



Our Coffee Story

Trust Quality Value

TATA COFFEE

69th ANNUAL REPORT 2011-2012

**Annual General Meeting on
Friday, the 27th July, 2012 at the
Registered Office
at 11:30 a.m.**

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COMPANY INFORMATION**Board of Directors**

Mr. R.K. Krishna Kumar (Chairman)
Mr. P.T. Siganporia
Mr. U.M. Rao
Prof. A. Monappa
Mr. Venu Srinivasan
Mr. S. Sanathanakrishnan
Mr. Hameed Huq (Managing Director)
Mr. M. Deepak Kumar (Executive Director – Finance)
Mr. T.V. Alexander (Till 05.02.2012)
Mr. R. Govindarajan (Till 05.08.2011)

Registered Office

Pollibetta – 571 215
Kodagu, Karnataka State

Corporate Office

No. 57, Railway Parallel Road,
Kumara Park (W), Bangalore – 560 020
Tel : (080) 23560695 Fax : (080) 23341843
E-mail : investors@tatacoffee.com
Website : www.tatacoffee.com

Registrar and Transfer Agent

TSR Darashaw Ltd.
6-10, Haji Mosa Patrawala Ind. Estate,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai – 400 011
Tel : 022-6656 8484 Fax : 022-6656 8496
E-mail : csg-unit@tsrdarashaw.com
Website : www.tsrdarashaw.com

Auditors

N.M. Raiji & Co.
SNB Associates

Bankers

Corporation Bank
Indian Overseas Bank
Standard Chartered Bank
Hongkong and Shanghai Banking Corporation Limited
ICICI Bank Limited
HDFC Bank Limited
RABOBANK International

Debenture Trustees**Rights Issue of Partly Convertible Debentures**

IDBI Trusteeship Services Ltd.
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001.

Board Committees**Audit Committee**

Mr. S. Santhanakrishnan – Chairman
Mr. U. Mahesh Rao
Prof. A. Monappa

Shareholders/Investors Grievance Committee

Mr. R.K. Krishna Kumar – Chairman
Mr. S. Santhanakrishnan
Mr. Hameed Huq

Remuneration Committee

Mr. U. Mahesh Rao – Chairman
Mr. R.K. Krishna Kumar
Prof. A. Monappa
Mr. Venu Srinivasan

NOTICE

NOTICE is hereby given that the 69th Annual General Meeting of the Company will be held at the Registered Office of the Company at Pollibetta, Kodagu, on Friday, the 27th July, 2012 at 11.30 A.M. to transact the following business:

1. To receive and adopt the audited Profit and Loss Account for the year ended 31st March, 2012 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare a Dividend on Equity shares.
3. To appoint a Director in place of Mr. S. Santhanakrishnan who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Venu Srinivasan who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and fix their remuneration.

By Order of the Board

M.K.C. PAI

Company Secretary

Place: Mumbai

Date: 30th May, 2012

NOTES:

1. The Register of Members of the Company will remain closed from 10th July, 2012 to 27th July, 2012, both days inclusive.
2. **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the Meeting.**
3. Dividend, if declared at the Annual General Meeting will be paid within 30 days thereof to those members whose names appear on the Register of Members of the Company, after giving effect to valid transfers in respect of the Shares lodged with the Company on or before the close of business hours on 9th July, 2012 or to their mandatees. The dividend in respect of Shares held in electronic form would be payable to the beneficial owners of Shares recorded with the Depositories as of the end of 9th July, 2012 as per details furnished by the Depositories for the purpose.
4. **All unclaimed/unpaid dividends upto the financial year ended 31st March, 1996 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not en-cashed the warrants in respect of the dividend up to the aforesaid financial year are requested to claim their dividend from the Registrar of Companies, 2nd Floor, "E" Wing, Kendriya Sadan, Koramangala, Bangalore, Karnataka by making an application in the prescribed Form.**

Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the unclaimed/unpaid dividend for the financial years ended 31st March, 1997 to 31st March, 2004 has been transferred to the Investor Education and Protection Fund of the Central Government ("the Fund"). The balance lying in the unpaid dividend account for the year ended 31st March, 2005 will be transferred to the Fund shortly. Shareholders are requested to note that once unpaid/unclaimed amounts are transferred to the Fund, no claim shall lie against the Fund or the Company. Shareholders who have not yet en-cashed their dividend warrants are requested to do so sufficiently in advance before the said transfers take place.

5. Securities and Exchange Board of India (SEBI) vide their Circular dated 15th October, 2001, has made it mandatory for all companies to use the bank account details furnished by the shareholders for distributing dividend through Electronic Clearing Service (ECS) wherever ECS and Bank Details are available. In the event of ECS facility not being available for any reason, companies are required to print the bank account details on the payment instrument for distribution of dividend to the investors.

As per RBI notification, with effect from 1st October, 2009, the remittance of money through ECS is replaced by National-ECS (NECS) and banks have been instructed to move to the NECS platform with immediate effect. NECS essentially operates on the new and unique bank account number allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions.

Shareholders holding shares in physical form are requested to notify their bank details giving the name of the bank, the branch, account number and type and also any change of address to the Company's Registrar and Transfer Agent, TSR Darashaw Ltd. In case the holdings are in electronic form, the said details should be conveyed to their Depository Participant. Shareholders who wish to avail the NECS facility offered by the Company should, in addition to the aforesaid bank details also furnish their Bank Branch Code & CBS Account number to the Registrar's / Depository Participant. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Transfer Agent.

The bank particulars of the Shareholders recorded with the Depository Participant as of the book closure date, the data of which will be received through Depositories will be used by the Company for printing on the dividend warrants. This would ensure that the dividend warrants cannot be deposited in any account other than the one specified on the warrants. For safety and in the interest of the shareholders, it is important that bank account details are correctly provided to the Depository Participants. The bank details (mandate) for shares held in physical form will not be applicable/applied for shares held in electronic form and vice versa.

**Details of Directors seeking appointment/ re-appointment/ retiring by rotation
(In pursuance of Clause 49 of the Listing Agreement)**

Name of Director	S. Santhanakrishnan	Venu Srinivasan
Date of Birth	01.11.1950	11.12.1952
Date of Appointment	13.10.2008	13.10.2008
Qualifications	Graduate in Science, Degree in Law, Fellow Member of the Institute of Chartered Accountants of India.	B. Tech. PGDM (IIM)
Expertise in specific functional area	Chartered Accountant	Overall – Business Management
Directorship in other Companies (excluding foreign companies) as on 31.03.2012	As detailed below (1)	As detailed below (2)
Chairman/Member of Committees* of the Boards of which he is a Director as on 31.03.2012	As detailed below (1)	As detailed below (2)
No. of Shares held in the Company	Nil	Nil

* Includes Audit, Remuneration and Shareholders/Investors Grievance Committees only for other companies.

(1) Directorships in Companies & Memberships in Committees of Mr. S. Santhanakrishnan

Sl. No.	Name of the Company	Membership in Committees	
		Name of the Committee	Position held
1.	Tata Realty and Infrastructure Limited	Finance Committee	Member
2.	Tata Housing Development Company Limited	Audit Committee	Chairman
3.	IDBI Federal Life Insurance Co. Limited	Audit Committee	Chairman
4.	The Catholic Syrian Bank Ltd.	Management Committee	Member
5.	Edelweiss Trusteeship Co. Pvt. Ltd.	Audit & Risk Committee	Chairman
6.	Sands BKC Properties Pvt. Ltd.	-	-
7.	Sands Chembur Properties Pvt. Ltd.	-	-
8.	TMI e2e Academy Pvt. Ltd.	-	-

(2) Directorships in Companies & Memberships in Committees of Mr. Venu Srinivasan

Sl. No.	Name of the Company	Membership in Committees	
		Name of the Committee	Position held
1.	TVS Motor Company Limited, Chairman & Managing Director	Investors Grievance Committee	Member
2.	Sundaram-Clayton Limited, Chairman & Managing Director	Investors Grievance Committee	Member
3.	Harita-NTI Limited, Chairman	Audit Committee	Chairman
4.	TVS Credit Services Limited, Chairman	-	-
5.	Lucas TVS Limited	-	-
6.	TVS Sundram Iyengar & Sons Limited	Audit Committee	Member
7.	Southern Roadways Limited	-	-
8.	Sundram Fasteners Limited	-	-
9.	Cummins India Limited	-	-
10.	Sundram Non-conventional Energy Systems Limited	-	-
11.	TVS Investments Limited	-	-
12.	Oriental Hotels Limited	-	-
13.	TVS Energy Limited	-	-

TATA COFFEE LIMITED**2007/2008 TO 2011/2012 A FIVE YEAR REVIEW**

INCOME & DIVIDEND ETC		2007-08	2008-09	2009-10	2010-11	2011-12
Sale Value of Coffee and						
Estate Products and Gross Income						
From Services rendered	(₹ in Lakhs)	32692.38	33678.62	37342.43	42209.94	51657.20
Profit Before Tax	(₹ in Lakhs)	3857.45	2840.60	4999.92	6862.18	10415.74
As percentage of Sales		12	8	13	16	20
Profit After Tax	(₹ in Lakhs)	2468.13	1864.42	3198.98	5508.46	7885.28
As percentage of Sales		8	6	9	13	15
As percentage of Networth		7	6	9	14	17
(Shareholder's Funds)						
Expenses as percentage of Income		88	92	87	84	80
Current Assets/Current Liabilities		2.39:1	1.73:1	2.59:1	2.89:1	2.31:1
Debt/Equity Ratio		0.58:1	0.58:1	0.41:1	0.29:1	0.16:1
Fixed Assets/Net Worth (as percentage)		72	81	65	56	51
Net Profit per Equity Share	(₹)	13.21	9.98	17.13	29.49	42.22
Dividend per Share	(₹)	7	6	7.50	10	11
Assets & Liabilities	(₹ in Lakhs)					
Net Fixed Assets		24653.08	24374.13	23318.91	22561.37	23141.05
Long-term loans and advances		-	-	-	-	4180.77
Stocks		8329.58	12545.97	11674.88	12532.37	12395.28
Debtors, Loans and Advances		11371.97	9694.43	9482.44	11408.14	9851.63
Other Assets		771.56	1037.69	2149.27	1095.99	1533.43
Sundry Liabilities		8566.60	13441.60	8990.32	8655.54	10305.26
Net Current Assets		11906.51	9836.49	14316.27	16380.96	13475.11
Deferred Revenue Expenditure		23.63	3.96	-	-	-
Investments in Shares & Securities		18382.92	14677.62	14677.62	14570.24	14564.09
Total Assets		54966.14	48892.20	52312.80	53512.57	55360.99
Represented by	(₹ in Lakhs)					
Share Capital		1867.70	1867.70	1867.70	1867.70	1867.70
Reserves		32293.45	28405.60	34120.26	38433.48	43858.02
Shareholders' Interest (Net Worth)		34161.15	30273.30	35987.96	40301.18	45725.72
Loans		19934.78	17666.51	14864.22	11874.05	7183.24
Long-term liabilities and Long-term provisions		-	-	-	-	1396.03
Deferred Tax Liability (Net)		870.21	952.39	1460.62	1337.34	1056.00
Total Liabilities		54966.14	48892.20	52312.80	53512.57	55360.99

PRODUCTION (IN TONNES)

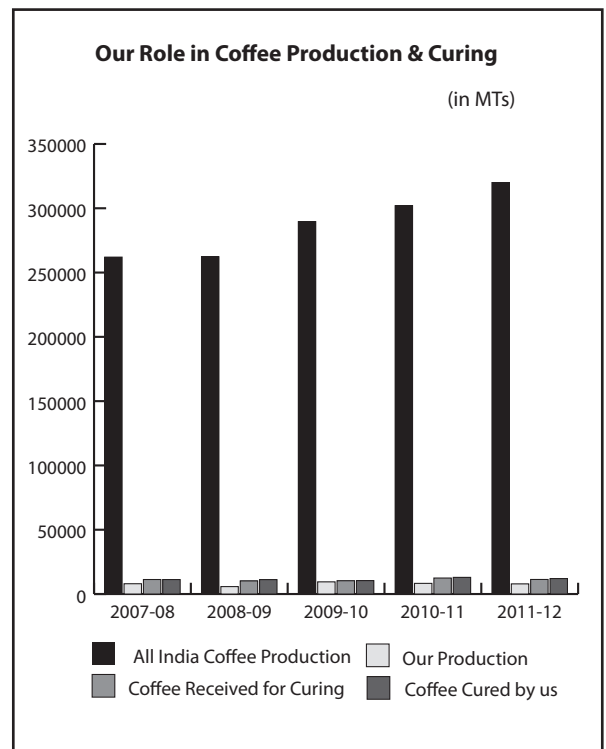
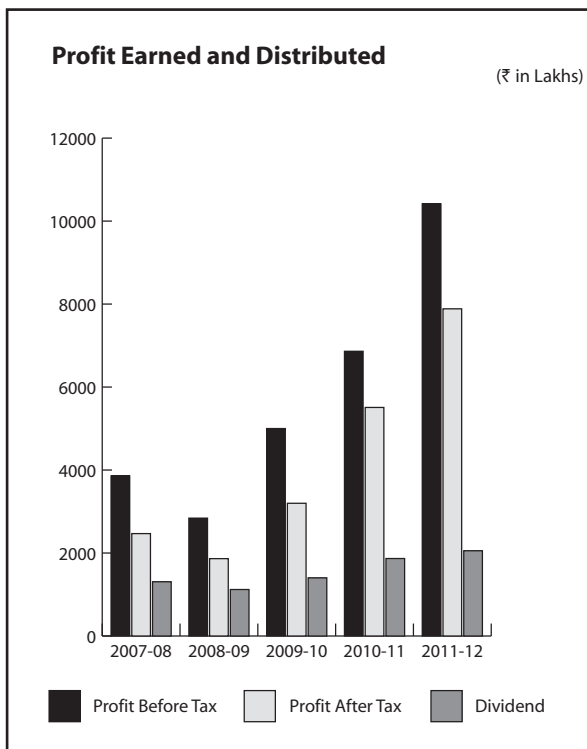
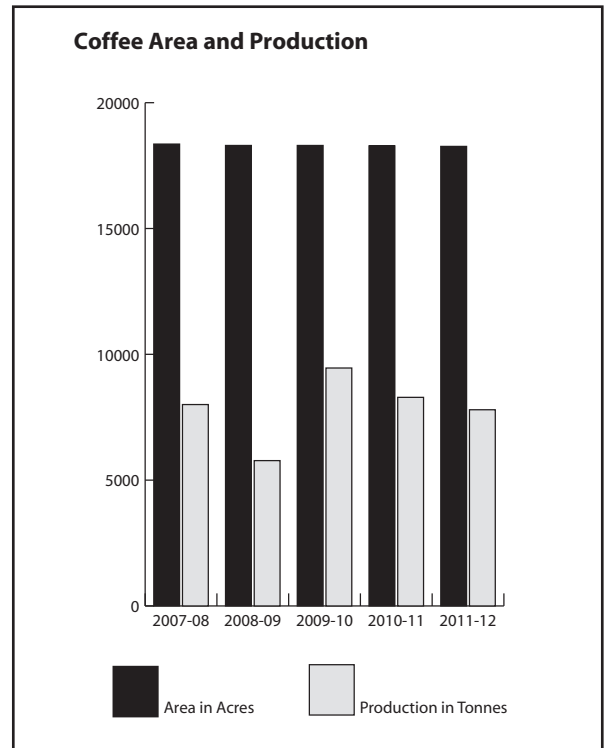
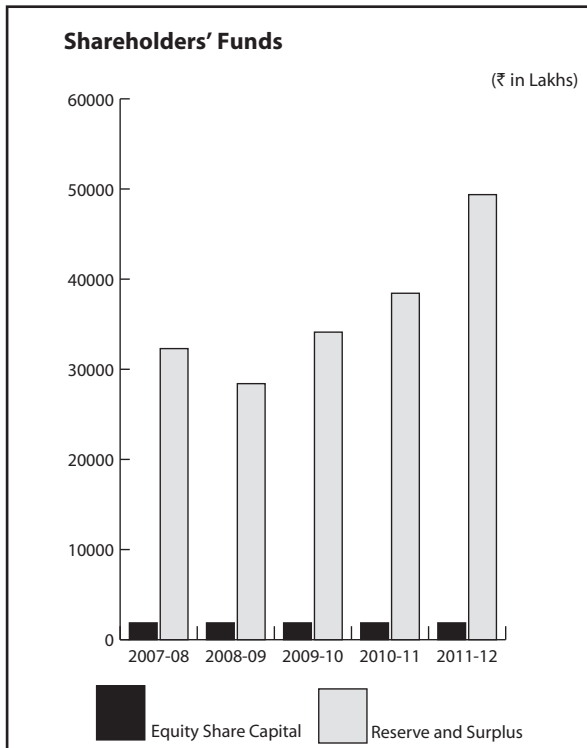
YEAR	COFFEE						CURED	INSTANT
	ARABICA	ROBUSTA	TOTAL	TEA	PEPPER	CARDAMOM	COFFEE	COFFEE
2002-03	3044	6813	9857	1114	856	4.43	13027	3590
2003-04	2338	5539	7877	1048	1150	7.10	14548	5368
2004-05	2680	4944	7624	1119	1328	10.98	13241	3341
2005-06	2110	6434	8544	2699	981	14.23	11105	4236
2006-07	2014	5503	7517	6936	861	44.49	11870	3628
2007-08	2233	5771	8004	6576	682	4.97	11247	4966
2008-09	1551	4225	5776	7606	1515	14.52	11195	5219
2009-10	2171	7285	9456	7994	884	32.01	10427	2955
2010-11	1670	6620	8290	7334	535	16.02	12959	4974
2011-12	2129	5746	7875	6775	864	13.35	12010	6347

Note: The crop figures for the year 2005-06 and onwards include crop of Anamallai Group Estates which were acquired by the Company during the year 2005-06.

ACREAGE STATEMENT - 5 YEARS

	2007-08	2008-09	2009-10	2010-11	2011-12	
	Acres				Acres	Hectares
COFFEE*						
Arabica	7489	7563	7539	7489	7528	3048
Robusta	10709	10651	10675	10709	10649	4311
Mixed Coffee	86	86	86	86	86	35
	18284	18300	18300	18284	18263	7394
TEA	6089	6089	6089	6089	6089	2465
OTHER CROPS						
Cardamom	429	496	504	429	429	174
Paddy	50	37	39	50	41	17
Pure Pepper/Areca	539	472	464	539	523	212
Oil Palm/ Bamboo/ etc.	103	99	95	103	102	41
TOTAL CULTIVATED AREA	25494	25492	25492	25494	25447	10303

* Pepper interplanted in Coffee



DIRECTORS REPORT

Your Directors are pleased to submit their Report together with the Audited Statement of Accounts for the year ended 31st March, 2012.

	2011/12 ₹ in Lakhs	2010/11 ₹ in Lakhs
Profit from Operations before Other Income & Interest	9503.76	4182.41
Add: Other Income	805.43	2640.39
Operating profit before Interest	10309.19	6822.80
Less: Interest	732.02	1026.22
	9577.17	5796.58
Add: Exceptional Income.....	838.57	1065.60
Profit Before Tax.....	10415.74	6862.18
Provision for Tax: Current Year	2811.80	1477.00
Deferred Tax.....	(281.34)	(123.28)
	2530.46	1353.72
Profit After Tax.....	7885.28	5508.46
Add: Surplus brought forward from Previous Year.....	4585.04	1420.09
Amount available for appropriation	12470.32	6928.55
General Reserve No. I	792.03	550.84
General Reserve No. II.....	365.45	311.17
Debenture Redemption Reserve A/c	(1060.99)	96.49
	(692.80)	169.21
Dividends		
Interim Dividend	-	933.85
Final (Proposed).....	2054.47	933.85
Tax on Dividend.....	333.29	2387.76
	306.60	2174.30
Balance carried forward.....	9986.07	4585.04

TURNOVER

Your Company's turnover during the year under review was ₹ 508.52 crores as compared to ₹ 400.73 crores in the previous year, registering an increase of 27% over last year.

PROFITS

Profit from Operations before 'Other income and interest' for the year ended 31st March, 2012, stood at ₹ 95.04 crores as against ₹ 41.82 crores in the previous year, reflecting an increase of 127%. Profit before Tax at ₹ 104.16 crores vis-à-vis ₹ 68.62 crores in the previous year reflects an increase of 52%. Profit after Tax in 2011-12 stood at ₹ 78.85 crores as against ₹ 55.08 crores in the previous year.

DIVIDEND

Your Directors have recommended a dividend of ₹ 11/- per share aggregating to ₹ 2054.47 lakhs for the year 2011-12. The Dividend Tax amounts to ₹ 333.29 lakhs.

COFFEE SCENARIO:

The Arabica futures market started the year at a good level viz. above 250 cents and continued its upward journey until it crossed the psychological 300 cents level in the first week of May – an increase of 50 cents in a month. Thereafter, it dropped steadily to below the 240 cent level in the beginning of August. It again touched 290 cents by early September but could not sustain the level and quickly dropped back to the low by end September and thereafter continued losing value steadily until it touched new lows for the year - below 180 cents in March. With prices softening, the tightness in the physical market eased to a significant extent.

The Robusta futures market which started the year on a high note at \$2300 steadily dropped to \$1700 by early November as there was a gradual build up in global Robusta inventory. However, increased demand for Robusta from roasters trying to control blend costs by replacing Arabicas which were comparatively more expensive, led to hardening of both futures and differentials in the last quarter of the year. By February, the market had crossed \$2000 and differentials too had firmed up leading to higher physical prices vis-a-vis in the beginning of the year. The much touted bumper Vietnamese crop which was estimated at 20 mln bags was lowered to 18 mln thereby lending support to Robusta prices. India, too harvested a lower Robusta crop.

The softening in Arabica and hardening in Robusta prices has resulted in the arbitrage between the two markets shrinking, making usage of Arabicas attractive once again.

Global consumption continued to grow at a steady 1.5-2%, inspite of green coffee price increases passed on to the consumer. Only the channel shifted from out-of- home to in-home. Consumption is expected to continue to grow, especially in markets such as Brazil, Russia and China.

