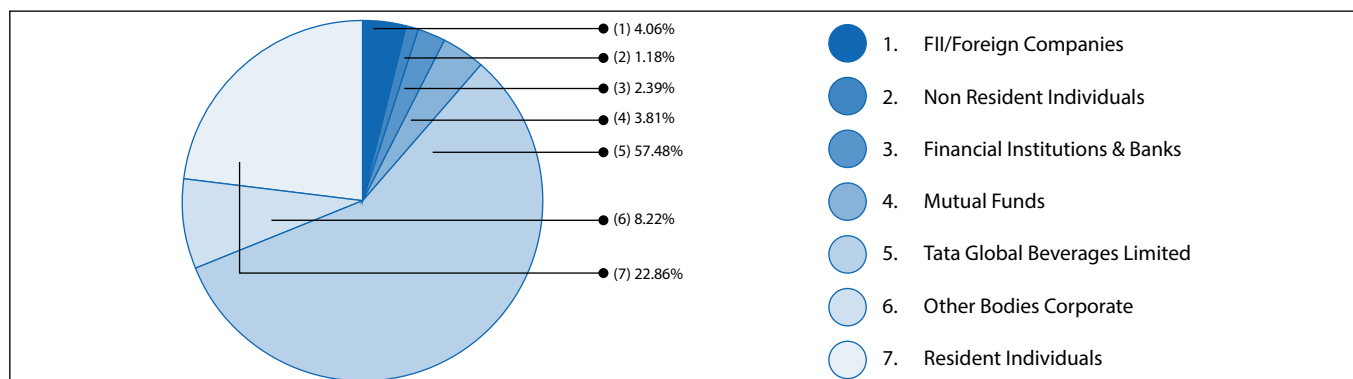
- a) M/s Sudhir Huliyaikar & Associates, Practicing Company Secretaries have conducted a Secretarial Audit of the Company for the year 2015-16. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made there under, Listing Agreements with the Stock Exchanges, applicable SEBI Listing Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.
- b) Pursuant to Regulation 40(9) of the SEBI Listing Regulations, certificates have been issued on a half-yearly basis, by M/s Parikh & Associates, Practicing Company Secretaries, certifying due compliance of share transfer formalities by the Company.
- c) M/s Parikh & Associates, Practicing Company Secretaries carry out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

### XI. Distribution of Shareholding as on March 31, 2016:

No. of Equity Shares held	No. of Shareholders	% to Shareholders	No. of Shares	% of Shareholders
1 - 500	56345	83.04	8358110	4.48
501 - 1000	5558	8.19	4685482	2.51
1001 - 2000	2661	3.92	4200277	2.25
2001 - 3000	1035	1.53	2698853	1.44
3001 - 4000	436	0.64	1576664	0.84
4001 - 5000	426	0.63	2036339	1.09
5001 - 10000	711	1.05	5326870	2.85
10001 & above	679	1.00	15788775	84.54
TOTAL	67851	100.00	186770370	100.00

### XII. Categories of Shareholders as on March 31, 2016:

Sr. No.	Category of Shareholders	Total Holdings	Percentage
1	FII/Foreign Companies	7590410	4.06
2	Non-Resident Individuals	2213063	1.18
3	Financial Institutions & Banks	4462822	2.39
4	Mutual Funds	7124830	3.81
5	Tata Global Beverages Limited	107359820	57.48
6	Other Bodies Corporate	15351528	8.22
7	Resident Individuals	42667897	22.86
	TOTAL	186770370	100.00



<b>XIII. Shares in Physical and Demat form as on March 31, 2016</b>	No. of Shares	Percentage
In Physical Form	62,58,950	3.35
In Dematerialized Form	18,05,11,420	96.65
<b>XIV. No. of shareholders whose shares as on March 31, 2016 are in physical and Demat form.</b>	No. of Shares	Percentage
In Physical Form	8,743	12.89
In Dematerialised Form	59,108	87.11
<b>XV. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.</b>		Nil
<b>XVI. Plant Locations:</b>		
17 Coffee Estates in Kodagu, Hassan and Chikmagalur District.		State of Karnataka
1 Tea Estate in Kodagu Dist. and 1 Tea and Coffee (mixed) in Chikmagalur District.		
4 Tea Estates in Pachaimalai, Pannimade, Uralikal & Velonie and 1 Coffee Estate in Valparai		State of Tamil Nadu
1 Tea Estate in Malakiparai		State of Kerala
Curing Works, R&G factory and Pepper processing Unit in Kudige, Kushalnagar		State of Karnataka
1 Instant Coffee Plant at Toopran, Brahmanpally Village.		State of Telangana
1 Instant Coffee Plant at Jayamangalam Village, Theni		State of Tamil Nadu

**XVII. Address for correspondence:** As stated in 12 (IX) above

- 13.** Particulars about Directors proposed for appointment as well as the Directors who retire by rotation and are eligible for re-appointment indicating their shareholdings in the Company have been given in the Notice of the forthcoming Annual General Meeting.
- 14.** Compliance under SEBI Listing Regulations pertaining to mandatory requirements and Auditors Certificate on Corporate Governance

As required under SEBI Listing Regulations, the Auditor's Certificate on compliance of the Corporate Governance norms is attached.

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

In terms of SEBI (LODR) Regulations, 2015, 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 31<sup>st</sup> March, 2016.

SANJIV SARIN  
Managing Director and CEO

Place: Bengaluru  
Dated: 16<sup>th</sup> May, 2016



## Auditor's Certificate on Corporate Governance

To

The Members of Tata Coffee Limited.

We have examined the compliance of conditions of Corporate Governance by Tata Coffee Limited (the Company) for the year ended 31<sup>st</sup> March 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1<sup>st</sup> April 2015 to 30<sup>th</sup> November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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 statement of the company.

We have examined the relevant records of the company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement /Listing Regulations, as applicable.

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

For **SNB ASSOCIATES**  
Chartered Accountants  
(Firm's Registration No: 015682N)

**S. LAKSHMANAN**  
Partner  
Membership No:20045

Place: Bengaluru  
Date: 16<sup>th</sup> May 2016