

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance

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

2. Board of Directors

The Board of Directors comprises of the Managing Director and nine Non-Executive Directors. During 2009-10 the Board met five times on 15th May, 2009, 24th July, 2009, 22nd October, 2009, 18th December, 2009 and 25th January, 2010.

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 given in the following Table.

Name of Director Messrs.	Category	Attendance at		No. of other Directorships	Committee Positions		No. of Shares held
		Board Meeting	Last AGM		Member	Chairman	
R.K. Krishna Kumar	C (NED)	4	No	10	2	-	-
P.T. Siganporia	NED	2	No	1	-	-	50
Sangeeta Talwar	NED	4	No	1	-	-	-
R. Govindarajan	NED & IND	5	Yes	-	-	-	400
U. MaheshRao	NED & IND	5	Yes	2	4	-	-
A. Monappa	NED & IND	5	Yes	-	-	-	-
Venu Srinivasan	NED & IND	1	No	14	3	1	-
S. Santhanakrishnan	NED & IND	5	Yes	4	2	1	-
T.V. Alexander	NED & IND	4	Yes	-	-	-	36
Hameed Huq	MD	5	Yes	1	-	-	199
Barbara A. Roth	NED	-	No	-	-	-	-
D.M. Dasappa	NED & IND	1	-	-	-	-	21815
M.H. Ashraff	MD	4	Yes	-	-	-	-
A. Sengupta	ED	4	Yes	-	-	-	-

- Note : 1) Mr. D.M. Dasappa ceased to be Director w.e.f. 22.05.2009.
 2) Ms. Barbara A. Roth ceased to be Director w.e.f. 08.10.2009.
 3) Mr. M.H. Ashraff ceased to be Director and Managing Director w.e.f. 03.01.2010.
 4) Mr. A. Sengupta ceased to be Director and Executive Director w.e.f. 03.01.2010.

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

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

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

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

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

3. Audit Committee

The Audit Committee of the Board comprises of Mr.S.Santhanakrishnan, Mr. R. Govindarajan and Mr. U. M.Rao. Mr. S. Santhanakrishnan, the Chairman of the Committee has expert knowledge of finance and accounting. All the members of the Audit Committee are independent Directors.

During 2009-2010, the Audit Committee met seven times on 14th May, 2009, 23rd July, 2009, 5th October, 2009, 20th October, 2009, 6th January, 2010, 23rd January, 2010 and 6th March, 2010. The Committee Meetings were attended by the Managing Director, Executive Director (Plantations), Executive Director (Instant Coffee Operations), Vice President (Finance), Sr. General Manager (Internal Audit), Sr. General Manager (Accounts) and the Company Secretary, who acts as the Secretary of the Audit Committee. The representatives of the Statutory Auditors also attend the Audit Committee Meetings.

The broad terms of reference of the Audit Committee include:

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

Details of Attendance of Directors at the Audit Committee Meetings during 2009-10 are given in the following table:

Director	No. of Meetings attended
Mr. S. Santhanakrishnan	7
Mr. R. Govindarajan	7
Mr. U. Mahesh Rao	6
Prof. Arun Monappa	1

4. Remuneration Committee

The Remuneration Committee comprises of Mr. U. Mahesh Rao as Chairman with Mr. R.K. Krishna Kumar, Mr. R. Govindarajan and Prof. A. Monappa as the other members. During 2009-10, the Remuneration Committee met three times on 15th May, 2009; 18th December, 2009 and 25th January, 2010.

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

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

Details of the remuneration paid to:

a) Non-Executive Directors in 2009-10

Name	Commission (Rs.) (Relating to 2008-09)	Sitting fee (Rs.)
Mr. R.K. Krishna Kumar	412000	140000
Ms. Barbara A. Roth	-	-
Mr. D.M. Dasappa	471000	20000
Mr. R. Govindarajan	442000	340000
Mr. U. Mahesh Rao	530000	300000
Prof. A. Monappa	295000	150000
Mr. Venu Srinivasan	-	20000
Mr. S. Santhanakrishnan	206000	280000
Mr. T.V. Alexander	-	80000
Mr. Y.H. Malegam	442000	-
Mr. P.P. Prabhu	147000	-

b) Managing Director and Executive Directors for the year 2009-10

(Rs. in Lakhs)

	Salary	Perquisites & Allowance	Contribution to Retiral funds	Commission
Mr. Hameed Huq *	31.47	26.80	8.49	30.00
Mr. M. H. Ashraff **	33.09	44.73	11.69	30.00
Mr. A. Sengupta ***	18.13	25.99	4.90	10.00

* Executive Director till 2nd January 2010 and Managing Director with effect from 3rd January, 2010.