TEA SCENARIO

Black Tea production in major producing countries during January/December 2011 was 988.2 Mn. kgs as against 966.4 Mn. Kgs in 2010, showing an increase of 21.8 Mn. kgs. Crops in Kenya & Sri Lanka showed an increase at 21.1 Mn. kgs and 3.1 Mn. kgs respectively. On the other hand Malawi / Bangladesh were lower by 4.5 Mn. kgs whereas India was higher by 21.8 Mn. kgs.

Indian exports in 2011 were estimated at 186.6 Mn. kgs as against 193.3 Mn. kgs in the previous year - lower by approx. 6.7 Mn. kgs. Consumption continues to rise at approximately 3 to 3.5% per annum. Unlike 2011, the first quarter of 2012 is likely to see a significant drop in South Indian production.

At present, the supply situation globally and in India is low but likely to improve in May / June. Hence the markets have been bullish during the first quarter and this trend is likely to continue in the initial stages of the second quarter. Once crops increase, quality CTC's shall continue to sell at attractive premiums following improved demand from the internal markets. However, medium and plainer CTC's are expected to sell in line with quality.

Availability of Orthodox teas is likely to remain low in India. Hence these varieties should witness a much healthier trend compared to the previous year.

OPERATIONS:**Plantations:**

The Arabica production for the financial year 2011/12 stood at 2130 MT as against 1670 MT (+28%) in the previous year. The Arabica crop has been better this year across all tracts and the Coffee Board has estimated a 11% increase compared to previous year.

As regards Robusta, the Company has achieved a production of 5667 MT as against 6620 MT (-13%) in the previous year. The Robusta crop has been poor across all producing districts and industry experts have predicted a drop of about 20-30% crop as compared to the previous year. The reasons for this lower crop, as analysed by the Coffee Board Research Station, is the unfavourable weather during crucial period which has resulted in higher mucilage and fruit skin, finally bringing down the outturn to lower than normal.

The Plantations have undergone an unusual weather pattern during the year under review. There was a long drought with no trace of rain for a continuous period of around 142 days between November 2011 and end March 2012. The weather during the

latter part of the 1st quarter of the current calendar year was very dry and hot, with the maximum day temperature touching 34°C. However, the Company has provided blossom irrigation to all mature Robusta, supplementing the rain. Further, some percentage of Arabica has also been covered with Blossom irrigation with the available water. However, certain estates have received natural showers during late March which extended till April and covered most of the estates. With these proactive measures, normal crop is expected during 2012/13.

The Company has achieved a total Tea production of 6.775 Million Kgs at Anamallais and in the two estates in Karnataka as against 7.334 Million Kgs during the previous year.

The total Pepper crop for the Company stood at 865 MT as against 535 MT (+62%) harvested during the previous year. Due to long drought as reported above, Pepper vines have also been brought under irrigation along with Coffee.

Curing Works:

The Company's Curing Works at Kushalnagar cured a total of 12010 MT Coffee during the year under review as against 12959 MT in the previous year. In addition, 304 MT of Monsooned Coffee, a value added product was processed as against 356 MT in the previous year.

The volume handled by the unit during the year was marginally lower due to the overall drop in crop production during the season 2010-11. The unit continued its good performance during the year, due to the sustained cost reduction initiatives in the factory and better husk sale realization.

The ISO 22000 certified Pepper Unit in the Kushalnagar Curing Works premises handled the grading and steaming operations of the Company's entire pepper produce.

Timber Value Addition:

The Company's high end products such as Fire Retardant Composite panels, Sound Absorption plywood and Shuttering plywood have not performed up to expectations during 2011/12. The Division has sustained by selling Marine, Commercial plywood and Block board products. In view of the above, the existing business model is being revisited.

Exports:

During the year 2011-12, your Company exported 5735 MT of coffee as against 4819 MT in the previous year.

Your company's focus to grow the market for differentiated coffee continued to show results with volumes growing to 2123 MT as against 1847 MT in the previous year.

Quality Awards:

Your Company's thrust towards producing Best Coffees to meet the varying needs of the customers both at national and international level has been continuing. Your Company won 12 awards at the Fine Cup Award Cupping competition – 2011 held in Maastricht, Netherlands as against 10 won during the previous year, which stands as a testimony to the Company's commitment to produce Quality coffee. Efforts are continuing in this direction with added thrust and samples have been sent from the Company's different estates for the competition to be held in 2012.

Instant Coffee Division

During the year under review, the instant coffee operations demonstrated sustenance of process centric approach with effective operational discipline. In addition to Safety, the prime focus was on quality, customer centric initiatives and work force development. The consistent quality of products and prompt services was appreciated by the key customers. The Division achieved record production of 6356 MT as compared to 4974 MT in the previous year – an increase of 28%. Total exports in volume terms increased to 6331 MT as against 5659 MT in the previous year - an increase of 12%. High capacity utilization was attained at all the units and across all product variants.

A plan with process improvements and focus on quality was put in place for the Freeze Dried Coffee operations, which has resulted in increase in production by 14%. The Toopran unit performed extremely well, with production almost doubling over previous year and capacity utilization of more than 100% being achieved. Improvement in yield at the Toopran unit contributed significantly to the profitability of the Division.

TATA COFFEE LIMITED

A 2000 TPA premium extraction unit for the Freeze Dried Facility is being set up at Theni with GEA Niro's Extraction Plant and Roaster from LILLA. The new project is expected to be commissioned and go on stream in the next financial year.

Focus on Non-Russian markets has enabled the Company to make inroads into West Africa, Korea and Japan. Key customer relationship building approaches are under progress. This will give your Company a balanced market approach covering most of the key geographies. The Company has also entered into an agreement with RSP Tradecom Pvt. Limited for availing services with regard to marketing the Company's soluble coffee in territories of Russia, Baltic, CIS and Poland and such other countries as the parties may mutually agree.

The focus continues to be on safety, cost, quality and sustainability. Twenty percent of the Division's total power requirement comes from renewable energy sources. The Freeze Dried unit operates its equipment with wind power, thereby contributing to Company's green initiative.

The Instant coffee unit at Toopran received the "ISO 22000:2005" accreditation during the year from M/s. DNV certification. Both Theni and Toopran units are now certified for ISO 9001: 2008 and ISO 22000: 2005.

TRADING OPERATIONS**Coffee Value-Added Products**

Your Company continues to maintain its current position in the Roast & Ground coffee segment. The current market share is around 2.5% in the south Indian conventional coffee market. Your Company also continues to be present in the instant coffee segment through supplies to private labels of key retail chains in India, vending premises and in the Hot Tea Shop segment.

Vending business has also maintained its current position while consolidating on supply chain strengths. The Vending Premix manufacturing unit has been recognized by CII for 'Excellence in Food Safety' in its category.

Plantation Trails

Your Company's Hospitality business - Plantation Trails has performed well in the year under review vis-à-vis the previous year both in terms of revenue as well as profitability. The focus during the year was to restructure the operations and provide guests with a world-class plantation experience. Several new initiatives from a customer centric perspective were introduced. The restructuring and the new measures have resulted in increase in the overall Customer Satisfaction. Restoration and up-gradation of the Company's heritage bungalows has commenced and efforts towards repositioning the product in the premium market initiated.

STARBUCKS

Following the Memorandum of Understanding with Starbucks Coffee International, Inc., USA (Starbucks), your Company has entered into separate Agreements with Starbucks Coffee International, Inc., USA (Starbucks) and Tata Starbucks Limited, a 50:50 Joint Venture between Tata Global Beverages Limited and Starbucks, for roasting coffee produced in the Company's estates using Starbucks know-how and technology and packaging, sale and distribution thereof to Starbucks Cafes to be set up by Tata Starbucks Limited in India/ Starbucks business operations overseas.

CAPITAL EXPENDITURE

During 2011-12, ₹ 2136.58 lakhs was incurred primarily on account of welfare, modernization, up-gradation and other programmes undertaken in the various units of the Company.

SUBSIDIARY COMPANIES**Eight O' Clock Coffee Company**

Eight O'clock Coffee (EOC) turnover during the year stood at ₹ 1040.50 Crores registering an increase of 13.8% over the Previous Year's turnover of ₹ 914.50 Crores. The price increases incorporated in the preceding year had a full year impact this year. Such increase did not cover the full cost of commodity price impact and additional trade spends was incurred to stave erosion of volumes. EOC maintained market share even as volumes eroded as consumers and customers reacted to enhanced pricing. The development of the Single serve option across retail and accelerated consumer adoption of this format reduced

shelf space availability for traditional bag and can formats. The higher commodity costs and promotion expenses to protect market share resulted in an overall decline in earnings and margins. Profit before Tax was negative at ₹ 4.2 Crores as against the profit of ₹ 118.8 Crores in the Previous Year. Profit after Tax stood at ₹ 4.71 Crores versus ₹ 72.59 Crores in the Previous Year.

Alliance Coffee Limited

As reported last year, the Marketer Agreement between the Company and Alliance Coffee Ltd. (Alliance) was terminated and the entire shareholdings of Beeyu Overseas Ltd. and its Associates in Alliance was purchased by the Company, following which Alliance has become a wholly owned subsidiary of Tata Coffee. Going forward the proposal is to have the Registered Office of Alliance shifted from Kolkata to Bangalore, for which necessary application has been submitted to the Company Law Board, Eastern Region Bench, Kolkata and thereafter merge Alliance with Tata Coffee.

The Ministry of Corporate Affairs has exempted Holding companies from attaching the accounts of its subsidiaries to its balance sheet. In terms of the said Circular and as required under the Listing Agreement with the Stock Exchanges, the consolidated financial statements of the Company together with its subsidiaries are attached. Any shareholder may ask for a copy or inspect at the Registered/Head Office a copy of the Annual Accounts of Alliance Coffee Limited and the consolidated financial statements of Consolidated Coffee Inc., USA which includes the Eight O' Clock Coffee Company financials.

CORPORATE GOVERNANCE

The Company has been in compliance with all the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. The detailed Report on Corporate Governance in terms of Clause 49 of the Listing Agreement and a certificate of the Auditors thereon is attached to the Annual Report.

EMPLOYEE WELFARE

The Company has been continuing with its welfare activities as in the past. Improvement to labour line and surroundings, educational assistance to the children of employees, providing drinking water at the work spot, providing transport at subsidized rate to the school going children of employees, supply of provisions through Co-operative store branches located at each Unit/Estate are a few of the welfare measures adopted by the Company.

The re-certification of Social Accountability 8000-2008 Certificate by the Certification Auditors is a testimony to the Company's commitment to comply with the international requirements under Social Accountability, which is in addition to the statutory requirements which are already in place. Further, the initiative taken by the company to assess the Human Development Index through an external agency is continuing. This will enable the Company to know its present welfare standards in comparison to international level and help take further initiatives to bring it on par with international standard.

The re-certification of Tata Coffee under Rainforest Alliance is another area which shows the Company's commitment towards protecting and preserving the environment and eco system, thus ensuring a safe work place and also safe living conditions not only for the Company's own employees, but also to the community around.

Safety at work place and also at Home is given top priority by the Company. The Company has taken all possible steps to ensure safe working conditions for its employees. Each employee is made to understand the potential danger involved in each area of operation and the requirement to follow the safety guidelines.

DIRECTORATE

Mr. T.V. Alexander, Director who joined the Board in May, 2009 passed away on 5th February, 2012. Your Directors convey their deep sense of sorrow at the sad and untimely demise of Mr. Alexander and place on record his active contribution to the organization during his tenure as Director.

Mr. Venu Srinivasan and Mr. S. Santhanakrishnan retire by rotation and are eligible for re-appointment.

SERVICE TO THE COMMUNITY

The Coorg Foundation, a Public Charitable Trust established by your Company continued to provide support to various individuals and institutions in the field of Health Care, Education, Sports and Culture during the year under review. Medical

TATA COFFEE LIMITED

Assistance was extended through Rural India Health Project Hospital, Ammathi to the needy sections of the society. In order to encourage professional education among the young students of Kodagu, the Foundation continues to provide Scholarships. The top ranking students out of those who have studied in the Institutions based in Kodagu are given Merit Awards.

Swastha – The project established by The Coorg Foundation as a fully residential institution, meant for differently abled, continues to support the needy children in the District through its centers in Suntikoppa and Pollibetta by imparting required education and training. The Community Based Rehabilitation programme, initiated during the previous year with the intention of reaching out to a larger number of challenged people in the district, continues to do well. The centre has conducted regular Awareness programmes in the villages in Somwarpet Taluk and organized 2 Health camps at Swastha Premises to identify the needs and to facilitate supportive devices to needy participants.

PARTICULARS OF EMPLOYEES

Information required under Section 217(2A) of the Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975 forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv), the Report and Accounts are being sent to all Shareholders of the Company excluding the Statement of Particulars of Employees. Any Shareholder interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company for a copy.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Statement pursuant to Section 217(1)(e) of the Companies Act, 1956 read with The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is attached.

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representation received from the operating management confirm:

- (i) that in the preparation of the accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed and that there are no material departures;
- (ii) that they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- (iii) that they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that they have prepared the accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

AUDITORS

M/s. N.M. Rajji & Co., and M/s. SNB Associates, Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting. The Auditors have furnished the certificate under Section 224(1) of the Companies Act, 1956 of their eligibility for re-appointment.

On behalf of the Board

R.K. KRISHNA KUMAR
Chairman

Place : Mumbai

Dated : 30th May, 2012

Information in accordance with The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March, 2012

A. CONSERVATION OF ENERGY

1. **Energy Conservation measures taken**

The Instant Coffee unit at Theni has been consuming high amount of energy in terms of captive power generation due to huge power shortage in Tamilnadu. Efforts were made to comprehend the technical, logical and legal requirements of Group Captive Power. Measures like alternate arrangements with TNEB and contract for purchase of power from power producers resulted in sourcing wind energy, which is presently being used for the Freeze Dried Coffee Plant as a substitute for TNEB power and in the process around 2 units per kg of IC has been reduced. No investment has been made towards procurement of Green Energy through Wind Mill operations. This was made possible by way of innovation of the process measures to source power under Group Captive Concept. Steam Radiator for spray drier has been installed to reduce diesel consumption by around 700 Ltrs./day. This has also resulted in substantial reduction of Co₂ emission.

Modification carried out in the Husk Boiler at the Instant Coffee unit in Toopran has led to the utilization of Coffee spent generated in the plant, thereby bringing down power and fuel cost.
2. **Additional Investments and proposals, if any, being implemented for reduction of consumption of energy**

Nil
3. **Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact on the cost per unit of production**

The usage of wind power energy at the Theni plant has resulted in savings of approx. ₹ 300 /MT. The energy conservation measures introduced at the Toopran unit have resulted in savings of approx. ₹ 740/MT.

TATA COFFEE LIMITED
4. Total energy consumption and energy consumption per unit of production:
FORM A: APPLICABLE TO TEA

A. POWER AND FUEL CONSUMPTION	Current Year ended 31.03.2012	Previous Year ended 31.03.2011
1. ELECTRICITY (FOR MANUFACTURE)		
(a) Purchased		
Units	5943673	6491439
Total Amount (₹ in Lakhs)	314.73	318.53
Rate/Unit (₹)	5.30	4.91
(b) Own Generation		
(i) Through Diesel Generator Units	647231	473687
Diesel Consumed – Ltrs.	213803	156045
Cost of Diesel (₹ in Lakhs)	93.93	60.22
Unit/Ltr.	3.03	3.04
Cost/Unit (₹)	14.51	12.71
(ii) Through Steam Turbine/ Generator	Nil	Nil
2. COAL: C GRADE USED IN DRIER		
Quantity – Mts.	4180	Not being used
Total Cost (₹ in Lakhs)	0.2614	
Average Cost/MT (₹)	6.25	
3. FURNACE OIL	Not being used	Not being used
4. OTHERS/INTERNAL GENERATION		
(a) Leco for Drier		
Quantity – Mts.	Not being used	Not being used
Total Cost (₹ in Lakhs)		
Average Cost per MT (₹)		
(b) Firewood – used in Drier		
Quantity – Cu. Mtrs.	13493	15022.95
Quantity (Agri. Briquettes) – kg.	4981117	4624815
Total Cost (₹ in Lakhs) (Firewood)	195.87	209.09
Total Cost (Agri Briquettes)	250.50	209.37
Average Cost per Cu. Mtr. (₹) (Firewood)	1451.62	1391.82
Average Cost/MT (Agri Briquettes)	5028.98	4527.15

B. CONSUMPTION PER UNIT PRODUCTION

	Current year ended 31.03.2012		Previous year ended 31.03.2011	
Standards				
Product:				
BLACK TEA (Kgs.)	6777189		7544822	
		Kg.		Kg.
Unit	Unit/Qty	Value/Unit	Unit/Qty.	Value/Unit
Electricity	0.88	4.64	0.86	4.22
Diesel	0.03	1.39	0.06	0.80
Coal- C Grade	0.001	0.004	Nil	Nil
Furnace Oil	Nil	Nil	Nil	Nil
Leco	Nil	Nil	Nil	Nil
Firewood (Cu. Mtr.)	0.0020	2.89	3.97	5.53
Agri Briquettes	0.73	3.70	1.18	5.35

FORM B :

TECHNOLOGY ABSORPTION :

I. Research and Development :

1. Specific area

- a) Soil Nutrient Index
- b) Varietal trial of Coffee, Pepper and Cardamom
- c) Bio-Control Research
- d) Integrated Pest, Disease and Crop Management Research
- e) Coffee Effluent Pollution Control
- f) Bio-remediation and waste management - Recycling of Agro waste, compost and vermi-compost
- g) Quality enhancement
- h) Surface water Analysis
- i) Analysis of Agro-inputs for quality standards
- j) Water conservation
- k) Crop Diversification
- l) Apiculture

2. Benefits Derived

I. Crop Nutrition Research :

- a) Soil fertility status is monitored through soil and leaf analysis and the results are calibrated to formulate optimum fertilizer recommendation and soil amendment application.
- b) Our fertilizer program is rationalized based on soil nutrient status, which is optimum and adequate to enhance crop production and productivity.
- c) Monitoring the availability of micronutrients such as 'Zinc, Copper, Iron, Manganese' and secondary nutrients such as 'Sulphur, Calcium & Magnesium' to improve Coffee, Pepper & Cardamom productivity.

II. Coffee Varietal Trial Experiment :

Identified location specific high yielding and disease tolerant selection for planting in our Estates.

III. Organic Manure :

- Large-scale manufacture of compost with improved technology to enhance the soil fertility status. Introduction of Trichoderma and Pleurotus - beneficial fungi and Effective Microorganism (EM) to hasten the process of composting and Trichoderma control soil borne diseases.
- Addition of coffee effluent to hasten the process of composting and to increase the nutritive value. It also reduces the volume of effluent for treatment.

IV. Bio-control Research :

- a) **Disease Control - Pepper Wilt** : R&D pioneered the large scale culturing of quality Trichoderma fungus for use in the biological control of Pepper Wilt and Root diseases of coffee.
- b) **Coffee Berry Borer Control** : Large-scale installation of Berry Borer trap with the use of organic solvents and Culturing of Entomopathogenic fungus Beauveria bassiana, as a part of Integrated Pest Management.
- c) **Coffee White Stem Borer Control** : Large-scale installation of Pheromone traps as a monitoring tool and also as a part of Integrated Pest Management in endemic area.

V. Organic farming system :

Coffee and Pepper cultivation is in compliance with Organic Farming Systems as per NPOP and NOP – US technical standards.

VI. Crop Diversification :

Areca nut planted along the valleys and marginal areas have established and started giving economical yield. Horticulture crops like Sapota, Avocado and tree spice - Nutmeg are experimented.

VII. Training programs on critical cultural operations for estate personnel and advisory circulars to estates and to our customers on updated current/new trends in cultivation practices, pest and disease management and post harvest technology. Preparation of Standard Operating Procedure (SOP) and package of practices based Good Agricultural practices (GAP) and Good Processing Practices (GPP).

- 3. Plan of action in-house**
- i. Improved crop varieties :**
Field Assessment of high yielding and disease tolerant selection of Coffee, Pepper and Cardamom.
 - ii. Crop Diversification :**
To assess potential of very low yielding coffee areas and to identify other suitable commercial crops – cultivation of Oil Palm, Vanilla, and Natural Dye plants – Indigo & Bixa Orellana [Annatto dye plant], Medicinal plants, and edible bamboo and fruit trees.
 - iii. Mono Cultivation of Organic Pepper :**
Intensive Pepper cultivation is in compliance with Organic Farming Systems as per NPOP and NOP – US technical standards.
 - iv. Coffee Effluent Treatment Research :**
Experiments are under way to determine economical pollution control of coffee effluents and assessment of pollution load for effective recycling of treated water for irrigation.
 - v. Crop Nutrition Research:**
Rationalization of Fertilizer application for the future. Experimenting on identification of potential amino acid stimulants for better absorption of applied nutrients.
 - vi. Water conservation:**
To develop an economically viable technique of recycling of treated effluent water for agricultural use – Irrigation.
 - vii. Quality enhancement**
Improved process to preserve the “Inherent quality” of estate produce, right time of crop harvest based on sugar content, improved post harvest drying standards to avoid Aflatoxin.
 - viii. Quality of Surface Water**
To assess and confirm that our farm activities are not contaminating the receiving water bodies.
 - ix. Apiculture**
To enhance insect pollination in Coffee and to preserve the diminishing population of honey bees to preserve the bio-diversity.
- 4. General**
- i. Collaboration with Research Institutes :**
 - Central Coffee Research Institute, Balehonnur.
 - Indian Institute of Spices Research, Calicut.
 - ii.** Obtained Rain forest alliance, Utz Certificate for Coffee export to EU, USA and Japan, EU and NPOP Certificate for Organic produce, and ISO : 22000 Certification for R & G and Pepper Processing unit at KNW.
 - iii.** Our R & D Laboratory is recognised by the Department of Scientific and Industrial Research, Ministry of Science and Technology.
- 5. Expenditure on R & D**
- | | |
|------------------------------|---------------|
| (a) Capital Expenditure | ₹ 0.54 lakhs |
| (b) Recurring | ₹ 37.74 lakhs |
| (c) Total Expenses | ₹ 38.28 lakhs |
| (d) Total as a % of turnover | 0.08% |
- 6. Technology Absorption :**
- 1) Efforts made As in item B (1) above
 - (2) Benefits Difficult to quantify
 - (3) Technology imported : Nil
- 7. Foreign Exchange Earnings and Outgo**
- | | |
|------------------------|--------------------|
| Total Foreign Exchange | |
| (a) Used | : ₹ 10612.86 lakhs |
| (b) Earned | : ₹ 23159.99 lakhs |

On behalf of the Board

R.K. KRISHNA KUMAR
ChairmanPlace : Mumbai
Dated : 30th May, 2012

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 towards 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, the Executive Director - Finance and six Non-Executive Directors. During 2011-12 the Board met seven times on 13th May 2011, 5th August, 2011, 8th August, 2011, 24th October, 2011, 16th December, 2011, 18th January, 2012, and 24th January, 2012.

