

TATA COFFEE

68th ANNUAL REPORT 2010 - 2011



Growth & Sustainability... The Spirit of Tata Coffee



**Annual General Meeting on
Friday, the 5th August, 2011 at the
Registered Office
at 11.30 a.m.**

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COMPANY INFORMATION**Board of Directors**

R.K. Krishna Kumar (Chairman)
 R. Govindarajan
 P.T. Siganporia
 U.M. Rao
 Prof. A. Monappa
 Venu Srinivasan
 S. Santhanakrishnan
 T.V. Alexander
 Hameed Huq (Managing Director)
 M. Deepak Kumar (Executive Director-Finance)

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

Registrars

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. Rajji & Co.
 SNB Associates

Bankers

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

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**

S. Santhanakrishnan – Chairman
 R. Govindarajan
 U. Mahesh Rao

Shareholders/Investors Grievance Committee

R.K. Krishna Kumar – Chairman
 Hameed Huq
 R. Govindarajan

Remuneration Committee

U. Mahesh Rao – Chairman
 R.K. Krishna Kumar
 R. Govindarajan
 Prof. A. Monappa

NOTICE

NOTICE is hereby given that the 68th Annual General Meeting of the Company will be held at the Registered Office of the Company at Pollibetta, Kodagu, on Friday, the 5th August, 2011 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, 2011 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. (i) To confirm payment of interim dividend on Equity shares
(ii) To declare a Final Dividend on Equity shares.
3. To appoint a Director in place of Mr. U. Mahesh Rao who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Prof. A. Monappa who retires by rotation and is eligible for re-appointment.
5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution;
"RESOLVED that Mr. R. Govindarajan, Director who retires by rotation at this meeting having informed the Company that he does not wish to stand for re-election, therefore be and is not re-appointed a Director of the Company."
"RESOLVED FURTHER that the vacancy caused by the retirement of Mr. R. Govindarajan on the Board be not filled up."
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification, the following Resolutions:

7. As an Ordinary Resolution:
RESOLVED that Mr. M. Deepak Kumar be and is hereby appointed as Director of the Company liable to retire by rotation.
8. As an Ordinary Resolution
"RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") read with Schedule XIII of the Act, the Company hereby approves the appointment of and remuneration payable to Mr. M. Deepak Kumar as Executive Director – Finance for the period 25th October, 2010 to 24th October, 2013 upon the terms and conditions, including the remuneration to be paid in the event of inadequacy of profits in any financial year, as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors of the Company to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Kumar."
"RESOLVED FURTHER that the Board of Directors or a Committee thereof of the Company, be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

By Order of the Board

M.K.C. Pai
Company Secretary

Place: Bangalore

Date: 15th June, 2011

NOTES:

1. The Register of Members of the Company will remain closed from 19th July, 2011 to 5th August, 2011, 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. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the items of Special Business is annexed hereto.
4. 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 18th July, 2011 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 18th July, 2011 as per details furnished by the Depositories for the purpose.
5. **All unclaimed/unpaid dividends upto the financial year ended 31st March, 1995 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 upto 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, 1996 to 31st March, 2003 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, 2004 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 encashed their dividend warrants are requested to do so sufficiently in advance before the said transfers take place.

6. Securities and Exchange Board of India (SEBI) vide their Circular dated October 15, 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	U. Mahesh Rao	Prof. Arun Monappa	M. Deepak Kumar
Date of Birth	02.07.1938	10.03.1942	12.07.1952
Date of Appointment	23.01.2006	31.03.2006	25.10.2010
Qualifications	B.Com	M.A. (Political Science & Public Administration), M.Sc., Industrial Relations, J.N.Tata School at L.S.E.	B.Com, ACA, Dip in Computer Applications
Expertise in specific functional area	Former Managing Director of General Insurance Corporation of India. Long experience in all facets of insurance and risk management as well as administration and management of Companies.	Formerly Professor of Personnel Management & Industrial Relations of IIM, Ahmedabad and worked in the Personnel Departments of Organisations in Sweden, U.S.A. and India besides being a Planter.	32 years experience in the area of Finance. He was in Tata Tea from 1980 to 1998. He joined Tata Coffee in the year 1999 and was Vice President – Finance till he was elevated to the position of Executive Director – Finance with effect from 25th October, 2010.
Chairman/Director of other Companies (excluding foreign companies) as on 31.03.2011	As detailed below	Nil	Alliance Coffee Limited
Chairman/Member of Committees* of the Boards of which he is a Director as on 31.03.2011	Nil	Nil	Nil
No. of Shares held in the Company	Nil	Nil	Nil