** Ceased to be Managing Director with effect from 3rd January, 2010

*** Ceased to be Executive Director with effect from 3rd January, 2010

5. Shareholders Committee

The Board has constituted a Shareholders/Investors Grievance Committee, which comprises of Mr. R.K. Krishna Kumar, Chairman; Mr. R. Govindarajan and Mr. Hameed Huq. During the year 2009-10 the Committee met four times on 15th May, 2009, 24th July, 2009, 22nd October, 2009 and 25th January, 2010. The Committee oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor service. The Company Secretary is the Compliance Officer. Given below is the position of complaints received and attended to for the year 2009-10.

Requests/ Queries/ Complaints received	1580
Requests/ Queries/ Complaints attended	1562
Pending requests/ queries/ complaints as on 31.03.2010	18*

* These letters were received in the last week of March and have been replied to in April 2010.

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The letters received through Statutory/Regulatory bodies are identified as complaints for reporting under Clause 41 of the Listing Agreement.

The Shares of the Company are traded in dematerialized form. During 2009-10, 216 requests for transfer and 362 requests for dematerialisation of Shares were received and processed. As on 31.03.2010, 1 share transfer case covering 199 shares and 13 requests for dematerialisation covering 913 shares were pending. These requests were attended to in April 2010.

6. Code of Conduct

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

7. General Body Meetings

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

Year	Date & Time of Meeting	Venue
2006-07	31st July, 2007 at 11.00 a.m.	Registered Office : Pollibetta – 571 215, Kodagu
2007-08	18th August, 2008 at 11.30 a.m.	-do-
2008-09	24th July, 2009 at 4.00 p.m.	-do-

No Special Resolution was recommended and no postal ballots were used/invited for voting at the aforesaid AGMs.

8. Disclosures

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

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

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

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

9. Means of Communication

Quarterly and Annual Financial Results are faxed/couriered to the Stock Exchanges and displayed on the EDIFAR in accordance with the Listing Agreement. Financial Results are also published in Newspapers viz., Indian Express / Economic Times – English and Kannada Prabha – Kannada and posted on the Company's website "www.tatacoffee.com". In terms of Clause 47(f) of the Listing Agreement, the Company has designated a separate e-mail ID for entertaining investor complaints viz., investors@tatacoffee.com

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

10. General Shareholder information

I.	AGM: Date, Time and Venue	23rd July, 2010 at 12 Noon at the Registered Office: Pollibetta - 571 215, Kodagu.	
II.	Financial Calendar (tentative)	Board Meeting for approval of: Audited Results for the first quarter ending June 30, 2010 Audited Results for the second quarter ending September 30, 2010 Audited Results for the third quarter ending December 31, 2010 Annual Accounts 2010-2011 Annual General Meeting for the year ended 31st March, 2011	In July/August 2010 In October/November 2010 In January/February 2011 In May/June 2011 In June/July 2011
III.	Dates of Book Closure	9th July, 2010 to 23rd July, 2010 (both days inclusive)	

IV.	Dividend Payment Date	The Dividend warrants will be mailed on or after 24th July, 2010.	
V.	Listing on Stock Exchanges	Bangalore Stock Exchange Ltd Stock Exchange Towers, No.51, 1st Cross, J.C. Road, Bengaluru - 560 027. Tel : 080-41575234/54 Fax: 080-22995242	
		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 : 022-26598100-8114 Fax : 022-26598237/38 Stock Code: TATACOFFEE	
		The Company has paid Listing Fees for the financial year to each of the Stock Exchanges.	