Details of attendance of Directors at the Board Meetings and at the last Annual General Meeting with particulars of their Directorships and Chairmanships/ Memberships 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)	5	No	11	6	3	-
P.T. Siganporia	NED	3	No	2	-	-	50
U. Mahesh Rao	NED & IND	7	Yes	2	3	1	-
A. Monappa	NED & IND	4	Yes	-	-	-	-
Venu Srinivasan	NED & IND	0	No	13	3	1	-
S. Santhanakrishnan	NED & IND	7	Yes	4	2	3	-
Hameed Huq	MD	7	Yes	1	-	-	199
M. Deepak Kumar	ED	7	Yes	1	-	-	-
R. Govindarajan	NED & IND	2	Yes	-	-	-	400
T.V. Alexander	NED & IND	6	Yes	-	-	-	36

Note: 1) Mr. R. Govindaranjan ceased to be a Director w.e.f. 05.08.2011.

2) Mr. T.V. Alexander passed away on 05.02.2012.

C-Chairman; NED-Non-Executive Director; IND – Independent Director; 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 is a Director.

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

3. Audit Committee

The Audit Committee presently comprises of Mr. S. Santhanakrishnan, Mr. U.M. Rao and Mr. Prof. A. Monappa. Prof A. Monappa was inducted to the Committee w.e.f. 4th May, 2012 in the vacancy caused by the demise of Mr. T.V. Alexander. The Chairman of the Committee has expert knowledge of finance and accounting. All the members of the Audit Committee are independent Directors.

During 2011-2012, the Audit Committee met eight times on 12th May, 2011; 20th June, 2011; 26th July, 2011; 4th August, 2011, 20th October, 2011, 17th November, 2011, 9th December, 2011 and 17th January, 2012. The Committee Meetings are attended by the Managing Director, Executive Director – Finance, Vice President (Plantations), Vice President (Instant Coffee Division), Vice President (Corporate), Senior 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;
- (j) 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;
- (k) Reviewing the Company's financial and risk management policies;
- (l) Reviewing compliances as regards the Company's Whistle Blower Policy.

Details of Attendance of Directors at the Audit Committee Meetings during 2011-12 are given in the following table:

Director	No. of Meetings attended
Mr. S. Santhanakrishnan	8
Mr. U. Mahesh Rao	8
Mr. R. Govindarajan*	4
Mr. T.V. Alexander**	3

* Mr. R. Govindarajan ceased to be director with effect from 05.08.2011.

** Mr. T.V. Alexander passed away on 05.02.2012.

4. Remuneration Committee

The Remuneration Committee comprises of Mr. U. Mahesh Rao as Chairman, Mr. R.K. Krishna Kumar, Mr. Venu Srinivasan and Prof.A.Monappa being the other members. During 2011-12, the Remuneration Committee met once on 13th May, 2011.

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

The Company pays Sitting Fee of ₹ 20,000/- per meeting to the Non-Executive Directors for attending meetings of the Board, Audit Committee and Executive Committee and ₹ 10,000/- for other Committees except for meetings of the Shareholders/Investors Grievance Committee for which no Sitting Fee is payable. Commission to Non-Executive Directors has been approved by the Shareholders and by the Board. The Commission payable 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 Remuneration for the year 2011-12

a) Non-Executive Directors

Name	Commission (₹) (Relating to 2010-11)	Sitting fee (₹)
Mr. R.K. Krishna Kumar	10,52,360	1,10,000
Mr. R. Govindarajan	12,80,484	1,80,000
Mr. U. Mahesh Rao	12,07,000	3,60,000
Prof. A. Monappa	5,23,600	1,20,000
Mr. Venu Srinivasan	76,935	-
Mr. S. Santhanakrishnan	14,87,954	3,30,000
Mr. T.V. Alexander	3,71,667	1,80,000

b) Managing Director and Executive Director:

(₹ in Lakhs)

Name	Salary	Perquisites & Allowance	Contribution to Retiral funds	Commission
Mr. Hameed Huq	39.00	54.03	10.53	50.00
Mr. M. Deepak Kumar	31.80	42.93	8.59	30.00

5. Shareholders Committee

The Board has constituted a Shareholders/Investors Grievance Committee, which comprises of Mr. R.K. Krishna Kumar, Chairman; Mr. S. Santhanakrishnan and Mr. Hameed Huq. During the year 2011-12 the Committee met four times on 13th May, 2011; 8th August, 2011, 24th October, 2011 and 18th January, 2012. 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 2011-12.

Requests/ Queries/ Complaints received	2863
Requests/ Queries/ Complaints attended	2856
Pending requests/queries/complaints as on 31.03.2011	7*

* Letters were received in the last week of March and have been replied to in April 2012.

Letters received through Statutory/Regulatory bodies are considered as complaints for reporting under Clause 41 of the Listing Agreement.

The Shares of the Company are traded in dematerialized form. During 2011-12, 197 requests for transfer and 482 requests for dematerialization of Shares were received and processed. As on 31.03.2012, 5 share transfer case covering 1185 shares and 9 requests for dematerialization covering 493 shares were pending. These requests were attended to in April 2012.

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.

TATA COFFEE LIMITED**7. General Body Meetings**

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

Year	Date & Time of Meeting	Venue
2008-09	24th July, 2009 at 4.00 p.m.	Registered Office : Pollibetta – 571 215, Kodagu
2009-10	23rd July, 2010 at 12 Noon	-do-
2010-11	5th August, 2011 at 11.30 a.m.	-do-

A Special Resolution was passed at the AGM held on 23rd July, 2010 approving payment of Commission not exceeding 1% of the net profits to Non-Executive Directors.

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 in accordance with the Listing Agreement. The Results are displayed on the BSE and NSE websites as well as on the Corporate Filing and Dissemination System (CFDS) portal. The Results are also published in Newspapers viz. Indian Express/Financial Express – 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 email ID for entertaining investor complaints viz. investors@tatacoffee.com

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

10. General Shareholder information

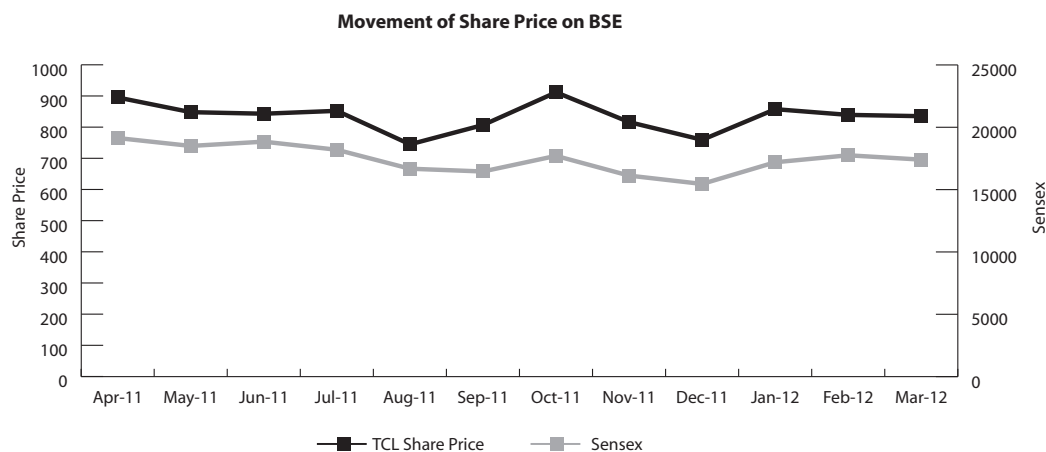
I.	AGM: Date, Time and Venue	27th July, 2012 at 11.30 A.M at the Registered Office: Pollibetta – 571 215, Kodagu.	
II.	Financial Calendar (tentative)	Board Meeting for approval of: Audited Results for the first quarter ending 30th June, 2012 Audited Results for the second quarter ending 30th September, 2012 Audited Results for the third quarter ending 31st December, 2012 Annual Accounts 2012-2013 Annual General Meeting for the year ended 31st March, 2013	In July/August 2012 In October/November 2012 In January/February 2012 In May/June, 2013 In July/August, 2013
III.	Dates of Book Closure	10th July, 2012 to 27th July, 2012 (both days inclusive)	
IV.	Dividend Payment Date	The Dividend warrants will be mailed on or after 28th July, 2012.	
V.	Listing on Stock Exchanges	Bangalore Stock Exchange Ltd. Stock Exchange Towers, No.51, 1st Cross, J.C.Road, Bangalore - 560 027. Tel: 080-41575234/54 Fax: 080-22995242	

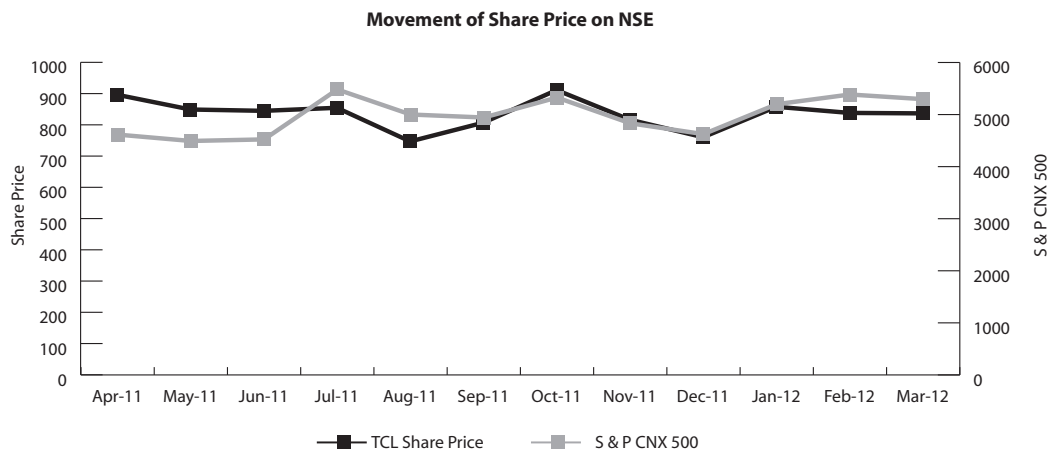
		Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Tel: 022-22721233/34 Fax: 022-22723121 Stock Code: 532301	
		National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G. Block Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Tel Nos: 022-26598100-8114 Fax : 022-26598237/38 Stock Code: TATACOFFEE	
		The Company has paid Listing Fees for the financial year 2012-13 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 (₹)	Low (₹)	High (₹)	Low (₹)
April, 2011	989.95	888.10	989.80	890.00
May, 2011	904.75	770.00	905.75	769.25
June, 2011	884.00	724.00	884.50	700.00
July, 2011	898.30	800.00	898.50	836.05
August, 2011	863.85	672.30	864.95	672.20
September, 2011	928.70	733.10	929.00	731.00
October, 2011	938.80	768.00	948.80	766.50
November, 2011	925.00	762.20	924.90	761.00
December, 2011	845.00	711.00	860.00	710.10
January, 2012	919.40	753.10	919.70	753.00
February, 2012	904.10	791.15	902.55	791.25
March, 2012	869.90	798.05	869.90	798.10

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.

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 Registrar 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,
Bengaluru - 560 001.
Tel: 080- 25320321
Fax: 080-25580019
E-mail: tsrdlbbang@tsrdarashaw.com

(ii) New Delhi

TSR Darashaw Ltd.
2/42 Ansari Road, Daryaganj, Sant Vihar,
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: tsrdljsr@tsrdarashaw.com

(v) Ahmedabad (Agent)

Shah Consultancy Services Limited
3, Sumathinath Complex,
2nd Dhal, Pritam Nagar,
Ellis Bridge,
Ahmedabad – 380 006

Share holders 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 dematerialized form.

Dematerialization of Shares and liquidity

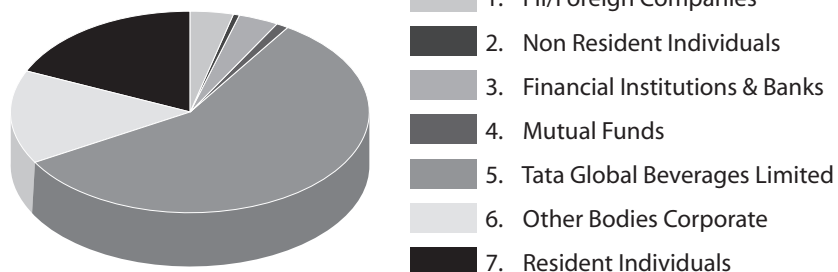
The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the Shareholder has to open a demat account with a Depository Participant (DP). The Shareholder is required to fill in a Demat Request Form and submit the same alongwith 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 dematerialized and an electronic credit of shares is given in the account of the Shareholder.

TATA COFFEE LIMITED**XI. Distribution of Shareholding as on 31st March, 2012**

No. of Equity Shares held	No. of Shareholders	% to Shareholders	No. of Shares	% of Shareholdings
1- 500	30,474	96.26	1395207	7.47
501- 1000	577	1.82	429094	2.30
1001-2000	324	1.02	454003	2.43
2001-3000	97	0.31	238326	1.28
3001-4000	52	0.17	180736	0.97
4001-5000	25	0.08	116169	0.62
5001 – 10000	55	0.17	370256	1.98
10001 & above	54	0.17	15493246	82.95
TOTAL	31658	100.00	18677037	100.00

XII. Categories of Shareholders as on 31st March, 2012

Sr. No.	Category of Shareholders	Total Holdings	Percentage
1.	FII/Foreign Companies	758631	4.06
2.	Non-Resident Individuals	105070	0.56
3.	Financial Institutions & Banks	662246	3.55
4.	Mutual Funds	234131	1.25
5.	Tata Global Beverages Limited	10735982	57.48
6.	Other Bodies Corporate	2785364	14.92
7.	Resident Individuals	3395613	18.18
	TOTAL	18677037	100.00



XIII. Shares in physical and demat form as on 31st March, 2012	No. of Shares	Percentage
In Physical Form	776905	4.16
In Dematerialised Form	17900132	95.84

XIV. No. of share holders whose shares as on 31st March, 2012 are in physical and demat form.	No. of Shares holders	Percentage
In Physical Form	9723	30.71
In Dematerialised Form	21935	69.29

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

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

XVIII. Address for correspondence As stated in 10 (ix) above

11. Particulars about 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 Blower 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, 2012.

HAMEED HUQ
Managing Director

Place: Bangalore.
Dated: 2nd May, 2012

MANAGEMENT DISCUSSION & ANALYSIS

A. Industry Structure and Developments:

Global production is estimated at 135 mln bags, almost matching the global consumption figure which is also around 135 mln bags. Global inventory levels for Arabica are at historical lows following steady drawdown of old stocks over the last year to meet demand for cheaper alternatives. As it was an 'off' year for Brazil, there was no addition to stocks. Global consumption has so far, remained unaffected by the price increases and has grown at the same pace of 1.5-2% in the last year as in the past.

India's domestic production for 2011/12 is estimated at 5.33 mln bags by the Coffee Board of India versus the previous year's harvest of 5.03 mln bags. This estimate is expected to be revised further downwards in view of the lower Robusta crop reported everywhere.

The market for Certified coffees continues to grow at a good pace earning healthy premiums.

So far as the Instant coffee market is concerned, there has been no major change in the general competitive landscape of the global coffee sector, as the strength of the major players and their positions in the core markets are well established and stable.

The current global soluble coffee market is around 700 million kgs and is forecasted to reach up to 880 million kgs by the year 2015. The spray and agglomerated coffee markets are expected to grow at a CAGR of 2% and Freeze dried coffee market at CAGR of 12% till 2015. Much of the projected growth in freeze dried coffee is expected to come from emerging markets in Eastern Europe, Africa and Asia. Russia and CIS continue to be major markets though prices are lower.

Domestic coffee consumption has been growing steadily over the last several years, driven by double digit growth in instant coffee category and out of home consumption. Your Company has cashed in on this and is supplying coffee beans to Cafes, Instant coffee to HORECA segment, Vending and to Hot tea shop segment in Tamil Nadu. Going forward, your Company is looking at Vending to offer innovative products and services.

Tea, apart from being the cheapest and the most preferred beverage of mass consumption across different strata of society, is over the years becoming a favourite among consumers who view it as a Health drink, not only within India but also globally. This has ensured that consumption continues to grow at a healthy 3% annually. Production in South India was mainly stagnant during 2011 as compared to 2010 on account of un-favorable weather conditions in major tea producing districts.

Carried forward stock from year 2010 was nominal and easily absorbed. East African crop was down by 25.5 million kgs approx. due to not so ideal weather pattern. South Indian CTC market went up by an average ₹ 2.42 per Kg.

Tea is cultivated in about 36 countries all over the world, but production is concentrated heavily in just a handful. In 2000, five countries (India, China, (mainly green tea) Sri Lanka, Kenya and Indonesia) together produced almost 80% of the world's tea. While India, China and Sri Lanka have long dominated world production, the share of the African countries has increased significantly over the last two decades. In the ten years between 2000 and 2010, Kenyan production increased by 68.86% while Tanzanian production increased by 27.88% in 2010 over 2001.

Tea producing countries such as Bangladesh, Kenya, Malawi & Tanzania and Vietnam, expanded their tea production area by more than 123,000 hectares in 2009.

B. Opportunities, Threats & Risks

Your Company's business, like any other business is subject to volatility in the market. Production, stock, demand and supply are the prime indicators in any business and your Company is no exception. Arabica prices are under downward correction while Robusta prices have increased. Arabica prices fell by 8% from 182.29 US cents/lb in February 2012 to 167.77 US cents/lb in March, the lowest monthly level since October 2010. Robusta prices increased by 1.6% i.e. from 101.93 US cents/lb in February 2012 to 103.57 US cents/lb in March, 2012. The increased production of Arabica during 2011/12 may have contributed to the decrease in prices. However, though better crop is expected in Brazil for crop year 2012/13, there is limited prospect of significant production increase in other countries.

The second important factor that governs the demand/supply chain is the quality of coffee. In India, majority of the coffee holdings are small growers with only a small percentage of large growers and corporates. With the present surge in coffee prices and due to the economic conditions, the small growers normally sell their coffee to the small traders at

the farm gate and these small merchants process the coffee at their in-house small mills or hullers without paying much attention to quality.

Tata Coffee is accredited with the coveted international certifications such as SA: 8000, Rainforest Alliance, UTZ, ISO: 9001, USDA Organic etc. which will help the Company compete in the international markets. Your Company has entered into a historical tie-up with Starbucks Coffee International, Inc., USA (Starbucks) for roasting coffee produced in the Company's estates using Starbucks know-how and technology and packaging, sale and distribution thereof to Starbucks Cafes to be set up by Tata Starbucks Limited in India/ Starbucks business operations overseas.

The other major threat for Coffee plantations is the availability of labour and the continuing demand of the labour unions for wage increase. The minimum wage is being increased by the Government from time to time, which has a direct bearing on the cost of production. Apart from this, there is shortage of skilled labour since the younger generation is pursuing higher studies or migrating to cities, looking for greener pasture. Your Company has taken several proactive measures in this regard such as mechanization of critical operations, introduction of incentive based production system and increased thrust on worker welfare measures such as labour housing, worker education, medical system, recognition and rewarding the best performers etc., which should all help in reducing labour turnover and bring in fresh hands.

As regards Curing Works, the industry is facing stiff competition. Most of the curing works are operated by coffee exporters and traders who offer to purchase coffee at the farm gate by providing free transportation, whereby the growers avoid the process of bagging and despatching to the curing works. The Company's state-of-the art Curing Unit at Kushalnagar is fully equipped to handle the curing/processing requirement of the Company and also outsiders and to cater to exports/direct sale to the ultimate user. The unit is certified under the most coveted ISO-9001 certification and the continued pooling of coffee by some of the large and small growers is a testimony of the trust and confidence reposed on the Company by the private planters.

The Company has its own well equipped R & D Department for carrying out various analytical exercises. The management of effluent at the Company's pulp house continues to get utmost importance. The Company has recently installed state of the art Penagos pulpers imported from Columbia in some of its estates and the performance is reported to be good. One of the main advantages of this pulper is the reduced consumption of water for pulping, as compared to all other existing pulpers.

Another big threat for any plantation company is the vagaries of nature and uncertainty of weather conditions during critical months. Plantations being very sensitive to nature, however much we try to substitute nature, the change in weather plays a very important role in the production of plantation crops. Your Company has taken all possible steps to protect the plants and crop during extreme weather conditions by creating additional capacities for irrigation, ideal shade pattern, control of pest and disease etc.

The threat to human life and damage to property by wild animals, especially Elephants is another critical area. As this is an ongoing threat, your Company has taken all measures to ensure safety of its employees. The movement of wild animals are monitored constantly and information is passed on immediately to all concerned. Electric fence is always being maintained in good condition. The Company is in close contact with the Forest Department and local law and order authorities in an effort to find a solution to the elephant problem.

The major threat faced by the Soluble Coffee Division is volatile prices of green beans, rising energy costs and emerging low cost producers. The Company is making efforts to mitigate these risks by consolidating in the non-Russian markets through development of new products and channel partners.

To handle the price volatility of coffee beans, your Company has taken several steps like optimizing the inventories and close tracking of the market terminals. The experience of plantation business is proving to be the competitive edge. The utilities (Power and Water) threat at manufacturing sites is being addressed by switching to renewable energy sources and optimization techniques.

On the domestic front, Coffee consumption is expected to grow very fast over the next five years. This will be predominantly seen in the Instant coffee segment. Private label coffees could see a rise through increasing modern trade. Rural markets and semi urban markets are expected to drive consumption. Freeze dried coffee is expected to form a new segment in the domestic market. Health and Wellness platform being appropriated by other beverages, could limit growth in coffee consumption. New technologies in Vending could also increase competition in the domestic market.

So far as Tea is concerned, the climate change initiatives adopted by the Company have opened opportunities to look at alternative fuels, such as Agri Briquettes instead of firewood, which is fast becoming a scarce commodity. This has led to a 60% reduction in the usage of firewood in 2010-11.

TATA COFFEE LIMITED

Production in general showed a decline, thereby impacting global supply situation/availability. The ongoing political instability and turmoil in the Middle East and North Africa could possibly impact exports in 2012. Changing weather patterns and volatility in the south Indian Orthodox markets are other factors that impact the industry and this is a continuous feature affecting exports, particularly of Orthodox tea.

Re-emergence of Helopeltis (Tea Mosquito Bug) in the district after many years and Shot Hole borer continue to be a risk to tea production and the same is effectively controlled as per guidelines issued by UPASI.

Insofar as the plywood industry is concerned, availability of low priced imported plywoods and the unorganized small time players passing on poor quality plywood in the market are the main threats to this business.

C. Segment-wise or Product-wise Performance**Product-wise Turnover:**

		2011/12		2010/2011	
		Quantity (in Tonnes)	Value (₹ in Lakhs)	Quantity (in Tonnes)	Value (₹ in Lakhs)
	Coffee:				
	Cured	7670	11140.21	7501	8005.94
	Instant	6336	23983.57	5616	18312.00
	R & G	344	685.36	418	766.80
	Tea	7093	5529.99	7504	5645.14
	Pepper	797	2644.74	963	1851.40
	Estate Supplies	-	2928.53	-	2306.03

D. Outlook

Though dry & hot conditions prevailed for a long period at the plantation, your Company has provided blossom irrigation followed by backing. The showers received during late March and April has acted as backing and will help in crop setting. With these initiatives, normal crop is expected for 2012/13. With our continued thrust on producing quality coffee and increasing the production of Specialty coffee, we should be able to increase our share in international coffee market. The Company's association with the global major Starbucks should help in marketing our products through their supply chain all over the world. The Company's thrust towards community service as a good corporate citizen has been continuing.

So far as the Instant Coffee Division is concerned, continuous improvement in quality, capacity up-gradation and focus on new product development will be the driving factors for sustenance and growth. Your Company has taken up the debottlenecking exercise at Theni site, which is on the verge of completion. To enhance the quality of Freeze dried coffee, a state-of-the-art extraction unit is being set up. The conceptualization and design part has been completed and the project is expected to be commissioned by March 2013. This coupled with a planned long-term capital expenditure programme, focusing on modernization of equipment, adoption of best practices and development of new products to cater to different segments will go a long way in making the business sustainable. The future for 3 in 1 and other non-core categories of soluble coffee (chicory mix products) looks promising and depends on new product launches & packaging. Your Company's New Product Development (NPD) cell has generated 4 new product variants this year. The Company is also making major strides in reducing carbon foot print, thus helping bring down cost and ultimately improve profitability and long-term sustainability. Your Company has started using Wind power in the manufacture of Freeze dried coffee.

As regards Tea, with the current year, unlike 2011, starting with a lower production coupled with negligible carry forward stocks and demand growing at 3 %, the supply situation as of now is low in India but is likely to improve in May/June. Once again quality teas will witness good demand from the domestic markets and shall continue to sell well at a premium while Medium / Plain varieties for both Orthodox/CTC's should sell well but in line with quality and even more so today than earlier. Demand for quality teas in CTC and best Orthodox shall continue to show a positive growth.

The dynamics of the market could change over the coming month or two with the start of the season in North India, bigger offerings in Kenya/Sri Lanka and possible continuing unrest in the Middle East and North Africa. Global demand remains buoyant and with the lower opening crop in 2012, a bullish trend should prevail.

E. Internal Control Systems and their adequacy

The Company has in place an adequate system of internal controls commensurate with its size and nature of operations.

These have been designed to provide reasonable assurance with regard to recording and providing reliable financial information, complying with applicable statutes, safeguarding of assets from unauthorized use or losses, authorization of transactions and adherence to corporate policies.

The Company ensures that all internal controls are firmly in place by carrying out regular and exhaustive internal audits. The Company has appointed a team of five leading Firm's of Chartered Accountants to carry out the internal audit of the Company's various Divisions. The audit is based on an internal audit plan, which is reviewed each year in consultation with the Audit Committee. In line with the best practices, the planning and conduct of the internal audit is oriented towards the review of adequacy of internal control checks in the system and covers all significant areas of Company's operations

The Management in consultation with the Audit Committee also commissions Operations Audits' by leading consultancy Firm's for select Divisions of the Company in a cyclical manner so as to benchmark operational efficiencies against best practices and to recommend measures to improve efficiencies and controls. The Company during the year covered Tea Division, Cardamom and Coffee Operations.

The Company's Audit Committee reviews reports submitted by the Internal auditors. Suggestions for improvement are considered by the Audit Committee. The Management keeps the Audit Committee apprised periodically on the implementation status in respect of actionable items.

F. Financial and Operational Performance

The operating results showed a substantial improvement with the top-line crossing ₹ 500 crores for the first time. The operating profit of ₹ 95.04 crores was 127% higher than the previous year's figure of ₹ 41.82 crores The Profit after Tax at ₹ 78.85 crores Vs ₹ 55.08 crores in the previous year was 43% higher.

The Instant Coffee Division reflected a phenomenal improvement in operating results due to higher volume of production and sale as compared to the Previous year. This was attributed to operating efficiencies of all the production facilities; superior procurement of Coffee at advantageous rates and building up customer relationships.

The Plantations reflected significant improvement over the previous year, driven to a great extent by the surge in unit realizations in Coffee and Pepper. There were pressures on Tea operations and the results were also impacted by severe drought conditions in Quarter-4.

The overall price trends for Coffee and Pepper is expected to remain firm.

G. Material Developments in Human Resources/Industrial Relations front and number of people employed

The manpower strength of the Company as on 31st March, 2012 was 6431 permanent employees including 148 Management staff across different locations

It has been the continuous endeavour of Tata Coffee to build workforce capabilities in order to meet the global business demands. This year the Company has implemented Competency Mapping for the management team to enhance its managerial capabilities and Skill Matrix to improve skill levels of the workers and supervisors at our various estates. An Employee Engagement survey was initiated and completed across all work-force during the year. The Company continues its efforts to build further on Reward and Recognition practices introduced in the earlier years and the same has been deployed across the Company in order to continue to encourage and foster employee engagement. Training and development interventions in areas of technical and behavioral needs of the workforce have been addressed through deployment of internal and external faculty.

Harmonious industrial relations prevailed at all the units of the Company during 2011-12 and there was no labour unrest reported from any of the units.

H. Cautionary Statement

Any statements made in this analysis relating to Company's objectives, expectations, estimates, projections, etc. may be considered as "forward looking statements" within the meaning of applicable securities, laws and regulations. Actual results may differ from such estimates, projections, etc. whether expressed or implied. Factors which could make a significant difference to the Company's operations include climatic conditions, market price in the domestic and overseas markets, changes in Government regulations and tax laws, economic conditions affecting demand/supply and other environmental factors over which the Company does not have any control.

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 on 31st March 2012, as stipulated in Clause 49 of the Listing Agreement (amended) of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the guidance note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India and 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

For N.M. RAIJI & CO.
Chartered Accountants

S. LAKSHMANAN
Partner
Membership No.: 20045
(Firm's Registration No.: 015682N)

J.M. GANDHI
Partner
Membership No.: 37924
(Firm's Registration No.: 108296W)

Place : Mumbai
Date : 30th May, 2012

AUDITORS' REPORT TO THE MEMBERS OF TATA COFFEE LIMITED

1. We have audited the attached Balance Sheet of Tata Coffee Limited (the Company) as at March 31, 2012 and also the related Profit and Loss Statement and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (hereinafter referred to as 'the Order') as amended by the Companies (Auditors Report) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v. On the basis of written representations received from the directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes there on and attached thereto give the information required by the Companies Act, 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b) in the case of Profit and Loss Statement, of the Profit for the year ended on that date;
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For SNB ASSOCIATES
Chartered Accountants

S. LAKSHMANAN
Partner

Membership No.: 20045
(Firm's Registration No.: 015682N)

Place : Bangalore
Date : 8th May, 2012

For N.M. RAIJI & CO.
Chartered Accountants

J.M. GANDHI
Partner

Membership No.: 37924
(Firm's Registration No.: 108296W)

ANNEXURE TO THE AUDITORS' REPORT OF TATA COFFEE LIMITED

[Referred to in paragraph 3 of the Auditor's report of even date to the Members of Tata Coffee Limited on the financial statements for the year ended March 31, 2012]

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and the situation of its fixed assets;
- (b) A major portion of fixed assets has been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed have been properly dealt with in the books of account;
- (c) The assets disposed off during the year are not significant and therefore do not affect the going concern assumption.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals. In our opinion and according to the information and explanations given to us, the procedure for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (b) In our opinion, the Company has maintained proper records of inventory. The discrepancies between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account.
- iii. In our opinion and according to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured to/from the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations provided to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- v. In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements, the particulars of which need to be

entered in the register maintained under Section 301 of the Companies Act, 1956.

- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion, the company has a system of internal audit, which is commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government under Section 209(1) (d) of the Companies Act, 1956 for maintenance of Cost records in respect of Coffee, Coffee products and tea and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) As per the records of the Company and information and explanations provided to us, the Company is generally regular in depositing with appropriate authorities undisputed amount of provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise-duty, cess and other applicable statutory dues. No undisputed amount was outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (b) As at the Balance Sheet date, the following are the details of disputed Income Tax, Excise Duty, Customs Duty, Service Tax, Sales Tax and Cess that have not been deposited with the concerned authorities;

Nature of dues	Relevant Financial Year	Disputed amount (In Lakhs)	Forum Where dispute is pending
Central Income Tax	2003-04	8.34	Karnataka High Court
	2004-05	1.91	Karnataka High Court

- x. The Company has neither accumulated losses at the end of the financial year nor incurred cash losses during the year and in the immediately preceding financial year.

- xi. Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- xii. Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit/ nidhi/ mutual benefit fund/ society.
- xiv. The Company is not dealing or trading in shares, securities, debentures and other investments.
- xv. On the basis of the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. During the year, the company has taken the term loans. In our opinion and according to the information and explanation given to us the term loans have been applied for the purposes for which they were obtained.
- xvii. On the basis of our examination of the books of account and the information and explanations given to us, in our opinion, the funds raised by the Company on short-term basis have not been used for long-term investment.
- xviii. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- xix. To the best of our knowledge and belief and according to the information and explanations given to us, for the debentures outstanding necessary security has been created as per the terms of the issue.
- xx. The management has disclosed the end use of money raised through partly convertible debentures in the Notes on Accounts to the financial statements vide Note No. 2.32. The said details have been verified by us.
- xxi. To the best of our knowledge and according to the information and explanation given to us, having regard to the nature of the Company's business, no material fraud on or by the Company was noticed or reported during the year.

For SNB ASSOCIATES
Chartered Accountants

S. LAKSHMANAN
Partner

Membership No.: 20045
(Firm's Registration No.: 015682N)

Place : Bangalore
Date : 8th May, 2012

For N.M. RAIJI & CO.
Chartered Accountants

J.M. GANDHI
Partner

Membership No.: 37924
(Firm's Registration No.: 108296W)

BALANCE SHEET

	Note	As at 31st March, 2012		As at 31st March, 2011	
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Equity and Liabilities					
Shareholders' Funds					
Share Capital	2.01	1,867.70		1,867.70	
Reserves and Surplus	2.02	43,858.02		38,433.48	
			45,725.72		40,301.18
Non-Current Liabilities					
Long-term Borrowings	2.03	2,416.80		3,104.17	
Deferred Tax Liabilities (Net)	2.04	1,056.00		1,337.34	
Other Long-term Liabilities	2.05	149.02		114.37	
Long-term Provisions	2.06	1,247.01		1,186.03	
			4,868.83		5,741.91
Current Liabilities					
Short-term Borrowings	2.07	1,662.27		5,665.72	
Trade Payables	2.08	1,237.80		1,227.62	
Other Current Liabilities	2.09	7,085.50		6,666.91	
Short-term Provisions	2.10	5,086.13		2,564.85	
			15,071.70		16,125.10
TOTAL			65,666.25		62,168.19
Assets					
Non-Current Assets					
Fixed Assets					
Tangible Assets	2.11	22,873.52		22,475.35	
Intangible Assets	2.11	38.86		53.65	
Capital work-in-progress		228.67		32.37	
Non-current Investments	2.12	14,564.09		14,570.23	
Long-term Loans and Advances	2.13	4,180.77		2,415.43	
			41,885.91		39,547.03
Current Assets					
Inventories	2.14	12,395.28		12,532.37	
Trade Receivables	2.15	4,434.72		4,223.10	
Cash and Bank Balances	2.16	1,426.08		951.65	
Short-term Loans and Advances	2.17	5,416.91		4,769.70	
Other Current Assets	2.18	107.35		144.34	
			23,780.34		22,621.16
TOTAL			65,666.25		62,168.19
Notes forming part of financial statements	2.01-2.45				

M.K.C. PAI
Company Secretary

S. SANTHANAKRISHNAN
Director

HAMEED HUQ
Managing Director

R.K. KRISHNA KUMAR
Chairman

Per our report of even date

For SNB ASSOCIATES
Chartered Accountants

For N.M. RAJJI & CO.
Chartered Accountants

S. LAKSHMANAN
Partner
Membership No.: 20045

J. M. GANDHI
Partner
Membership No.: 37924

Place : Bangalore
Date : 8th May, 2012

STATEMENT OF PROFIT AND LOSS

	Note	For the year ended 31st March, 2012		For the year ended 31st March, 2011	
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Revenue from Operations	2.19	50,851.78		40,073.23	
Other Income	2.20	805.42		2,640.38	
Total Revenue			51,657.20		42,713.61
Expenses					
Cost of Material Consumed	2.21	14,886.27		10,955.09	
Purchase of Stock-in-Trade	2.22	2,974.78		2,331.05	
Change in Inventories of Finished Goods/ Work-in-progress/ stock-in-trade	2.23	(976.79)		289.68	
Employee Benefits Expense	2.24	10,933.87		9,226.42	
Finance Costs	2.25	732.02		1,026.22	
Depreciaton and amortization expense		1,324.11		1,208.01	
Other Expenses	2.26	12,205.77		11,880.56	
Total Expenses			42,080.03		36,917.03
Profit before exceptional items and taxes			9,577.17		5,796.58
Exceptional items	2.27		838.57		1,065.60
Profit before tax			10,415.74		6,862.18
Tax expenses					
Current tax		2,907.99		1,477.00	
Excess Tax provision written back		(96.19)			
Deferred tax		(281.34)	2,530.46	(123.28)	1,353.72
Net Profit for the Year			7,885.28		5,508.46
Earning Per Share - Basic & Diluted			42.22		29.49
Weighted average number of shares (face value of ₹ 10 each)			1,86,77,037		1,86,77,037
Notes forming part of financial statements	2.01 - 2.45				

M.K.C. PAI
Company Secretary

S. SANTHANAKRISHNAN
Director

HAMEED HUQ
Managing Director

R.K. KRISHNA KUMAR
Chairman

Per our report of even date

For SNB ASSOCIATES
Chartered Accountants

For N.M. RAIJI & CO.
Chartered Accountants

S. LAKSHMANAN
Partner
Membership No.: 20045

J. M. GANDHI
Partner
Membership No.: 37924

Place : Bangalore
Date : 8th May, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
A. Cash Flow from Operating Activities:				
Profit Before Tax as per Statement of Profit and Loss		10,415.74		6,862.18
Adjustments For:				
Depreciation	1,324.11		1,208.01	
Provision for doubtful debts/ advances/ impairment	10.49		249.33	
Investment and Interest Income	(728.13)		(2,542.48)	
Interest/finance Charges	732.02		1,026.22	
Profit on sale of Investments	(1,112.66)		(1,065.60)	
Unrealised foreign exchange (gain)/loss	69.49		31.36	
(Profit)/loss on sale of fixed assets	(28.04)		(40.58)	
Excess provision written back	(50.87)	216.41	(153.17)	(1,286.91)
Operating Profit Before Working Capital Changes:		10,632.15		5,575.27
Working Capital Changes:				
Decrease/(Increase) In Trade Receivables, Loans and Advances	(998.86)		(2,095.83)	
Decrease/(Increase) In Inventories	137.09		(857.49)	
Increase/(Decrease) In Trade Payables , Liabilities and Provisions	1,191.78	330.01	1,091.73	(1,861.59)
Cash Generated from Operations		10,962.16		3,713.68
Direct taxes paid		(1,864.98)		(1,387.58)
Net Cash Flows from/(used in) Operating Activities		9,097.18		2,326.10
B. Cash Flow from Investing Activities:				
Purchase of fixed assets and changes in capital work-in-progress	(2,010.78)		(1,226.13)	
Sale of fixed assets	135.03		590.07	
Capital Advances	(1,984.04)		-	
Sale/(purchase) of Investments (Net)	1,118.80		1,172.98	
Other deposits	(0.55)		314.46	
Investment and Interest Income	765.11		2,523.20	
Net Cash Flows from/(used in) Investing Activities		(1,976.43)		3,374.58

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
C. Cash Flow From Financing Activities:				
NCDs issued/(repaid) during the period	(3,104.17)		(3,104.17)	
Proceeds from/(repayment of) short-term bank borrowings	(4,003.46)		130.77	
Proceeds from/(repayment of) long-term borrowings	2,347.31		-	
Dividends and dividend tax paid	(1,085.35)		(2,722.35)	
Interest and finance charges paid	(786.77)		(1,094.80)	
Net Cash Flows from/(Used in) Financing Activities		(6,632.44)		(6,790.55)
D. Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		488.31		(1,089.87)
Cash and Cash Equivalents				
Opening Balance		821.70		1,911.57
Closing Balance		1,310.01		821.70

Notes: Previous year's figures have been regrouped/ rearranged wherever necessary to conform to this year's classification.

M.K.C. PAI
Company Secretary

S. SANTHANAKRISHNAN
Director

HAMEED HUQ
Managing Director

R.K. KRISHNA KUMAR
Chairman

Per our report of even date

For SNB ASSOCIATES
Chartered Accountants

For N.M. RAIJI & CO.
Chartered Accountants

S. LAKSHMANAN
Partner
Membership No.: 20045

J. M. GANDHI
Partner
Membership No.: 37924

Place : Bangalore
Date : 8th May, 2012

NOTES ON ACCOUNTS

	As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ in Lakhs
2.01 Share Capital		
AUTHORISED		
2,50,00,000 Equity Shares of ₹ 10/- each	2,500.00	2,500.00
	2,500.00	2,500.00
ISSUED, SUBSCRIBED AND PAID-UP		
1,86,77,037 Equity Shares of ₹ 10/- each, fully paid	1,867.70	1,867.70
(Previous year 1,86,77,037 Equity Shares of ₹ 10/- each fully paid)	1,867.70	1,867.70

Details of Shareholders holding more than 5% shares as at 31st March, 2012:

Name of Share holder	No. of Shares	% Holding	No. of Shares	% Holding
Tata Global Beverages Limited - Holding Company	10735982	57.48%	10735982	57.48%
Kotak Mahindra Prime Limited	1051134	5.63%	737312	3.95%

Reconciliation of number of shares:

	As at 31st March, 2012	As at 31st March, 2011
Number of shares as at 01.04.2011	1,86,77,037	1,86,77,037
Add: Shares issued during the year	-	-
Number of shares as at 31.03.2012	1,86,77,037	1,86,77,037

NOTES ON ACCOUNTS

	As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ in Lakhs
2.02 Reserves and Surplus		
Capital Subsidy Reserve	30.10	30.10
Capital Redemption Reserve	10.41	10.41
Debenture Redemption Reserve		
Balance as on 01.04.2011	2,418.43	3,111.23
Less: Transferred to Surplus in Profit and Loss	(1,060.99)	(692.80)
Debenture Redemption Reserve	1,357.44	2,418.43
Securities Premium Account	14,424.27	14,424.27
Hedging Reserve		
Balance as on 01.04.2011	(27.39)	(27.39)
Add: Movement for the year	(72.97)	-
Hedging Reserve	(100.36)	(27.39)
General Reserves I		
Balance as on 01.04.2011	10,283.47	9,732.63
Add: Transferred from Surplus in Profit and Loss	792.03	550.84
General Reserves I	11,075.50	10,283.47
General Reserves II		
Balance as on 01.04.2011	5,876.62	5,565.45
Add: Transferred from Surplus in Profit and Loss	365.44	311.17
General Reserves II	6,242.06	5,876.62
Amalgamation Reserves	832.53	832.53
Surplus in the Profit and Loss		
Balance as on 01.04.2011	4,585.04	1,420.09
Add: Net Profit for the year	7,885.28	5,508.46
Amount available for appropriation	12,470.32	6,928.55
Less: Appropriation		
Interim and Proposed Dividend	(2,054.47)	(1,867.70)
Provision for Tax on Dividend	(333.29)	(306.60)
Transferred from Debenture Redemption Reserve	1,060.99	692.80
Transferred to General Reserve I / General Reserve II	(1,157.48)	(862.01)
Net Surplus	9,986.07	4,585.04
	43,858.02	38,433.48

NOTES ON ACCOUNTS

	As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ in Lakhs
2.03 Long-term Borrowings		
Secured		
7% Secured Redeemable Non-Convertible Debentures (Refer Note (1) below)	3,104.17	6,208.33
Less: Current Maturities of Long-term borrowing shown under Other Current Liabilities (Refer 2.09)	(3,104.17)	(3,104.17)
	-	3,104.17
Loan From Banks		
ECB Term Loan (Refer Note (2) below)	2,416.80	-
Total Long-Term Borrowings	2,416.80	3,104.17

Details of Borrowings:

- (1) The 7% Non-Convertible Debentures are redeemable at par in three equal instalments at the end of 4th, 5th and 6th years from the date of allotment i.e. 29.12.2006. Accordingly, the first and second instalments of ₹ 3104.17 Lakhs each have been redeemed. The Debentures are secured by a charge on the part of the Land and Factory located at Theni.
- (2) The ECB Term Loan will be secured by deposit of title deeds of a coffee estate and a charge over the machinery of the expansion project of Freeze Dried Plant at Theni. The Loan is repayable in sixteen equal quarterly instalments commencing from 11th August, 2013.