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

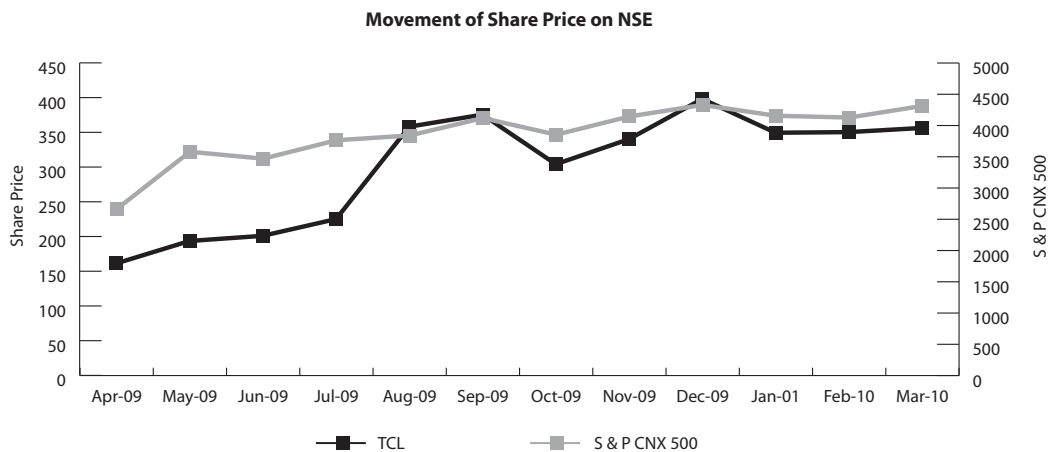
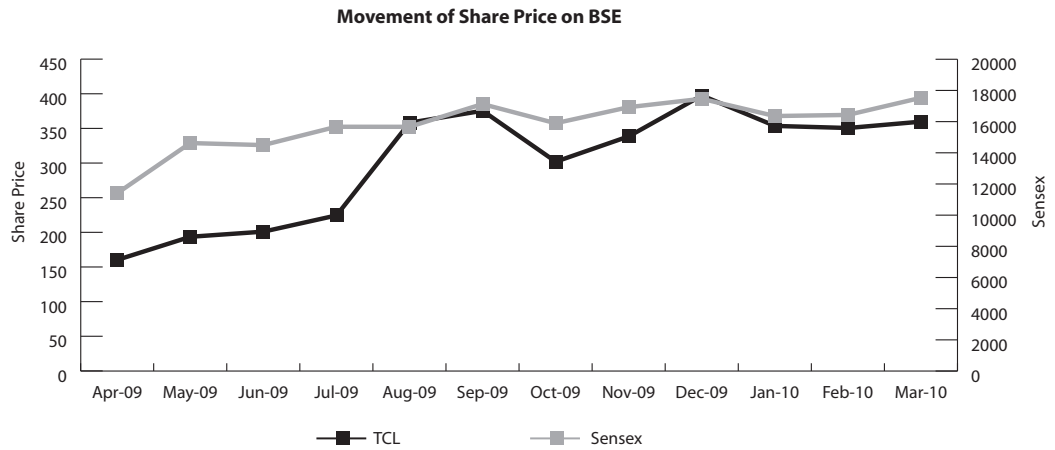
	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2009	180.00	147.00	181.95	146.00
May, 2009	213.90	161.00	214.10	161.00
June, 2009	221.00	192.00	225.00	190.20
July, 2009	234.00	182.00	235.00	181.15
August, 2009	390.90	224.50	391.00	216.10
September, 2009	386.80	291.25	403.65	340.00
October, 2009	386.80	291.25	386.90	290.25
November, 2009	363.95	286.00	364.00	290.00
December, 2009	422.70	333.10	422.40	333.00
January, 2010	443.00	326.50	440.00	340.50
February, 2010	387.00	332.00	386.70	335.10
March, 2010	374.00	341.50	374.00	348.15

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VII. Share price performance compared with Broad based indices



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

National Securities Depository Ltd.
Central Depository Services (India) Ltd.

ISIN Code

INE 493A01019
INE 493A01019

IX. Registrar and Transfer Agent

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

Regd. Office:

TSR Darashaw Ltd.
6-10, Haji Moosa Patrawala Ind. Estate,
20, Dr. E. Moses Road,
Mahalaxmi (Near Famous Studio)
Mumbai - 400 011
Tel : 022-66568484
Fax : 022-66568494
E-mail : csg-unit@tsrdarashaw.com
Web : www.tsrdarashaw.com