	As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ in Lakhs
2.04 Deferred Tax Liabilities (Net)		
Deferred Tax Liability		
Depreciation	1,252.00	1,527.34
	1,252.00	1,527.34
Deferred Tax Asset		
Provision for doubtful debts/advances	93.00	125.68
Employee Benefits	103.00	64.32
	196.00	190.00
Net Deferred Tax Liabilities	1,056.00	1,337.34
2.05 Other Long Term Liabilities		
Deposits	149.02	114.37
	149.02	114.37
2.06 Long-term Provisions		
Employee Benefits	1,247.01	1,186.03
	1,247.01	1,186.03

NOTES ON ACCOUNTS

	As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ in Lakhs
2.07 Short-term Borrowings		
Secured		
Loan From Banks		
Cash Credit Facilities #	1,662.27	5,165.72
Unsecured		
Loan From Banks	-	500.00
	1,662.27	5,665.72
# Cash Credit Facilities are secured by hypothecation of Coffee crop, inventories, finished/ semi-finished goods/ receivables of the Company. Part of the Cash Credit funding is also secured by deposit of title deeds of a coffee estate		
2.08 Trade Payables		
Due to Micro & Small Enterprises (\$)	35.46	21.07
Other Trade Payables	1,202.34	1,206.55
	1,237.80	1,227.62
\$ No amount is due beyond a period of 30 days and Interest paid/payable to Micro & Small Enterprises - Nil		
2.09 Other Current Liabilities		
Current Maturities of Long-Term Borrowings [Refer Note No. 2.03 (1)]	3,104.17	3,104.17
Liability on outstanding Foreign Exchange contracts	100.36	27.41
Security Deposits from Customers	173.30	107.97
Unclaimed Dividends	97.04	111.47
Interest Accrued but not due	55.96	110.73
Advance received from customers	601.58	460.46
Employee Benefits	1,058.62	984.84
Other Payables	1,894.47	1,759.86
	7,085.50	6,666.91
2.10 Short-term Provisions		
Employee Benefits	1,017.10	396.83
Taxation less advance payment	1,681.27	1,082.68
Proposed Dividend	2,054.47	933.85
Tax on Dividend	333.29	151.49
	5,086.13	2,564.85

NOTES ON ACCOUNTS

2.11 FIXED ASSETS

₹ in Lakhs

	COST				DEPRECIATION				NET BOOK VALUE	
	As at 01.04.2011	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2012	As at 01.04.2011	For the Year	Deductions/ Adjustments	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
TANGIBLE										
Freehold Land and Development	7,593.83	-	-	7,593.83	-	-	-	-	7,593.83	7,593.83
Leasehold Land and Development	185.89	-	-	185.89	0.16	-	-	0.16	185.73	185.73
Buildings	5,574.64	365.62	(2.00)	5,938.26	1,792.76	156.77	(2.00)	1,947.53	3,990.73	3,781.88
Water and Sanitary Installations	876.39	64.34	(3.27)	937.46	413.92	32.61	(1.98)	444.55	492.91	462.47
Electrical Installations	1,119.86	155.43	(31.62)	1,243.67	493.50	58.29	(25.64)	526.15	717.52	626.36
Plant and Equipment	16,571.55	860.38	(230.30)	17,201.63	7,576.05	869.20	(218.83)	8,226.42	8,975.21	8,995.50
Furniture and Fixtures	653.15	39.51	(2.76)	689.90	498.03	30.20	(1.64)	526.59	163.31	155.12
Computers	366.09	35.23	(5.12)	396.20	276.44	32.74	(5.18)	304.00	92.20	89.65
Office Equipment	186.24	8.06	(4.69)	189.61	135.31	5.41	(5.74)	134.98	54.63	50.93
Motor Vehicles	1029.73	285.90	(246.52)	1,069.11	495.85	124.10	(158.29)	461.66	607.45	533.88
Total Tangibles	34,157.37	1,814.47	(526.28)	35,445.56	11,682.02	1,309.32	(419.30)	12,572.04	22,873.52	22,475.35
INTANGIBLE										
Capitalised Software	120.33	-	-	120.33	66.68	14.79	-	81.47	38.86	53.65
Total Intangibles	120.33	-	-	120.33	66.68	14.79	-	81.47	38.86	53.65
Total	34,277.70	1,814.47	(526.28)	35,565.89	11,748.70	1,324.11	(419.30)	12,653.51	22,912.38	22,529.00
Previous Year	32,815.71	2,195.58	(733.59)	34,277.70	10,267.12	1,208.01	273.57	11,748.70	22,529.00	

- a) The following assets are jointly owned/held with the Holding Company :-
- Freehold Land and Development ₹ 103.78 Lakhs (Previous year - ₹ 103.78 Lakhs)
 - Buildings ₹ 56.78 Lakhs (Previous year - ₹ 56.78 Lakhs)
 - Water and Sanitary Installations ₹ 8.15 Lakhs (Previous year - ₹ 8.15 Lakhs)
 - Electrical installations ₹ 22.07 Lakhs (Previous year - ₹ 22.07 Lakhs)
- b) The depreciation for the following assets are worked on the basis of useful life mentioned below:
- Vending Machine - 7 Years
 - Spraying and Pruning Machineries in Tea Plantation - 5 Years

NOTES ON ACCOUNTS

	Face Value of each ₹	Nos.	As at 31st March, 2012 ₹ in Lakhs	As at 31st March 2011 ₹ in Lakhs
2.12 - NON-CURRENT INVESTMENTS				
LONG TERM				
Trade Investment (Fully Paid)				
Investments in Equity Instruments				
(a) Quoted				
Tata Global Beverages Limited (Sold 9,82,500 shares during the year)	1	0	-	56.38
Tata Chemicals Limited.....	10	1,60,000	424.21	424.21
Joonktolle Tea & Industries Limited.	10	11,524	6.42	6.42
			430.63	487.01
(b) Unquoted				
Chembra Peak Estates Limited.....	10	3,481	0.41	0.41
Wartyhully Estates Limited	10	24,748	0.92	0.92
The Cochin Malabar Estates & Industries Limited	10	2,156	0.20	0.20
			1.53	1.53
Subsidiaries				
Consolidated Coffee Inc.....	USD 0.01	300	14,065.36	14,065.36
Alliance Coffee Limited (Purchased 25,500 shares during the year)	10	50,000	45.51	2.55
			14,110.87	14,067.91
Joint Venture				
Tata Coffee (Uganda) Limited.....	US\$ 50000	50	0.65	0.65
			0.65	0.65
Other Investments (Fully Paid)				
Investments in Equity Instruments				
(a) Quoted				
IDBI Bank	10	16160	13.13	13.13
			13.13	13.13
(b) Unquoted				
Southern Scribe Instruments Private Limited	100	7280	7.28	-
Ritspin Synthetics Ltd.....	10	1,00,000	-	-
(Net of Provision for Diminution ₹ 10 Lakhs)				
Coorg Orange Growers Co-Operative Society Ltd. *	100	4	-	-
Tata Coffee Co-operative Stores Limited *	5	20	-	-
Coorg Cardamom Co-operative Marketing Society Limited *	100	1	-	-
			7.28	0.00
* Represent Amount less than ₹ 1000				
			14,564.09	14,570.23
Total cost of Investments				
Quoted			443.76	500.14
Unquoted.....			14,120.33	14,070.09
Aggregate Amount			14,564.09	14,570.23
Market value of quoted investments				
			591.51	1,546.35

NOTES ON ACCOUNTS

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
2.13 Long Term Loans, Advances and Deposits				
(Unsecured, considered good unless otherwise stated)				
Capital Advances		2,032.96		48.92
Deposits				
- Considered Good	1,793.90		1,645.56	
- Considered Doubtful	3.84		3.84	
	1,797.74		1,649.40	
Less: Provision for Doubtful Deposits	3.84		3.84	
		1,793.90		1,645.56
Prepaid Expenses	8.94			26.71
Employee Loans and Advances	11.82			12.73
MAT credit Entitlement	332.94			681.17
Other Advances				
- Considered Good	0.21		0.34	
- Considered Doubtful	12.31		2.21	
	12.52		2.55	
Less: Provision for Doubtful Advances	12.31	0.21	2.21	0.34
		4,180.77		2,415.43
2.14 Inventories				
Stores and Spare Parts		1,308.55		990.48
Raw Material				
Tea	-		-	
Coffee	1,150.41		2,849.77	
Others	-		-	
		1,150.41		2,849.77
Raw Material (In Transit)				
Tea	-		-	
Coffee	630.47		363.05	
Others	-		-	
		630.47		363.05
Finished Goods				
Tea	315.30		483.74	
Coffee	5,682.07		5,107.56	
Instant Coffee	941.36		713.02	
Others	623.36		365.06	
		7,562.09		6,669.38
Finished Goods (In Transit)				
Tea	-		-	
Coffee	-		-	
Instant Coffee	1,314.22		1,156.82	
Others	-		-	
		1,314.22		1,156.82

NOTES ON ACCOUNTS

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
2.14 Inventories (Continued)				
Work-in-Progress				
Tea	-		-	
Coffee	-		-	
Others	111.82		299.53	
		111.82		299.53
Stock-in-Trade				
Tea	-		-	
Coffee	-		-	
Others	317.72		203.34	
		317.72		203.34
		<u>12,395.28</u>		<u>12,532.37</u>
2.15 Trade Receivables				
Over six months from the date they were due for payment:				
Unsecured				
- Considered Good	36.73		69.51	
- Considered Doubtful	296.86		292.91	
	333.59		362.42	
Less: Provision for Doubtful Debts	296.86		292.91	
		36.73		69.51
Other Debts				
Secured - Considered Good	2,610.31		2,679.88	
Unsecured - Considered Good	1,787.68		1,473.71	
		4,397.99		4,153.59
		<u>4,434.72</u>		<u>4,223.10</u>
2.16 Cash and Bank Balances				
(a) Cash and Cash equivalents				
(i) Balances with Banks				
- in current accounts	165.69		779.21	
- in deposit accounts with original maturity less than 3 months	1,135.78		-	
(ii) Cash on hand	7.12		3.81	
(iii) Remittances in transit	1.42		38.68	
		1,310.01		821.70
(b) Other Bank balances				
(i) Unclaimed Dividend Account	97.04		111.47	
(ii) Short-term bank deposits with maturity between 3 months and 12 months	19.03		18.48	
		116.07		129.95
		<u>1,426.08</u>		<u>951.65</u>

NOTES ON ACCOUNTS

	As at 31st March, 2012		As at 31st March, 2011	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
2.17 Short-Term Loans and Advances				
Advances				
Considered Good	1,771.22		1,034.38	
Considered Doubtful	78.71		84.28	
	1,849.93		1,118.66	
Less: Provision for Doubtful Advances	78.71		84.28	
		1,771.22		1,034.38
Inter Corporate Deposits		3,400.00		3,400.00
Other Deposits				
Considered Good	245.69		335.32	
Considered Doubtful	38.00		38.00	
	283.69		373.32	
Less: Provision for Doubtful Deposits	38.00	245.69	38.00	335.32
		5,416.91		4,769.70
2.18 Other Current Assets				
Interest Accrued		107.35		144.34
		107.35		144.34

NOTES ON ACCOUNTS

	For the Year ended 31st March, 2012		For the Year ended 31st March, 2011	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
2.19 Revenue from Operations				
Sale of Products				
Tea	5,529.99		5,645.14	
Coffee	11,825.56		8,772.74	
Instant Coffee	23,983.57		18,312.00	
Others	4,443.60		3,795.28	
		45,782.72		36,525.16
Sale of Traded Goods		2,963.55		2,436.26
Sale of Services: Room Revenue and Coffee Curing		448.10		454.56
Other Operating Revenues				
Sale of Scrap/waste.....	97.75		103.05	
Liabilities no longer required written back.....	49.09		140.04	
Provision for debts and advances write back	1.78		13.13	
Export Incentives.....	1,562.68		456.02	
Miscellaneous Income	97.09		66.33	
		1,808.39		778.57
		51,002.76		40,194.55
Less: Excise Duty		150.98		121.32
		50,851.78		40,073.23
2.20 Other Income				
Dividend income		36.49		2,037.43
Interest Income		691.64		505.04
Rent Received		49.25		57.33
Profit on Sale of Fixed Assets (Net)		28.04		40.58
		805.42		2,640.38
2.21 Cost of Material Consumed				
Material Consumed				
Coffee	11,504.57		7,777.85	
Packing Materials	2,843.25		2,796.03	
Others	538.45	14,886.27	381.22	10,955.10
		14,886.27		10,955.10
2.22 Purchase of Traded Goods				
Tea	41.27		79.12	
Coffee	-		2.20	
Others	2,933.51	2,974.78	2,249.73	2,331.05
		2,974.78		2,331.05

NOTES ON ACCOUNTS

	For the Year ended 31st March, 2012		For the Year ended 31st March, 2011	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
2.23 Changes in Inventories of Finished Goods/work-in-progress/ stock-in-trade				
Stock as at 1st April				
Tea.....	457.03		502.30	
Coffee.....	6,962.66		7,292.91	
Others	909.38	8,329.07	823.54	8,618.75
Stock as at 31st March				
Tea.....	302.39		457.03	
Coffee.....	7,915.35		6,962.66	
Others	1,088.12	9,305.86	909.38	8,329.07
		(976.79)		289.68
2.24 Employee Benefits Expense				
Salaries, Wages and Bonus.....	8,464.20		7,431.01	
Contribution to Provident Fund and other Funds.....	1,778.51		1,020.35	
Workmen and Staff Welfare.....	691.16		775.06	
		10,933.87		9,226.42
2.25 Finance Costs				
Interest expense	639.93			919.24
Bank Charges	92.09			106.98
		732.02		1,026.22
2.26 Other Expenses				
Contract/Processing Charges	1,372.43			1,315.20
Consumption of Stores and Spare Parts.....	1,949.29			1,625.32
Power and Fuel	3,471.28			3,111.42
Repairs to Plant and Machinery	314.33			254.25
Repairs to Buildings.....	399.52			310.70
General Repairs.....	117.39			108.18
Rent	60.37			51.42
Rates and Taxes.....	174.47			185.96
Advertisement and Sale Charges	129.91			84.31
Selling Expenses	861.09			1,175.16
Excise Duty and Cess.....	30.82			22.63
Freight	970.58			1,167.35
Insurance	137.36			96.29
Exchange Fluctuation (Net)	830.53			964.36
Provision for Doubtful Debts and Advances	10.49			23.18
Miscellaneous Expenses	1,375.91			1,384.83
		12,205.77		11,880.56
2.27 Exceptional Items				
Income				
Profit on sale of Long -Term Trade Investments.....		1,112.66		1,065.60
Expenditure				
Provision for Contractual Obligations for retired Executive Directors		(274.09)		-
		838.57		1,065.60

NOTES ON ACCOUNTS

2.28 Significant Accounting Policies

- I. The presentation of the accounts is based on the Revised Schedule VI of the Companies Act, 1956, applicable from the current financial year. Accordingly, previous year figures are realigned to make it comparable with the current year. Assets and Liabilities are bifurcated into current and non-current based on 12 months period from the Balance Sheet date.

II. Statement of Profit and Loss

- a) All income and expenses are accounted on accrual basis.
- b) Sales are recognized on transfer of property in goods together with risks and rewards i.e. delivery as per terms of sale or on completion of auction in case of auction sale. In the case of Rosewood sale, income is recognized on completion of auction sale and confirmation of receipt of money by the auctioneer. Export incentives are estimated and accrued on completion of export sales
- c) The sale value of own timber and value added timber products are credited to revenue. Capital profits on such sale, including capital profit on value added timber products determined at estimated market value of actual timber input, are transferred to General Reserve No.II through Appropriation account.
- d) Depreciation on Fixed Assets is provided at the rates stated in Schedule XIV of the Companies Act, 1956, on written down value method except that Fixed Assets at Instant Coffee Division, Anamallais, Corporate Office and certain Fixed Assets at the Curing Works under the straight-line method. Leasehold improvements are being depreciated over the lease period. In respect of certain assets, depreciation has been provided at the rates arrived at based on its estimated useful life or as per the Rates prescribed in Schedule XIV whichever is higher. Increase in value of Fixed Assets upto 31.03.2007 due to Foreign exchange fluctuations is depreciated over the balance residual life of the Asset.
- e) The Employee benefits are provided in accordance with the revised AS 15 and are dealt with in the following manner.
 - Contribution to Provident Fund and Defined Contribution Superannuation Funds are accounted on accrual basis.
 - Gratuity, Leave encashment and post retirement health scheme liabilities are determined by actuarial valuation done at the end of the year and the current year charge is debited to the Profit and Loss Statement.
- f) Transactions in foreign currency are recorded using the spot rate at the beginning of each fortnight and exchange differences resulting from settled transactions are taken in the Profit and Loss Statement. Monetary items covered by Forward Cover are stated at Forward Cover rates, while those not covered by Forward Cover are restated at the rates prevailing at the year-end. The resulting Exchange differences are dealt with, in the Profit and Loss Statement. Premium or discount on forward contracts is amortized over the life of the contract.

Gain or loss on hedging instruments in respect of effective portion of cash flow hedges of highly probable transactions are recognized in the hedging reserve account. The portion of the gain or loss on the hedging instruments if determined to be an ineffective cash flow hedge is recognized in the profit and loss statement.
- g) Deferred tax is recognized using the liability method, on all timing differences to the extent that it is possible that a liability or asset will crystallize. As at the balance sheet date, unless there is evidence to the contrary, deferred tax assets pertaining to business loss are only recognized to the extent of virtual certainty of future taxable profits.

III. Balance Sheet

- a) Assets and Liabilities are recorded at cost to the Company.
- b) Fixed Assets are stated at cost less depreciation. Interest on qualifying assets (i.e. Assets that take substantial time to be ready for intended use) is capitalized at the applicable borrowing cost on the funds used for acquiring such assets. Roll over charges, and exchange differences, relating to foreign currency borrowings attributable

NOTES ON ACCOUNTS

to Fixed Assets are capitalized upto 31.03.2007 and charged to Profit and Loss Statement afterwards. The Fixed assets are tested for impairment and wherever required, provision is made.

- c) Investments of long-term nature are stated at cost. A provision for diminution in value is made to recognize a decline, other than temporary. Current investments are stated at lower of cost and market value.
- d) Valuation of Stock is dealt as under: -

- Raw Materials and Stores and Spares	At weighted average cost
-Coffee, Instant Coffee, Tea, Pepper, Plywood and Trading Stock.	At lower of cost and net realizable value.
-Work-in-Progress	At lower of cost and net realizable value.
- Cardamom and Other Produces	At since realized/estimated realizable value.

2.29. Disclosure Regarding Derivative Instruments:

- i. The Company uses foreign currency hedges to manage its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecasted transactions. The Company does not use derivative instruments for speculative purposes.
- ii. The following are outstanding Currency Option contracts and other Hedging instruments, which have been designated as Cash flow Hedges as per the provisions of Hedge Accounting in Accounting Standard -30.

Foreign Currency	31st March, 2012			31st March, 2011		
	No. of Contracts	Notional amount of Forward contracts	Fair Value Gain/(Loss)	No. of Contracts	Notional amount of Forward contracts	Fair Value Gain /(Loss)
U.S Dollar	Nos.	\$ mm	₹ Lakhs	Nos.	\$ mm	₹ Lakhs
Option Contracts	1	0.80	(93.32)	1	2.00	(128.35)
Forward Cover	64	9.40	(52.22)	52	7.43	61.53
Packing Credit Foreign Currency / Buyers Credit	7	2.58	(16.25)	15	4.60	39.43
Total		12.78	(161.79)		14.03	(27.39)
MTM recognized in Hedge Reserve Account			(100.36)			(27.39)
MTM recognized in Profit and Loss Statement			(61.43)			0.00

The Foreign Currency exposures that are not hedged by a derivatives instrument or otherwise, aggregates to USD 4.75 million towards payable (Previous year USD 7.29 million towards receivable and USD 4.83 million and Euro 0.01 million towards payable) as at the Balance Sheet date.

2.30. Disclosure as per AS 15 - Retirement Benefits:

Post Retirement Employee Benefits:

The Company operates defined contribution schemes like provident fund and defined contribution superannuation schemes. For these schemes contributions are made by the company, based on current salaries, to the recognized funds maintained by the Company and for certain categories contributions are made to State Plans. In case of provident fund schemes, contributions are also made by employees. An amount of ₹ 746.40 lakhs (₹ 652.30 lakhs) has been charged to the Profit and Loss Statement towards defined contribution schemes.

NOTES ON ACCOUNTS

a) Description of Plan

i) Gratuity :

The Company has covered its gratuity liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by LIC of India. Under the plan the eligible employees are entitled to Gratuity under a defined benefit plan.

ii) Post Retirement Medical Benefit:

The Company's retired staff/sub-staff, Junior Officers and Management staffs are covered by a medical insurance policy. The Medical Insurance scheme is a defined benefit plan and is non-funded. Hence, there are no plan assets attributable to the obligation.

b) Principal actuarial assumptions:

Particulars	Gratuity		Medical	
	2012	2011	2012	2011
Discount Rate	8.65%	8.00%	8.50%	8.05%
Rate of Return on Plan Assets	9.40%	9.40%	-	--
Salary Escalation	7.00%	5.00%		
Annual increase in Healthcare Costs	-	-	8.00%	8.00%

c) Amounts recognized in the Balance Sheet are as follows:

₹ in Lakhs

Particulars	Gratuity		Medical	
	2012	2011	2012	2011
Present value of obligation	3,467.55	2,598.96	-	-
Fair Value of Plan Assets	2,539.48	2,287.86	-	-
Unfunded obligation	928.07	311.10	983.25	925.80
Net Liability	928.07	311.10	983.25	925.80

d) Amounts recognized in the Profit and Loss Statement are as follows:

₹ in Lakhs

Particulars	Gratuity		Medical	
	2012	2011	2012	2011
Current service Cost	320.83	135.62	32.40	25.53
Interest Cost	224.81	182.38	74.07	55.15
Expected return on Plan assets	(215.75)	(195.71)	-	-
Net actuarial loss/(gain) recognized during the year	598.78	188.81	(24.49)	193.12
Total included in Employee Benefit	928.67	311.10	81.98	273.80
Sensitivity				
Effect of 1% decrease	-	-	(45.56)	(76.44)
Effect of 1% increase	-	-	51.33	83.32

NOTES ON ACCOUNTS**e) Reconciliation of opening and closing balances of the present value of the obligations:**

₹ in Lakhs

Particulars	Gratuity		Medical	
	2012	2011	2012	2011
Opening defined benefit obligation	2,598.96	2,279.78	925.80	676.91
Current service Cost	320.23	135.62	32.40	25.53
Interest Cost	224.81	182.38	74.07	55.15
Net actuarial loss/(gain) recognized during the year	627.34	198.94	(24.49)	193.12
Liabilities assumed on Transfer of Employees	-	18.47	-	-
Benefit Paid	(303.79)	(216.23)	(24.53)	(24.91)
Closing Defined Benefit Obligation	3,467.55	2,598.96	983.25	925.80

f) Reconciliation of opening and closing balances of the fair value of plan assets:

₹ in Lakhs

Particulars	Gratuity	
	2012	2011
Opening fair value of Plan Assets	2,287.86	2,176.42
Expected Return on Plan assets	215.75	195.71
Actuarial gain/(loss)	28.56	10.12
Contribution by employer	311.10	103.37
Assets acquired on Transfer of Employee		18.47
Benefits Paid	(303.79)	(216.23)
Closing Fair value of Plan Assets	2,539.48	2,287.86
Actual return on Plan Assets	244.31	205.83

2.31 Rights issue of Partly Convertible Debentures

The Company had raised ₹ 24,833.32 lakhs by way of Rights issue of Partly Convertible Debentures in 2006-07. Against this, the Company had utilized ₹ 23,587.98 lakhs as per the Objects of the Issue. The balance amount of ₹ 1,245.34 lakhs meant for projects have been used for reducing the Company's working capital borrowings and will made be available when needed for the projects.

NOTES ON ACCOUNTS

	As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ in Lakhs
2.32 Contingent Liabilities:		
Estimated amounts of contracts remaining to be executed on capital account and not provided for	2,615.42	113.66
Claims under adjudication not acknowledged as debts:		
i) Demands raised by Income Tax, Excise & Sales Tax Authorities	1,505.42	999.65
ii) Labour disputes under adjudication	239.42	302.61
iii) Claims by Customers/ Suppliers.....	1,664.25	408.17
Contingent Liabilities:		
i) Bank and other Guarantees	896.57	1,000.81
ii) Bills discounted	-	137.36
Exchange difference in respect of forward exchange contracts to be charged or capitalised in the subsequent accounting period	-	-
2.33 Repairs		
A) Repairs to Building include Wages	23.22	58.20
B) Repairs to Machinery include Wages.....	25.64	19.63
C) Repairs to Others include Wages	5.92	0.17
2.34 Selling expenses includes		
Tata Brand Equity	100.84	88.08
2.35 Auditors Remuneration includes		
Audit Fees.....	25.00	25.00
Taxation Matters.....	5.00	5.00
Company Law Matters	-	-
Management Services	-	-
Other Services.....	17.04	17.04
Reimbursement of Expenses.....	1.87	3.69
	48.91	50.73
2.36 Basic and Diluted Earnings Per Share:		
Earnings Per Share has been computed as under:		
a) Profit After Taxation (₹ Lakhs)	7885.28	5,508.46
b) Weighted Average Number of Equity Shares.....	18,677,037	18,677,037
c) Basic and Diluted Earnings Per Share (₹) (a)/(b)	42.22	29.49
d) Nominal value of share (₹).....	10.00	10.00
2.37 Value of Materials consumed and Stores and Spares consumed		

	Materials		Stores & Spares	
	Value ₹ in Lakhs	% of Total Consumption	Value ₹ in Lakhs	% of Total Consumption
Imported	8,133.78 (6,307.87)	55% 58%	125.14 (1.70)	6% 0%
Indigenous	6,752.49 (4,647.23)	45% 42%	1,824.15 (1,623.62)	94% 100%
	14,886.27 (10,955.10)	100% 100%	1,949.29 (1,625.32)	100% 100%

(Figures in brackets relate to Previous Year.)

NOTES ON ACCOUNTS

	As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ In Lakhs
2.38 Amount remitted in Foreign Currencies on account of Dividends		
No. of Shareholders	1	1
No. of Shares held in lakhs	7.58	7.58
Net Dividend remitted	37.90	94.83
Year	2010/11 (Final)	2009/10 (Final) & 2010-11 (Interim)
2.39 C.I.F. Value of Imports:		
Raw materials	7,985.32	7,398.72
Spare Parts and Components	273.60	136.93
Capital goods	146.41	41.13
2.40 Earnings in Foreign Currency		
a) FOB Value of Exports	31,692.65	22,638.57
(Includes Exports through third parties and Export Houses in case of 100% EOU)		
b) Dividend earned in foreign currency- Gross	-	1,804.01
2.41 Expenditure in Foreign Currency		
a) Travelling expenses	37.46	14.03
b) Professional Charges	174.23	45.91
c) Others	10.83	45.34
2.42 Pre-operative revenue expenses capitalized		
Staff cost and allowances	18.95	-
Interest	1.84	-
Others	27.44	-
Total	48.23	-
2.43 Movement in Provision for future payment under contractual obligation:		
Opening balance	-	-
Provision created during the year	274.09	-
Less: Utilization during the year	(14.00)	-
Closing balance	260.09	-

NOTES ON ACCOUNTS

2.44 Segmental Reporting

The Company's operations predominantly relate to Coffee and Other Produce comprising of growing of Coffee, Pepper, Tea and other plantation crops and conversion of Coffee into Value added products such as Roast and Ground Coffee and Instant Coffee. The Company is also in the business of Curing operations of Coffee and trading of items required for Coffee plantations. Accordingly the revenue from Coffee and Other produce, Trading and curing (others) comprise the primary basis of segmental information set out in these financial statements. Secondary segmental reporting is performed on the basis of geographical locations of the customers. The accounting principles consistently used for the preparation of Financial statements are also applied to record Income and Expenditure in individual segments. These are set out on the note as significant accounting policies. Fixed assets used in Company's business and liabilities contracted have been identified to the reportable segments. Inter unit transfers have been made at market prices.

PRIMARY SEGMENT

₹ In Lakhs

	COFFEE AND OTHER PRODUCE		TEA		ESTATE SUPPLIES DIVISION		OTHERS		TOTAL	
	Current year	Previous year	Current year	Previous year	Current year	Previous Year	Current Year	Previous year	Current Year	Previous year
Segment Revenues										
External Sales	42,115.02	31,856.44	5,529.99	5,645.14	4,213.13	3,329.88	548.69	503.78	52,406.83	41,335.24
Less: Inter-Segment Sales	-	-	-	-	1,288.78	1,027.06	284.67	237.44	1,573.45	1,264.50
Un-allocated Income									18.40	2.49
Total Revenue	42,115.02	31,856.44	5,529.99	5,645.14	2,924.35	2,302.82	264.02	266.34	50,851.78	40,073.23
Segment Results #	10,417.87	4,235.76	(111.78)	336.85	37.37	42.19	190.73	122.90	10,534.19	4,737.70
Unallocated Corporate Income										
Net of Expenses									(225.00)	2,085.10
Operating Profits									10,309.19	6,822.80
Interest Expense									(732.02)	(1,026.22)
Exceptional Income/(Expense)									838.57	1,065.60
Profit Before Tax									10,415.74	6,862.18
Income Taxes										
Current Tax									(2,907.99)	(1,477.00)
Excess Tax Provision Written Back									96.19	-
Deferred Tax									281.34	123.28
Profit After Taxation									7,885.28	5,508.46
Other Information										
Segment Assets	38,352.89	35,370.07	6,151.58	6,235.63	398.72	284.12	337.82	308.47	45,241.01	42,198.29
Unallocated Common Assets									20,425.24	19,969.90
Total Assets									65,666.25	62,168.19
Segment Liabilities	(3,914.56)	(3,707.06)	(967.51)	(625.93)	(113.21)	(107.74)	(100.92)	(129.18)	(5,096.20)	(4,569.91)
Unallocated Liabilities									(14,844.33)	(17,297.10)
Total Liabilities									(19,940.53)	(21,867.01)
Capital Employed	34,438.32	31,663.01	5,184.06	5,609.70	285.51	176.39	236.90	179.29	45,725.72	40,301.18
Capital Expenditure	1,390.05	873.37	490.85	325.49	0.53	-	129.35	27.52	2,010.78	1,226.38
Depreciation	1,013.23	921.97	232.95	194.40	0.16	0.17	77.77	91.47	1,324.11	1,208.01
Non-Cash Expenses	10.48	234.64	-	-	0.01	-	-	14.69	10.49	249.33
Other Than Depreciation										

After considering impairment of Plant and Machinery of ₹ Nil Lakhs (Previous Year ₹ 226.17 Lakhs)

The previous year's figures are regrouped wherever necessary.

Geographical revenues are segregated based on the locations of the customers who are invoiced or in relation to which the revenues is otherwise recognised.

The Company's exports are made to two major geographical areas in the world. In India its home country the Company sells Coffee, Pepper, Tea, Roast, Ground Coffee and Instant Coffee. The Plantation and Manufacturing facilities of the Company are located in India. The Trading and Curing (others) are carried out exclusively in India.

NOTES ON ACCOUNTS

The following table shows the distribution of the Company's sales by geographical locations:

		₹ in Lakhs	
Secondary (Geographical) Segments		Current Year	Previous year
CIS Countries *		17,871.76	14,483.18
Rest of the World *		13,820.89	8,683.41
India		19,159.13	16,906.64
TOTAL		50,851.78	40,073.23

* includes Direct Exports and exports through third parties and through export houses.

2.45 Related Party Transactions:

In accordance with Accounting Standard 18, the disclosures required are given below:

₹ in Lakhs

Sl. No.	Nature of transaction	Subsidiaries		Holding Company		Key Management Personnel		Fellow Subsidiaries		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Sale of Goods			1,114.04	556.15					1,114.04	556.15
2	Sale of Goods - Tata Russia							3,988.47	5,137.07	3,988.47	5,137.07
3	Rendering of Services - Alliance Coffee Ltd.		32.69							-	32.69
4	Purchase of Goods - Eight O' Clock Coffee Company	-	1,385.32							-	1,385.32
5	Purchase of Goods			41.28	79.12					41.28	79.12
6	Remuneration					196.81	197.65			196.81	197.65
7	Receiving of Services - Alliance Coffee Ltd.	-	378.14							-	378.14
8	Receiving of Services - Tata Global Beverages Overseas Ltd.							-	123.37	-	123.37
9	Receiving of Services	-		12.83	12.85					12.83	12.85
10	Interest Payment			270.28	424.48					270.28	424.48
11	Dividend Received				39.65					-	39.65
12	Dividend Received - Consolidated Coffee Inc.	-	1,804.01							-	1,804.01
13	Dividend Received - Alliance Coffee Ltd.	-	178.61							-	178.61
14	Outstanding at the year end										
	Credit	19.56	-	182.95	27.77			-	123.37	202.51	151.14
	Debit							1,010.95	787.09	1,010.95	787.09

NOTES ON ACCOUNTS

Schedule No. 2.45 (Contd.)

Names of related parties and description of relationship

- | | |
|-----------------------------|--|
| 1. Holding Company | Tata Global Beverages Limited |
| 2. Subsidiaries/ JV's | Consolidated Coffee Inc.,
Eight O' Clock Coffee Company
Alliance Coffee Limited
Tata Coffee (Uganda) Ltd. |
| 3. Key Management Personnel | Mr. Hameed Huq, Managing Director
Mr. M. Deepak Kumar, Executive Director |
| 4. Fellow Subsidiary/(s) | Tata Russia (Grand JV)
Tata Global Beverages Overseas Ltd. |

Comparative figures relating to the previous year have been reclassified wherever necessary to conform to the classification adopted this year.

M.K.C. PAI
Company Secretary

S. SANTHANAKRISHNAN
Director

HAMEED HUQ
Managing Director

R.K. KRISHNA KUMAR
Chairman

Per our report of even date

For SNB ASSOCIATES
Chartered Accountants

For N.M. RAJJI & CO.
Chartered Accountants

Place : Bangalore
Date : 8th May, 2012

S. LAKSHMANAN
Partner
Membership No.: 20045

J. M. GANDHI
Partner
Membership No.: 37924

CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

1. We have examined the attached Consolidated Balance Sheet of Tata Coffee Limited (the parent), its subsidiaries and Joint Venture (together 'the group') as at March 31, 2012, the Consolidated Profit and loss statement and the Consolidated Cash Flow Statement for the year ended on that date.
2. These financial statements are the responsibility of the management of Tata Coffee Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of one of the subsidiary and Joint Venture whose financial statements reflect total assets of ₹ 134,931.87 lakhs and net assets of ₹ 39,013.72 lakhs as at 31st March 2012, total revenues of ₹ 104049.67 lakhs, net cash inflows of ₹ 582.05 lakhs and Group's share of profit of ₹ 235.64 lakhs for the year ended 31st March, 2012 as considered in the consolidated financial statements.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial statements and AS 27, Financial reporting of Interest in Joint Ventures issued under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the reports of other auditors on separate financial statements and on other financial information of the subsidiary and joint venture as referred to above, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements of Tata Coffee Limited gives a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;
 - b) In the case of the consolidated Profit and Loss Statement, of the profit of the Group for the Year ended on that date; and
 - c) In the case of consolidated Cash Flow Statement, of the consolidated Cash Flows of the Group for the Year ended on that date.

These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, so far as it relates to the amounts included, in respect of the subsidiary and Joint Venture, in the consolidated financial statements based solely on the report of the other auditors.

For N. M. RAIJI & CO.
Chartered Accountants

J.M. GANDHI
Partner
Membership No.: 37924
(Firm's Registration No.: 108296W)

Place: Bangalore
Date: 8th May, 2012

For SNB ASSOCIATES
Chartered Accountants

S. LAKSHMANAN
Partner
Membership No.: 20045
(Firm's Registration No.: 015682N)

CONSOLIDATED BALANCE SHEET

	Note	As at 31st March, 2012 ₹ in lakhs	As at 31st March, 2011 ₹ in lakhs
Equity and Liabilities			
Shareholders' Funds			
Share Capital	2.01	1,867.70	1,867.70
Reserves and Surplus	2.02	49,374.25	41,120.49
		51,241.95	42,988.19
Minority Interest (CCI)		19,474.29	16,653.54
Minority Interest (ACL)		-	43.90
Non-Current Liabilities			
Long-term Borrowings	2.03	69,039.21	65,534.77
Deferred Tax Liabilities	2.04	12,339.62	11,008.53
Other Long-term Liabilities	2.05	632.29	1,241.16
Long-term Provisions	2.06	1,247.01	1,186.03
		83,258.13	78,970.49
Current Liabilities			
Short-term Borrowings	2.07	1,662.27	5,665.72
Trade Payables	2.08	11,025.70	7,645.47
Other Current Liabilities	2.09	15,745.80	16,435.42
Short-term Provisions	2.10	4,365.81	1,709.61
		32,799.58	31,456.22
TOTAL		186,773.95	170,112.34
Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.11	28,812.82	27,373.14
Intangible Assets	2.11	105,683.13	93,960.85
Capital work-in-progress		771.96	497.89
Non-current Investments	2.12(a)	452.57	501.67
Deferred tax assets	2.04	2,729.32	1,577.20
Long-term Loans and Advances	2.13	4,214.82	3,374.62
Other non-current assets	2.14	270.63	360.06
		142,935.25	127,645.43
Current Assets			
Current investments	2.12(b)	70.75	69.28
Inventories	2.15	21,798.60	21,910.55
Trade Receivables	2.16	10,785.83	10,508.52
Cash and Bank Balances	2.17	3,045.94	1,988.50
Short-term Loans and Advances	2.18	8,030.23	7,845.72
Other Current Assets	2.19	107.35	144.34
		43,838.70	42,466.91
TOTAL		186,773.95	170,112.34
Notes forming part of consolidated financial statements		2.01-2.44	
M.K.C. PAI	S. SANTHANAKRISHNAN	HAMEED HUQ	R.K. KRISHNA KUMAR
Company Secretary	Director	Managing Director	Chairman

Per our Report of even date

For SNB ASSOCIATES
Chartered Accountants

S. LAKSHMANAN
Partner
Membership No. 20045

For N.M. RAIJI & CO.
Chartered Accountants

J.M. GANDHI
Partner
Membership No. 37924

Place: Bangalore
Date: 8th May, 2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	Note	For the year ended 31st March, 2012 ₹ in lakhs	For the year ended 31st March, 2011 ₹ in lakhs
Revenue from Operations	2.20	154,899.69	130,136.09
Other Income	2.21	808.65	669.09
Total Revenue		155,708.34	130,805.18
Expenses			
Cost of Material Consumed.....	2.22	75,983.06	49,939.12
Purchase of Stock-in-Trade	2.23	2,974.78	3,634.99
Change in Inventories of Finished Goods/Work-in-progress	2.24	(2,716.71)	(1,859.91)
Employee Benefits Expenses.....	2.25	20,121.02	17,881.07
Finance Costs	2.26	4,621.50	5,031.13
Depreciaton and Amortizations {net of amount drawn from Revaluation Reserve ₹ 226.79 lakhs} (Previous Year - ₹ 252.54 lakhs)		3,700.15	3,663.23
Other Expenses.....	2.27	39,358.65	35,587.81
Total Expenses		144,042.45	113,877.44
Profit before exceptional items and taxes		11,665.89	16,927.74
Exceptional items	2.28	(1,672.73)	106.63
Profit before tax		9,993.16	17,034.37
Tax expenses			
Current tax		2,682.13	5,846.31
Excess Tax provision written back.....		(96.19)	-
Deferred tax.....		(946.64)	216.77
Profit after Taxation before Minority Interest		8,353.86	10,971.29
Minority Interest			
Minority Interest in CCI @ 49.92%.....		(234.86)	(3,623.26)
Minority Interest in ACL		-	(91.55)
Net Profit		8,119.00	7,256.48
Earning Per Share - Basic and Diluted.....		43.47	38.85
Weighted average number of shares (Face value of ₹ 10 each)....		18,677,037	18,677,037
Notes forming part of consolidated financial statements	2.01-2.44		

M.K.C. PAI
Company Secretary

S. SANTHANAKRISHNAN
Director

HAMEED HUQ
Managing Director

R.K. KRISHNA KUMAR
Chairman

Per our Report of even date

For SNB ASSOCIATES
Chartered Accountants

S. LAKSHMANAN
Partner

Membership No. 20045

For N.M. RAJJI & CO.
Chartered Accountants

J.M. GANDHI
Partner

Membership No. 37924

Place: Bangalore
Date: 8th May, 2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year ended 31st March, 2012 ₹ in lakhs	Year ended 31st March, 2011 ₹ in lakhs
A. Cash Flow from Operating Activities:		
Profit Before Tax as per Consolidated Statement of Profit and Loss	9,993.16	17,034.37
Adjustments For:		
Depreciation and Amortisations	3,700.15	3,663.23
Provision for doubtful debts/advances	(35.61)	249.33
Profit on sale of Investments	(1,112.66)	(1,065.60)
Investment and Interest Income	(730.47)	(571.18)
Interest/Finance charges	4,621.50	5,031.13
Unrealised foreign exchange (gain)/loss	69.49	31.36
(Profit)/loss on sale of fixed assets	(28.92)	(40.58)
Excess provision written back	(50.87)	(153.17)
Operating Profit Before Working Capital Changes:	16,425.77	24,178.89
Working Capital Changes		
Decrease/(Increase) In Trade Receivables, Loans and Advances	1,299.04	(5,813.39)
Decrease/(Increase) In Inventories	1,432.75	(4,212.30)
Increase/(Decrease) In Trade Payables, Liabilities and Provisions	1,504.81	568.27
Cash Generated from Operations	20,662.37	14,721.47
Direct taxes paid	(1,325.77)	(5,898.47)
Net Cash Flows From Operating Activities	19,336.60	8,823.00
B. Cash Flow From Investing Activities:		
Purchase of fixed assets and changes in capital work-in-progress	(2,949.32)	(2,497.95)
Sale of fixed assets	318.16	596.19
Capital Advances	(1,984.04)	-
Sale/(Purchase) of Investments	1,117.33	1,301.88
Other deposits	(0.55)	302.89
Investment and Interest Income	765.99	544.68
Net Cash flows from/(used in) Investing Activities	(2,732.43)	247.69
C. Cash Flow From Financing Activities:		
NCDs Issued/(repaid) during the period	(3,104.17)	(3,104.17)
Proceeds from/(Repayment of) short-term borrowings	(4,003.46)	-
Proceeds from/(Repayment of) long-term borrowings	(2,622.25)	(870.93)
Dividend and dividend tax paid	(1,085.35)	(4,865.75)
Interest and Finance Charges paid	(4,676.11)	(5,092.19)
Net Cash Flows from/(used in) Financing Activities:	(15,491.34)	(13,933.04)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year ended 31st March, 2012 ₹ in lakhs	Year ended 31st March, 2011 ₹ in lakhs
D. Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	1,112.83	(4,862.35)
Cash and Cash Equivalents		
Opening Balance	1,858.55	6,285.72
Forex gain/(loss) on translation of cash and cash equivalents	(41.51)	435.18
Closing Balance	2,929.87	1,858.55