Branch Offices

- (i) **Bangalore**
TSR Darashaw Ltd.
503, Barton Centre, 5th Floor,
84, Mahatma Gandhi Road,
Bangalore – 560 001.
Tel: 080-25320321
Fax:080-25580019
E-mail: tsrdlbbang@tsrdarashaw.com
- (ii) **New Delhi**
TSR Darashaw Ltd.
2/42 Sant Vihar Ansari Road, Daryaganj,
New Delhi – 110 002
Tel : 011-23271805
Fax : 011-23271802
E-mail : tsrdldel@tsrdarashaw.com
- (iii) **Kolkata**
TSR Darashaw Ltd.
Tata Centre, 1st Floor, 43, J L Nehru Road
Kolkata – 700 071
Tel : 033-22883087
Fax : 033-22883062
E-mail: tsrdlcal@tsrdarashaw.com
- (iv) **Jamshedpur**
TSR Darashaw Ltd.
Bungalow No.1 'E' Road,
Northern Town, Bistupur,
Jamshedpur – 831 001.
Tel : 0657-2426616
Fax : 0657-2426937
E-mail : tsrdljpr@tsrdarashaw.com
- (v) **Ahmedabad (Agent)**
Shah Consultancy Services Limited
3, Sumathinath Complex,
Pritam Nagar, Akhada Road,
Ellis Bridge, Ahmedabad – 380 006
Shareholders may also contact/write to:
The Secretarial Department
Tata Coffee Ltd.
57, Railway Parallel Road, Kumara Park West,
Bengaluru - 560 020.
E-mail : investors@tatacoffee.com

X. Share Transfer System Physical:

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

Dematerialisation of Shares and liquidity

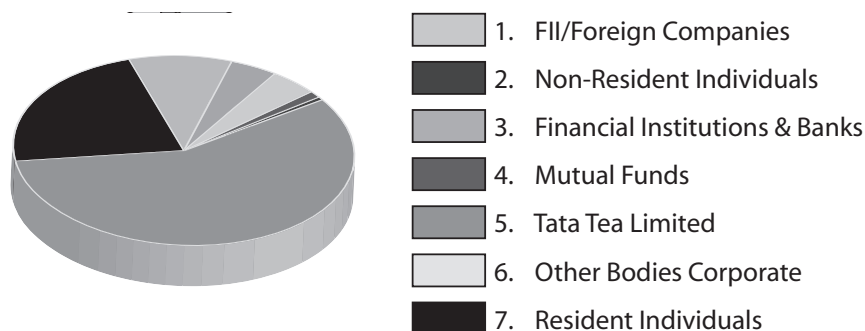
The process of conversion of shares from physical form to electronic form is known as dematerialisation. For dematerializing the shares, the Shareholder has to open a demat account with a Depository Participant (DP). The Shareholder is required to fill in a Demat Request Form and submit the same alongwith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

XI. Distribution of Shareholding as on 31st March, 2010

No. of Equity Shares held	No. of Shareholders	% to Shareholders	No. of Shares	% of Shareholdings
1 - 500	24870	95.11	1412240	7.56
501 - 1000	608	2.32	454791	2.43
1001 - 2000	360	1.38	505493	2.71
2001 - 3000	106	0.40	261173	1.40
3001 - 4000	55	0.21	195424	1.05
4001 - 5000	41	0.16	190305	1.02
5001 - 10000	57	0.22	375247	2.01
10001 & above	52	0.20	15282364	81.82
TOTAL	26149	100.00	18677037	100.00

XII. Categories of Shareholders as on 31st March, 2010

Sr. No.	Category of Shareholders	Total Holdings	Percentage
1.	FII/Foreign Companies	992567	5.31
2.	Non-Resident Individuals	84570	0.46
3.	Financial Institutions & Banks	1174069	6.29
4.	Mutual Funds	348144	1.86
5.	Tata Tea Limited	10735982	57.48
6.	Other Bodies Corporate	1291773	6.92
7.	Resident Individuals	4049932	21.68



XIII. Shares in physical and demat form as on 31st March, 2010	No. of Shares	Percentage
In Physical Form	920953	4.93
In Dematerialised Form	17756084	95.07

XIV. No. of share holders whose shares as on 31st March, 2010 are in physical and demat form.	No. of Shares	Percentage
In Physical Form	10357	39.61
In Dematerialised Form	15792	60.39

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

XVI. Plant Locations

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

As stated in 10 (IX) above

11. Particulars about new 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.

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

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

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

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

In terms of Clause 49 of the Listing Agreement, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Codes of Conduct, as applicable to them for the year ended 31st March, 2010.

Place : Bangalore
Date : 10th May, 2010

HAMEED HUQ
Managing Director