Note: Previous Year figures have been re-grouped/re-arranged wherever necessary to conform to this year's classification

M.K.C. PAI
Company Secretary

S. SANTHANAKRISHNAN
Director

HAMEED HUQ
Managing Director

R.K. KRISHNA KUMAR
Chairman

Per our Report of even date

For SNB ASSOCIATES
Chartered Accountants

For N.M. RAIJI & CO.
Chartered Accountants

S. LAKSHMANAN
Partner
Membership No. 20045

J.M. GANDHI
Partner
Membership No. 37924

Place: Bangalore
Date: 8th May, 2012

CONSOLIDATED NOTES ON ACCOUNTS

	As at 31st March, 2012 ₹ in lakhs	As at 31st March, 2011 ₹ in lakhs
2.01 SHARE CAPITAL		
AUTHORISED		
2,50,00,000 Equity Shares of ₹ 10/- each	2,500.00	2,500.00
	2,500.00	2,500.00
ISSUED, SUBSCRIBED AND PAID-UP		
1,86,77,037 Equity Shares of ₹ 10/- each, fully paid	1,867.70	1,867.70
(Previous Year 1,86,77,037 Equity Shares of ₹ 10/- each fully paid)	1,867.70	1,867.70

Details of Shareholder holding more than 5% shares as at 31st March, 2012:

	As at 31st March, 2012	As at 31st March, 2011
Name of Share holder	No. of Shares % Holding	No. of Shares % Holding
Tata Global Beverages Limited	10,735,982 - 57.48%	10,735,982 - 57.48%
Kotak Mahindra Prime Limited	1,051,134 - 5.63%	737,312 - 3.95%

Reconciliation of number of shares:

Particulars	As at 31st March 2012	As at 31st March 2011
Number of shares as at 01.04.2011	18,677,037	18,677,037
Add: Shares issued during the year	-	-
Number of shares as at 31.03.2012	18,677,037	18,677,037

CONSOLIDATED NOTES ON ACCOUNTS

	As at 31st March, 2012 ₹ in lakhs	As at 31st March, 2011 ₹ in lakhs
2.02 RESERVES AND SURPLUS		
Capital Subsidy Reserve	30.10	30.10
Capital Redemption Reserve	10.41	10.41
Revaluation Reserve.		
Balance as on 01.04.2011	1,027.95	1,280.49
Add/(Less): Transferred from Surplus	(226.79)	(252.54)
Balance as on 31.03.2012	801.16	1,027.95
Debenture Redemption Reserve		
Balance as on 01.04.2011	2,418.43	3,111.23
Less: Transferred to Surplus	(1,060.99)	(692.80)
Balance as on 31.03.2012	1,357.44	2,418.43
Securities Premium Account	14,424.27	14,424.27
Exchange Fluctuation Reserve		
Balance as on 01.04.2011	(168.98)	(144.11)
Add: Addition during the year	2,561.96	(24.87)
Balance as on 31.03.2012	2,392.98	(168.98)
Hedging Reserve		
Balance as on 01.04.2011	(897.44)	(1,930.44)
Add/(Less): Movement on cancellation of Forwards and Options	187.35	1,033.00
Balance as on 31.03.2012 (Refer Note 2.31)	(710.09)	(897.44)
General Reserves Number I		
Balance as on 01.04.2011	10,283.47	9,732.63
Add: Transferred from Surplus	792.03	550.84
Balance as on 31.03.2012	11,075.50	10,283.47
General Reserves Number II		
Balance as on 01.04.2011	5,876.62	5,565.45
Add: Transferred from Surplus	365.45	311.17
Balance as on 31.03.2012	6,242.07	5,876.62
Amalgamation Reserves	832.53	832.53
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as on 01.04.2011	7,283.13	2,382.13
Add: Net Profit after tax transferred from Statement of Profit and Loss	8,119.00	7,256.48
Amount available for appropriation	15,402.13	9,638.61
Less: Appropriation		
Proposed Dividend	(2,054.47)	(1,867.70)
Provision for Tax on Dividend	(333.29)	(318.57)
Transfer from Debenture Redemption Reserve	1,060.99	692.80
Transfer to General Reserve No. I and General Reserve No. II	(1,157.48)	(862.01)
Net Surplus in the Statement of Profit and Loss	12,917.88	7,283.13
	49,374.25	41,120.49

CONSOLIDATED NOTES ON ACCOUNTS

	As at 31st March, 2012 ₹ in lakhs	As at 31st March, 2011 ₹ in lakhs
2.03 LONG TERM BORROWINGS		
Secured		
7% Secured Redeemable Non-Convertible Debentures (a)	3,104.17	6,208.33
Less: Current Maturities of Long-term borrowing shown under Other Current Liabilities (Refer Note No.2.09)	(3,104.17)	(3,104.17)
	-	3,104.17
Loan From Banks		
ECB Term Loan (b)/Senior Debt - Rabo Bank (c).....	34,402.84	32,393.37
Loan From Others		
Senior Debt (c) - Tata Global Beverages Investments Limited.....	26,961.10	23,632.75
Loan From Others		
Tata Global Beverages Investments Limited.....	7,675.27	6,404.48
Total Long Term Borrowings	69,039.21	65,534.77
(a) The 7% Non-Convertible Debentures are redeemable at par in three equal instalments at the end of 4th, 5th and 6th years from the date of allotment i.e. 29.12.2006. Accordingly, the first and second instalments of ₹ 3104.17 Lacs each have been redeemed. The Debentures are secured by a charge on the part of the Land and Factory located at Theni.		
(b) The ECB Term Loan will be secured by deposit of title deeds of a coffee estate and a charge over the machinery of the expansion project of Freeze Dried Plant at Theni. The Loan is repayable in sixteen equal quarterly instalments commencing from August 11, 2013.		
(c) Senior Debt are secured by specific security over the assets of overseas subsidiary		
2.04 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability		
Depreciation	11,976.41	11,008.53
Others	363.21	-
	12,339.62	11,008.53
Deferred Tax Asset		
Provision for doubtful debts/advances	114.87	164.03
Other Assets	752.37	595.72
Employee Benefits	803.48	581.56
Accrued Promotional Expenses	1,058.60	235.89
	2,729.32	1,577.20
Net Deferred Tax Liabilities	9,610.30	9,431.33
2.05 OTHER LONG TERM LIABILITIES		
Deposits	632.29	1,241.16
	632.29	1,241.16
2.06 LONG TERM PROVISIONS		
Employee Benefits	1,247.01	1,186.03
	1,247.01	1,186.03

CONSOLIDATED NOTES ON ACCOUNTS

	As at 31st March, 2012 ₹ in lakhs	As at 31st March, 2011 ₹ in lakhs
2.07 SHORT TERM BORROWINGS		
Secured		
Loan From Banks	-	-
Working Capital Facilities #	1,662.27	5,165.72
Unsecured		
Loan From Banks	-	500.00
	1,662.27	5,665.72
# Working Capital/Cash Credit facilities are secured by hypothecation of Coffee crop, inventories, finished/ semi-finished goods/ receivables of the Company. Part of the Cash Credit funding is also secured by deposit of title deeds of a coffee estate		
2.08 TRADE PAYABLES		
Due to Micro and Small Enterprises (\$)	35.46	21.07
Other Trade Payables	10,990.24	7,624.40
	11,025.70	7,645.47
\$ No amount is due beyond period of 30 days and Interest paid/payable to Micro & Small Enterprises - Nil		
2.09 OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowings [Refer Note No. 2.03 (a)]	3,104.17	3,104.17
Hedge Liability	100.36	27.41
Security Deposits from Customers	173.30	107.97
Unpaid Dividends	97.04	111.47
Interest Accrued but not due	55.96	110.73
Income received in advance	601.58	460.46
Employee Benefits	1,058.62	984.84
Other Payables	10,554.77	11,528.37
	15,745.80	16,435.42
2.10 SHORT TERM PROVISIONS		
Employee Benefits	1,017.10	396.83
Taxation less advance payment	960.95	227.44
Proposed Dividend	2,054.47	933.85
Tax on Dividend	333.29	151.49
	4,365.81	1,709.61

CONSOLIDATED NOTES ON ACCOUNTS

2.11 FIXED ASSETS

₹ in lakhs

	COST				DEPRECIATION				NET BOOK VALUE	
	As at 01.04.2011	Additions/ Adjustments	Deductions/ Adjustments *	As at 31.03.2012	As at 01.04.2011	For the Year \$\$	Deductions/ Adjustments *	Up to 31.03.2012	as at 31.03.2012	As at 01.04.2011
TANGIBLE										
Freehold Land and Development	7,593.83	-	-	7,593.83	-	-	-	-	7,593.83	7,593.83
Leasehold Land and Development	185.89	-	-	185.89	0.16	-	-	0.16	185.73	185.73
Buildings	6,882.42	1,562.59	(949.22)	7,495.79	2,144.92	270.34	55.62	2,470.88	5,024.91	4,737.50
Water and Sanitary Installations	876.39	64.34	(3.27)	937.46	413.92	32.61	(1.98)	444.55	492.91	462.47
Electrical Installations	1,119.86	155.43	(31.62)	1,243.67	493.50	58.29	(25.64)	526.15	717.52	626.36
Plant and Equipment	24,610.79	1,009.27	1,989.63	27,609.69	12,035.32	1,809.99	276.14	14,121.45	13,488.24	12,575.47
Furniture and Fixtures	1,019.08	127.56	57.51	1,204.15	901.00	133.82	13.17	1,047.99	156.16	118.08
Computers	664.40	35.23	(5.12)	694.51	276.44	32.74	(5.18)	304.00	390.51	387.96
Office Equipment	287.17	8.06	(4.69)	290.54	135.31	5.41	(5.74)	134.98	155.56	151.86
Motor Vehicles	1,029.73	285.90	(246.52)	1,069.11	495.85	124.10	(158.29)	461.66	607.45	533.88
TOTAL TANGIBLES	44,269.56	3,248.38	806.70	48,324.64	16,896.42	2,467.30	148.10	19,511.82	28,812.82	27,373.14
INTANGIBLE										
Goodwill on Consolidation	81,605.56	-	11,492.91	93,098.47	2,372.21	541.72	372.29	3,286.22	89,812.25	79,233.35
Brands/ Trademarks	17,836.04	-	2,511.96	20,348.00	3,329.40	760.30	522.42	4,612.12	15,735.88	14,506.64
Capitalised Software	730.32	-	143.90	874.22	509.46	156.67	73.09	739.22	135.00	220.86
TOTAL INTANGIBLES	100,171.92	-	14,148.77	114,320.69	6,211.07	1,458.69	967.80	8,637.56	105,683.13	93,960.85
TOTAL	144,441.48	3,248.38	14,955.47	162,645.33	23,107.49	3,925.99	1,115.90	28,149.38	134,495.95	121,333.99
Previous Year	143,555.96	2,364.02	(1,478.70)	144,441.48	19,142.30	3,915.68	49.51	23,107.49	121,333.99	

*Adjustments represents the increase/decrease in value consequent to exchange fluctuation.

\$\$ includes impairment of Goodwill.

- a) The following assets are jointly owned/held with the Holding Company:-
 - Freehold Land ₹ 103.78 lakhs (Previous Year - ₹ 103.78 lakhs)
 - Buildings ₹ 56.78 lakhs (Previous Year - ₹ 56.78 lakhs)
 - Water and Sanitary Installations ₹ 8.15 lakhs (Previous Year - ₹ 8.15 lakhs)
 - Electrical installations ₹ 22.07 lakhs (Previous Year - ₹ 22.07 lakhs)
- b) The depreciation for the following assets are worked on the basis of useful life mentioned below:
 - Vending Machine - 7 Years
 - Spraying & Pruning Machineries in Tea Plantation - 5 Years

CONSOLIDATED NOTES ON ACCOUNTS

2.12 (a) NON-CURRENT INVESTMENTS	Face Value of each ₹	Nos.	As at 31st March, 2012 ₹ in la khs	As at 31st March, 2011 ₹ in lakhs
LONG TERM				
Trade Investments (Fully Paid)				
Investment in Equity Instruments				
(a) Quoted				
Tata Global Beverages Limited (sold 9,82,500 during the year)	1	0	-	56.38
Tata Chemicals Limited	10	1,60,000	424.21	424.21
Joonktolle Tea & Industries Limited.	10	11,524	6.42	6.42
			430.63	487.01
(b) Unquoted				
Chembra Peak Estates Limited	10	3,481	0.41	0.41
Wartyhully Estates Limited.....	10	24,748	0.92	0.92
The Cochin Malabar Estates & Industries Limited.....	10	2,156	0.20	0.20
			1.53	1.53
Other Investments (Fully Paid)				
Investment in Equity Instruments				
(a) Quoted				
IDBI Bank.....	10	16160	13.13	13.13
			13.13	13.13
(b) Unquoted				
Southern Scribe Instruments Pvt Ltd	100	7280	7.28	-
Ritspin Synthetics Ltd.....	10	1,00,000	-	-
(Net of Provision for Diminution ₹ 10 lakhs).....				
Coorg Orange Growers Co-operative Society Ltd. *	100	4	-	-
Tata Coffee Co-operative Stores Limited *	5	20	-	-
Coorg Cardamom Co-operative Marketing Society Limited *	100	1	-	-
			7.28	-
* Represent Amount less than ₹ 1000				
Total			452.57	501.67
Total Cost of Investments				
Quoted			443.76	500.14
Unquoted			8.81	1.53
Aggregate Amount			452.57	501.67
Market value of quoted investments			591.51	1546.35
2.12 (b) CURRENT INVESTMENTS				
Investment in Mutual Funds				
Quoted				
HSBC Ultra Short term Fund (Weekly Dividend)	10	6,31,909	70.75	69.28
Total Current Investments			70.75	69.28

CONSOLIDATED NOTES ON ACCOUNTS

	As at 31st March, 2012 ₹ in lakhs	As at 31st March, 2011 ₹ in lakhs
2.13 LONG TERM LOANS, ADVANCES AND DEPOSITS		
(Unsecured, considered good unless otherwise stated)		
Capital Advances	2,061.96	661.14
Security Deposit.....		
- Considered Good	1,793.97	1,645.61
- Considered Doubtful	3.84	3.84
Less: Provision for Doubtful Deposits	3.84	3.84
	1,793.97	1,645.61
Prepaid Expenses	8.94	26.71
Employee Loans and Advances	11.82	12.73
Taxes receivable.....	337.92	690.10
Other Advances		
- Considered Good	0.21	338.33
- Considered Doubtful	12.31	2.21
Less: Provision for Doubtful Advances	12.31	2.21
	0.21	338.33
	4,214.82	3,374.62
2.14 OTHER NON-CURRENT ASSETS		
Deferred Financing	270.63	360.06
2.15 INVENTORIES		
Stores and Spare Parts	2,009.03	1,401.15
Raw Material		
Tea	-	-
Coffee.....	2,211.05	5,914.89
Others	-	-
	2,211.05	5,914.89
Raw Material (In Transit)		
Tea	-	-
Coffee.....	630.47	363.05
Others	-	-
	630.47	363.05
Finished Goods		
Tea.....	315.30	483.74
Coffee.....	13,324.27	11,009.95
Instant Coffee.....	941.36	713.02
Others	623.36	365.06
	15,204.29	12,571.77
Finished Goods (In Transit)		
Tea.....	-	-
Coffee.....	-	-
Instant Coffee.....	1,314.22	1,156.82
Others	-	-
	1,314.22	1,156.82
Work-in-Progress		
Tea.....	-	-
Coffee.....	-	-
Others	111.82	299.53
	111.82	299.53
Stock-in-Trade		
Tea.....	-	-
Coffee.....	-	-
Others	317.72	203.34
	317.72	203.34
	21,798.60	21,910.55

CONSOLIDATED NOTES ON ACCOUNTS

	As at 31st March, 2012 ₹ in lakhs	As at 31st March, 2011 ₹ in lakhs
2.16 TRADE RECEIVABLES		
Over six months from the date they were due for payment		
Unsecured		
- Considered Good	36.73	69.51
- Considered Doubtful	296.86	292.91
	333.59	362.42
Less: Provision for Doubtful Debts.....	296.86	292.91
	36.73	69.51
Other Debts		
Secured - Considered Good	2,610.31	2,679.88
Unsecured - Considered Good	8,138.79	7,759.13
Considered Doubtful	56.47	94.09
	10,805.57	10,533.10
Less: Provision for Doubtful Debts.....	56.47	94.09
	10,749.10	10,439.01
	10,785.83	10,508.52
2.17 CASH AND BANK BALANCES		
(a) Cash and Cash equivalents		
(i) Balances with Banks		
- in current accounts	1,785.05	1,816.06
- in deposit accounts with original maturity less than 3 months	1,135.78	-
(ii) Cash on hand	7.62	3.81
(iii) Remittances in transit	1.42	38.68
	2,929.87	1,858.55
(b) Other Bank balances		
(i) Unclaimed Dividend Account	97.04	111.47
(ii) Short-term bank deposits	19.03	18.48
(iii) Bank deposits with maturity more than 12 months	-	-
	116.07	129.95
	3,045.94	1,988.50
2.18 SHORT TERM LOANS AND ADVANCES		
Advances		
Considered Good	4,384.54	4,110.40
Considered Doubtful	78.71	84.28
Less: Provision for Doubtful Advances	78.71	84.28
	4,384.54	4,110.40
Inter Corporate Deposits	3,400.00	3,400.00
Other Deposits		
Considered Good	245.69	335.32
Considered Doubtful	38.00	38.00
Less: Provision for Doubtful Deposits	38.00	38.00
	245.69	335.32
	8,030.23	7,845.72
2.19 OTHER CURRENT ASSETS		
Interest Accrued	107.35	144.34
	107.35	144.34

CONSOLIDATED NOTES ON ACCOUNTS

	For the year ended 31st March, 2012 ₹ in lakhs	For the year ended 31st March, 2011 ₹ in lakhs
2.20 REVENUE FROM OPERATIONS		
Sale of Products		
Tea	5,529.99	5,645.14
Coffee	115,711.44	98,686.83
Instant Coffee	23,983.57	18,312.00
Others	4,443.60	3,795.28
	149,668.60	126,439.25
Sale of Traded Goods	2,963.55	2,436.26
Sale of Services: Room Revenue and Coffee Curing	448.10	454.56
Other Operating Revenues		
Sale of Scrap/waste	97.75	103.05
Liabilities no longer required written back	49.09	140.04
Provision for debts and advances write back	1.78	13.13
Export Incentives	1,562.68	456.02
Other Miscellaneous Income	259.12	215.10
	1,970.42	927.34
	155,050.67	130,257.41
Less: Excise Duty	150.98	121.32
	154,899.69	130,136.09
2.21 OTHER INCOME		
Dividend income	37.95	58.91
Interest Income	692.52	512.27
Rent Received	49.26	57.33
Profit on Sale of Fixed Assets (Net)	28.92	40.58
	808.65	669.09
2.22 COST OF MATERIAL CONSUMED		
Material Consumed		
Coffee	67,573.98	42,732.57
Packing Materials	7,870.63	6,825.34
Others	538.45	381.21
	75,983.06	49,939.12

CONSOLIDATED NOTES ON ACCOUNTS

	For the year ended 31st March, 2012 ₹ in lakhs	For the year ended 31st March, 2011 ₹ in lakhs
2.23 PURCHASE OF TRADED GOODS		
Tea	41.27	79.12
Coffee	-	1,306.14
Others	2,933.51	2,249.73
	2,974.78	3,634.99
2.24 CHANGES IN INVENTORIES OF FINISHED GOODS		
Stock as at 1st April		
Tea	457.03	502.30
Coffee	12,864.94	11,045.59
Others	909.38	823.55
	14,231.35	12,371.44
Stock as at 31st March		
Tea	302.39	457.03
Coffee	15,557.55	12,864.94
Others	1,088.12	909.38
	16,948.06	14,231.35
	(2,716.71)	(1,859.91)
2.25 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	16,240.19	14,760.83
Contribution to Provident Fund and other Funds	3,115.27	2,287.03
Workmen and Staff Welfare	765.56	833.21
	20,121.02	17,881.07
2.26 FINANCE COSTS		
Interest		
On Fixed Loans	3,889.32	4,004.87
On Other Loans	639.93	919.24
Bank Charges	92.25	107.02
	4,621.50	5,031.13

CONSOLIDATED NOTES ON ACCOUNTS

	For the year ended 31st March, 2012 ₹ in lakhs	For the year ended 31st March, 2011 ₹ in lakhs
2.27 OTHER EXPENSES		
Contract/Processing Charges	1,372.43	1,315.20
Consumption of Stores and Spare Parts	1,949.29	1,625.32
Power and Fuel	3,912.47	3,681.57
Repairs to Plant and Machinery	640.17	430.89
Repairs to Buildings	559.00	418.09
General Repairs	442.73	394.63
Rent	932.85	832.35
Rates and Taxes	252.93	270.49
Advertisement and Sale Charges	22,827.61	19,914.19
Selling Expenses	861.09	797.02
Excise Duty and Cess	30.82	22.63
Freight	3,156.16	3,164.55
Insurance	776.92	915.15
Exchange Fluctuation (Net)	830.53	964.36
Provision for Doubtful Debts and Advances	(35.61)	23.18
Miscellaneous Expenses	849.26	818.16
	39,358.65	35,587.81
2.28 EXCEPTIONAL ITEMS		
Income		
Profit on sale of Long Term Trade Investments	1,112.66	1,065.60
	1,112.66	1,065.60
Expenditure		
Re-organisation costs	(2,511.30)	(958.97)
Provision for Contractual Obligations for retired Executive Directors	(274.09)	-
	(2,785.39)	(958.97)
	(1,672.73)	106.63

CONSOLIDATED NOTES ON ACCOUNTS

2.29 Notes on Consolidated Financial Statements

- I. The presentation of the accounts is based on the Revised Schedule VI of the Companies Act, 1956, applicable from the current financial year. Accordingly, previous year figures are realigned to make it comparable with the current year. Assets and Liabilities are bifurcated into current and non-current based on 12 months period from the Balance Sheet date.

II. Basis of Consolidation

a) Basis of Preparation

The Consolidated financial statements are prepared in accordance with Accounting Standard 21 'Consolidated Financial Statements' and Accounting Standard 27 'Financial Reporting of Interest in Joint Ventures' issued by the Companies (Accounting Standards) Rules, 2006

- i) The financial statements of the Holding Company and all subsidiaries are prepared according to uniform accounting policies, in accordance with generally accepted accounting policies in India.
- ii) The financial statements of the Holding Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances, intra-group transactions and unrealised profits or losses thereon have been fully eliminated
- iii) Company's interest in the Joint Venture is accounted for using proportionate consolidation method.
- iv) The financial statements of the subsidiaries and Joint ventures used in consolidation are drawn up to the same reporting date as that of the Holding Company.
- v) The excess value of the consideration given over the net value of the identifiable assets acquired in the subsidiary companies is recognised as "Goodwill" under fixed assets and is not being amortised. Certain intangibles assets, which are appearing in the Subsidiary books, as at the date of acquisition, are included in Goodwill, as the same do not qualify as Intangibles under Accounting Standard 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India. Subsequent to the acquisition, the subsidiary has revalued these assets and this revaluation has been ignored for the purpose of consolidation. To the extent the subsidiary has provided depreciation on the revalued portion of these assets, an equivalent amount has been considered as Impairment of Goodwill.

b) Subsidiaries included in Consolidation

Name of the Enterprise	Country of Incorporation	Nature of Business	Shareholding/Controlling Interest
Alliance Coffee Limited	India	Marketing Instant Coffee Powder	100%
Consolidated Coffee Inc.	USA	Investment	50.08%
Eight 'O' Clock Coffee Company	USA	Roasted Coffee Beans and R&G powder	50.08%

c) Joint Venture included in Consolidation

Name of the Enterprise	Country of Incorporation	Nature of Business	Shareholding/Controlling Interest
Tata Coffee (Uganda) Limited	Uganda	Manufacture of Instant Coffee Powder	50%

CONSOLIDATED NOTES ON ACCOUNTS

III. Significant Accounting Policies

i) Statement of Profit and Loss

- a) All income and expenses are accounted on accrual basis.
- b) Sales are recognised on passing of property in goods together with risks and rewards i.e. delivery as per terms of sale or on completion of auction in case of auction sale. In the case of Rosewood sale, income is recognised on completion of auction sale and confirmation of receipt of money by the auctioneer. Export incentives are estimated and accrued on completion of export sales. In the case of a subsidiary, sales are recognised when risk of loss and title have transferred to the customer, which is typically upon receipt of the product by the customer. Provisions for sales returns and other allowances are recorded based on the past experience.
- c) The sale value of own timber and value added timber products are credited to revenue. Capital profits on such sale, including capital profit on value added timber products determined at estimated market value of actual timber input, are transferred to General Reserve No. II through Appropriation account.
- d) Depreciation on Fixed Assets is provided at the rates stated in Schedule XIV of the Companies Act, 1956, on written down value method, except that Fixed Assets at Instant Coffee Division, Anamallais, Corporate Office and certain Fixed Assets at the Curing Works under the straight-line method. Leasehold improvements are being depreciated over the lease period. In respect of certain assets, accelerated depreciation has been provided considering its estimated useful life or as per the rates prescribed in Schedule XIV whichever is higher.

Depreciation in respect of assets held by the foreign subsidiary is provided over the useful life of the asset.
- e) The Employee benefits are provided in accordance with the revised AS 15 and are dealt with in the following manner.
 - Contribution to Provident Fund and Defined Contribution Superannuation Funds are accounted on accrual basis
 - Gratuity Leave encashment and post retirement health scheme liabilities are determined by actuarial valuation done at the end of the year and the current year charge is debited to the Profit & Loss Statement.
- f) Transactions in foreign currency are recorded using the spot rate at the beginning of each fortnight and exchange differences resulting from settled transactions are taken in the Profit and Loss Statement. Current Assets and Liabilities covered by Forward Cover are stated at Forward Cover rates, while those not covered by Forward Cover are restated at the rates prevailing at the year-end. The resulting Exchange differences are dealt with, in the Profit and Loss Statement. Premium or discount on forward contracts is amortized over the life of the contract.

Gain or loss on hedging instruments in respect of effective portion of cash flow hedges are recognised in the hedging reserve account. The portion of the gain or loss on the hedging instruments if determined to be an ineffective cash flow hedge is recognised in the profit and loss statement.

The income and expenditure of overseas subsidiaries are translated at the average month-end exchange rates. Year-end balances of all assets and liabilities are translated at the year-end exchange rates. Exchange differences arising on re-translation at year-end exchange rates, of the net investment in foreign undertakings, are taken to reserves.

- g) Deferred tax is recognised using the liability method, on all timing differences to the extent that it is possible that a liability or asset will crystallise. As at the balance sheet date, unless there is evidence to the contrary, deferred tax assets pertaining to business loss are only recognised to the extent of virtual certainty of future taxable profits.

CONSOLIDATED NOTES ON ACCOUNTS

- h) The costs incurred for obtaining financing are deferred and amortised using the effective interest method over the life of the related financing agreements and charged to interest expenses.

ii) Balance Sheet

- a) Assets and Liabilities are recorded at cost to the Company.
- b) Fixed Assets are carried at cost of acquisition less depreciation. Impairment loss, if any, ascertained as per the Accounting Standard –28 (Impairment of Assets) of the Institute of Chartered Accountants of India is recognised. Cost of acquisition includes borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets. Roll over charges, and exchange differences, relating to foreign currency borrowings attributable to Fixed Assets are also capitalized upto 31.03.2007 and charged to Profit & Loss Statement afterwards.
- c) Investments of long-term nature are stated at cost. A provision for diminution in value is made to recognize a decline, other than temporary. Current investments are stated at lower of cost and market value.
- d) Valuation of Stock is dealt as under: -

Raw Materials and Stores and Spares	At weighted average cost and in one subsidiary on FIFO basis
Coffee, Instant Coffee, Tea, Pepper, Plywood and Trading Stock.	At lower of cost and net realisable value.
Work-in-Progress	At lower of cost and net realisable value.
Cardamom and other Produces	At since realized/estimated realisable value.

- 2.30.** Reference to Para II a (v) of the Basis of Consolidation an amount of ₹ 541.73 lakhs has been considered as Impairment of Goodwill during the year (Previous year: ₹ 519.31 lakhs).
- 2.31.** The Group has entered into forward contracts for hedging highly probable future cash flows. The Mark to Market loss of ₹ 710.09 lakhs (Previous year: ₹ 897.44 lakhs) on such contracts as at Balance Sheet date is debited to the Hedge Reserve account as per the provisions of Hedge Accounting of Accounting Standard - 30.
- 2.32.** Disclosures as per AS 15 Retirement Benefits – Post Retirement Employee Benefits.
The Post Retirement defined Employee Benefit Schemes are limited to the Holding Company and the disclosures of the same are covered in Note No. 2.30 of the Standalone Financial Statements.

CONSOLIDATED NOTES ON ACCOUNTS

	As at 31st March 2012 ₹ in Lakhs	As at 31st March 2011 ₹ in Lakhs
2.33 Contingent Liabilities:		
Estimated amounts of contracts remaining to be executed on capital account and not provided for	2,615.42	263.12
Claims under adjudication not acknowledged as debts:		
i) Demands raised by Income Tax, Excise & Sales Tax Authorities	1,505.42	999.65
ii) Labour disputes under adjudication.....	239.42	302.61
iii) Claims by Customers/ Suppliers	1,664.25	437.41
Contingent Liabilities:		
i) Bank & other Guarantees	896.57	1,000.81
ii) Bills discounted.....	0.00	137.36
Exchange difference in respect of forward exchange contracts to be charged or capitalised in the subsequent accounting period	0.00	0.00
2.34 Repairs		
A) Repairs to Building include Wages	23.22	58.20
B) Repairs to Machinery include Wages	25.64	19.63
C) Repairs to Others include Wages	5.92	0.17
2.35 Selling expenses includes		
Tata Brand Equity	267.77	220.97
2.36 Auditor's Remuneration includes		
Audit Fees	213.72	207.10
Taxation Matters.....	35.72	34.69
Company Law Matters	-	-
Management Services	-	-
Other Services.....	17.04	17.04
Reimbursement of Expenses	1.87	3.68
	268.35	262.51
2.37 Basic & Diluted Earnings Per Share:		
Earnings Per Share has been computed as under:		
a) Profit After Taxation (₹ Lakhs)	8,119.00	7,256.46
b) Weighted Average Number of Equity Shares	18,677,037	18,677,037
c) Basic & Diluted Earnings Per Share (₹) (a)/(b)	43.47	38.85
d) Nominal value of share (₹)	10.00	10.00

CONSOLIDATED NOTES ON ACCOUNTS

	As at 31st March 2012 ₹ in Lakhs	As at 31st March 2011 ₹ in Lakhs
2.38 Deferred Revenue expenditure brought forward from previous year	0.22	1.40
Add: Deferred revenue expenses incurred on Voluntary Retirement Scheme		-
Less: Written off during the year		
Voluntary Retirement Scheme charged off.....	0.22	1.18
Closing balance of Deferred Revenue Expenditure	-	0.22
2.39 Disclosure in respect of operating lease		
Minimum lease payments outstanding:		
Within 1 Year.....	615.12	598.88
2 to 5 Years	2,407.57	2,390.40
Over 5 Years.....	1,276.68	1,884.83
Total	4,299.37	4,874.11
Lease payment recognized in Statement of P&L.....	510.21	536.20
2.40 Movement of Revaluation Reserve		
Revaluation Reserve drawn during the year	226.79	252.54
2.41 Pre-operative revenue expenses capitalized		
Staff cost and allowances	18.95	-
Interest	1.84	-
Others	27.44	-
Total	48.23	-
2.42 Movement in provision for future payments under contractual obligation:		
Opening balance	-	-
Provision created during the year.....	274.09	-
Less: Utilization during the year.....	(14.00)	-
Closing balance	260.09	-

CONSOLIDATED NOTES ON ACCOUNTS

2.43 Segmental Reporting:

The Company's operations predominantly relate to Coffee and Other Produce comprising of growing of Coffee, Pepper, Tea and other plantation crops and conversion of Coffee into Value added products such as Roast and Ground Coffee and Instant Coffee. The Company is also in the business of Curing operations of Coffee and trading of items required for Coffee plantations. Accordingly the revenue from Coffee and Other produce, Trading and Curing (others) comprise the primary basis of segmental information set out in these financial statements. Secondary segmental reporting is performed on the basis of geographical locations of the customers. The accounting principles consistently used for the preparation of Financial statements are also applied to record Income and Expenditure in individual segments. These are set out on the note as significant accounting policies. Fixed assets used in Company's business and liabilities contracted have been identified to the reportable segments. Inter unit transfers have been made at market prices.

PRIMARY SEGMENT										₹ in Lakhs	
	COFFEE AND OTHER PRODUCE		TEA		ESTATE SUPPLIES DIVISION		OTHERS		TOTAL		
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	
Segment Revenues											
External Sales	146,162.93	121,919.30	5,529.99	5,645.14	4,213.13	3,329.88	548.69	503.78	156,454.74	131,398.10	
Less: Inter-Segment Sales					1,288.78	1,027.06	284.67	237.45	1,573.45	1,264.51	
Unallocated Income									18.40	2.49	
Total Revenue	146,162.93	121,919.30	5,529.99	5,645.14	2,924.35	2,302.82	264.02	266.33	154,899.69	130,136.09	
Segment Results#	13,886.53	20,395.44	(111.78)	336.85	37.37	42.19	190.73	122.90	14,002.85	20,897.38	
Unallocated Corporate Income (Net of Expenses)									2,284.54	1,061.49	
Operating Profits									16,287.39	21,958.87	
Interest Expense									(4,621.50)	(5,031.13)	
Exceptional Income/(Expense)									(1,672.73)	106.63	
Profit Before Tax									9,993.16	17,034.37	
Income Taxes											
Current Tax									(2,682.13)	(5,846.31)	
Excess Tax Provision Written Back									96.19	-	
Deferred Tax									946.64	(216.77)	
Net Profit									8,353.86	10,971.29	
Other Information											
Segment Assets	173,571.45	155,806.07	6,151.57	6,235.62	398.72	284.12	337.82	308.48	180,459.56	162,634.29	
Unallocated Common Assets									6,314.39	7,478.05	
Total Assets									186,773.95	170,112.34	
Segment Liabilities	(99,835.72)	(90,690.69)	(967.51)	(625.93)	(113.21)	(107.74)	(100.91)	(129.19)	(101,017.35)	(91,553.55)	
Unallocated Liabilities									(15,040.36)	(18,873.16)	
Total Liabilities									(116,057.71)	(110,426.71)	
Capital Employed	73,735.73	65,115.38	5,184.06	5,609.69	285.51	176.38	236.91	179.29	70,716.24	59,685.63	
Capital Expenditure	2,289.63	873.37	490.85	325.49	0.53	-	129.35	27.52	2,910.36	1,226.38	
Depreciation	3,389.27	3,377.18	232.95	194.40	0.16	0.17	77.77	91.48	3,700.15	3,663.23	
Non-Cash Expenses	(35.62)	753.94	-	-	0.01	-	-	14.69	(35.61)	768.63	
Other than Depreciation											

After considering impairment of Plant and Machinery of ₹ Nil Lakhs (Previous Year ₹ 226.17 Lakhs)

The Previous Year figures are regrouped wherever necessary.

CONSOLIDATED NOTES ON ACCOUNTS

Geographical revenues are segregated based on the locations of the customers who are invoiced or in relation to which the revenues is otherwise recognised.

The following table shows the distribution of the Group's sales by geographical locations:

Secondary (Geographical) Segments

CIS Countries *

Rest of the World *

USA

India

TOTAL

	₹ in Lakhs	
	Current Year	Previous Year
CIS Countries *	17,871.76	14,483.18
Rest of the World *	13,820.89	8,683.41
USA	103,885.88	89,914.09
India	19,321.16	17,055.41
TOTAL	154,899.69	130,136.09

* includes Direct Exports and exports through third parties and through export houses

2.44 Related Party Transactions:

In accordance with Accounting Standard 18, the disclosures required are given below:

Sl. No.	Nature of transaction	Holding Company		Key Management Personnel/Relatives		Fellow Subsidiaries		Total	
		Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
1.	Sale of Goods	1,114.04	556.15	-	-	-	-	1,114.04	556.15
2.	Sale of Goods - Tata Russia	-	-	-	-	3,988.47	5,137.07	3,988.47	5,137.07
3.	Rendering of Services	-	-	-	-	-	-	-	-
4.	Purchase of Goods	41.28	79.12	-	-	-	-	41.28	79.12
5.	Purchase of Fixed Assets	-	-	-	-	-	-	-	-
6.	Purchase of Current Assets	-	-	-	-	-	-	-	-
7.	Director's Remuneration	-	-	196.81	197.65	-	-	196.81	197.65
8.	Receiving of Services	12.83	12.85	-	-	-	-	12.83	12.85
9.	Receiving of Services - Tata Global Beverages Overseas Ltd.	-	-	-	-	-	123.37	-	123.37
10.	Interest Payment to Tata Global Beverages Investments Ltd.	-	-	-	-	1,595.06	1,501.57	1,595.05	1,501.57
11.	Interest Payment	270.28	424.48	-	-	-	-	270.28	424.48
12.	Dividend Received	-	39.65	-	-	-	-	-	39.65
13.	Loan outstanding at the year end - Tata Global Beverages Investments Ltd.	-	-	-	-	34,636.37	30,037.28	34,636.37	30,037.28
14.	Outstanding at the year end	-	-	-	-	-	-	-	-
	Credit	182.95	27.77	-	-	-	123.37	182.95	151.14
	Debit	-	-	-	-	1,010.95	787.09	1,010.95	787.09

CONSOLIDATED NOTES ON ACCOUNTS

Names of related parties with whom transactions have taken place and related parties where control exists

- | | | |
|----|--------------------------|---|
| 1. | Holding Company | Tata Global Beverages Limited |
| 2. | Key Management Personnel | Mr. Hameed Huq, Managing Director
Mr. M. Deepak Kumar, Executive Director
Mr. Steve Rice (w.e.f. 15.07.2011)
Mr. Tom Corcoran
Ms. Barbara Roth (Part of the year) |
| 3. | Fellow Subsidiary | Tata Russia (Grand JV)
Tata Global Beverages Overseas Ltd.
Tata Global Beverages Investments Ltd. |

M.K.C. PAI
Company Secretary

S. SANTHANAKRISHNAN
Director

HAMEED HUQ
Managing Director

R.K. KRISHNA KUMAR
Chairman

Per our Report of even date

For SNB ASSOCIATES
Chartered Accountants

For N.M. RAJI & CO.
Chartered Accountants

Place: Bangalore
Date: 8th May, 2012

S. LAKSHMANAN
Partner
Membership No. 20045

J.M. GANDHI
Partner
Membership No. 37924

Subsidiary Companies Financial Highlights - 2011/12

(₹ in Lakhs)

	Consolidated Coffee Inc. *	Alliance Coffee Ltd.
1 Capital	30471.13	5.00
2 Reserves	8542.59	82.68
3 Total Assets	0.00	0.00
4 Total Liabilities	0.00	0.00
5 Turnover	104047.91	1.47
6 Profit before Taxation	(420.66)	(1.92)
7 Provision for Taxation	(891.16)	0.00
8 Profit After Taxation	470.50	(1.92)
9 Proposed Dividend	-	-
10 Investment	-	70.75
Reporting Currency	US Dollars	Indian Rupees
Exchange Rate Used for Conversion :		
- Average Yearly Rates for P & L Items	49.72	
- Year end rates for Balance Sheet Items	50.87	

* Consolidated figures of Consolidated Coffee Inc. and its wholly-owned Subsidiary Eight O' clock Coffee Company, USA are based on Accounts drawn up under Indian GAAP.

Statement of Crop particulars of Coffee (Arabica and Robusta Estates) & Tea

Name of the Estate	ARABICA			ROBUSTA			TEA		
	Bearing area in Hectares	Crop M.T.	YPH in Kilos	Bearing area in Hectares	Crop M.T.	YPH in Kilos	Bearing area in Hectares	Crop M.T.	YPH in Kilos
COFFEE KARNATAKA									
Anandapur	15.00	13	867	356.70	519	1455			
Balmangy	4.10	2	488	219.60	237	1079			
Cannoncadoo	105.95	92	868	198.55	266	1340			
Cottabetta	2.80	4	1429	440.65	538	1221			
Coovercolly	277.10	170	613	218.30	236	1081			
Jumboor	365.40	206	564	0.00	0	0			
Margolly	192.10	210	1093	285.10	499	1750			
Nullore	388.00	285	735	77.70	99	1274			
Pollibetta	1.50	2	1333	328.00	539	1643			
Sunticoppa	234.60	165	703	0.00	0	0			
Woshully	3.25	3	923	522.75	643	1230			
Yemmigoondi	53.30	52	976	518.90	769	1482			
COORG	1643.10	1204	733	3166.25	4345	1372			
Gubgul	3.60	3	833	125.95	178	1413			
Goorghully	171.17	137	800	225.05	288	1280			
Karadibetta	112.40	58	516	257.30	285	1108			
Merthikhan	84.70	44	519	27.95	23	823			
Mylemoney	342.10	395	1155	78.90	96	1217			
Ubban	203.60	177	869	196.25	228	1162			
HASSAN	917.57	814	887	911.40	1098	1205			
	2560.67	2018	788	4077.65	5443	1335			
TAMIL NADU									
Valparai	419.49	112	267	233.64	224	959			
TEA KARNATAKA									
Merthikhan							117.85	270	2291
Glenlorna							244.92	798	3258
TAMIL NADU									
Pachamalai							301.07	882	2930
Pannimade							423.06	1092	2581
Uralikal							429.65	1074	2500
Velonie							410.89	1033	2514
KERALA									
Malakiparai							529.76	1626	3069
Grand Total	2980.16	2130	715	4311.29	5667.00	1314	2457.20	6775	2757



PROXY

No. of Shares held :

Regd. Folio No. :

(If Not Dematerialised)

DP ID No. :

(If Dematerialised)

Client ID No. :

(If Dematerialised)

I/We..... of
..... being a Member/Members of
Tata Coffee Limited, hereby appoint.....
..... of
..... or failing him/her
..... of
..... or failing him/her
..... of
..... as my/our Proxy to vote
for me/us and on my/our behalf at the 69th Annual General Meeting of the Company to be held on Friday, the 27th July,
2012 at the Registered Office and at any adjournment thereof.

Sign this day of 2012.

Please affix
Revenue
Stamp

Note: An Instrument appointing a Proxy shall be deposited at the Registered Office of the Company not less than forty
eight hours before the time for holding the meeting.

TATA COFFEE LIMITED

Registered Office : Pollibetta 571 215, Kodagu, Karnataka

ATTENDANCE SLIP-CUM-ENTRY PASS

(PLEASE FILL IN THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL)

Name and address of the Shareholder :
.....
.....

No. of Shares held :

Regd. Folio No. :

(If Not Dematerialised)

DP ID No. :

(If Dematerialised)

Client ID No. :

(If Dematerialised)

I hereby record my presence at the 69th Annual General Meeting of the Company held on Friday, the 27th July, 2012 at
11.30 a.m. at the Registered Office of the Company at Pollibetta – 571 215, Kodagu, Karnataka.

* Strike out whichever is not applicable.

TATA COFFEE LIMITED

Pollibetta 571 215, Kodagu, Karnataka, India.