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

Directorships in Companies & Memberships in Committees of Mr. U. Mahesh Rao

Sl. No.	Name of the Company	Membership in Committees	
		Name of the Committee	Position held
1.	Tata Global Beverages Limited	Audit Committee	Member
		Remuneration Committee	Member
		Investors Grievance Committee	Member
2.	Ispat Industries Limited	Audit Committee	Member
		Remuneration Committee	Chairman
		Shareholders/Investors Grievance Committee	Chairman

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

Item Nos. 7 & 8

Mr. M. Deepak Kumar was appointed by the Board as Additional Director of the Company with effect from 25th October, 2010. In terms of Section 260 of the Companies Act, 1956, Mr. Kumar holds office till the date of the ensuing Annual General Meeting and is eligible for re-appointment. Notice under Section 257 of the Companies Act, 1956 along with requisite deposit has been received from a member signifying his intention to propose the candidature of Mr. Kumar as a Director retiring by rotation.

The Board also appointed Mr. Kumar as the Executive Director – Finance of the Company for a period of three years with effect from 25th October, 2010 on the terms and conditions including remuneration as indicated below. Mr. Kumar's appointment is subject to the approval of the members in general meeting.

- (i) Tenure of Agreement: For a period of 3 years commencing from 25th October, 2010.
- (ii) Nature of duties: Mr. Kumar ("the Appointee") shall devote his whole-time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board and the Managing Director from time to time and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company
- (iii) A. Remuneration: Salary: Rs.2,50,000/- per month in the scale of Rs.2,00,000/- to Rs.5,00,000/- with annual increments effective 1st April every year as may be decided by the Board, based on merit and taking into account the Company's performance; incentive remuneration, if any, and/or commission based on certain performance criteria to be laid down by the Board; benefits, perquisites and allowances as may be determined by the Board from time to time.
B. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, incentive remuneration, perquisites and allowances, as specified above.
The aggregate of the remuneration as aforesaid shall be within the maximum limits as stipulated under Sections 198, 309 and all other applicable provisions, if any, of the Act read with Schedule XIII of the Act, as amended from time to time.
- (iv) The terms and conditions of appointment also include clauses pertaining to adherence with the Tata Code of Conduct, including no conflict of interest with the Company, non-compete and maintenance of confidentiality.
- (v) The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, within the maximum amounts payable to the Appointee, in accordance with the provision of the Act or any amendments made hereafter in this regard and subject to such approvals as may be required.
- (vi) This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of the Notice.
- (vii) The Appointee is being appointed as a Director by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1)(i) of the Act.
- (viii) If and when any appointment comes to an end for any reason whatsoever, the Appointee will cease to be the Executive Director - Finance and also cease to be a Director. If at any time, the Appointee ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Executive Director - Finance, as the case may be, and the appointment shall forthwith terminate.

In compliance with the provisions of Sections 269, 309 and other applicable provisions of the Act read with Schedule XIII of the Act, the terms of appointment and remuneration specified above are now being placed before the Members for their approval.

The Directors commend the resolutions at Item Nos. 7 & 8 of the accompanying notice for approval of the Members of the Company.

Mr. Kumar is interested in Item Nos. 7 & 8 of the Notice.

Abstract of the terms of appointment of Mr. Kumar as Executive Director – Finance has already been circulated to the members pursuant to Section 302 of the Act.

By Order of the Board

Place: Bangalore
Date: 15th June, 2011

M.K.C. Pai
Company Secretary

2006/2007 TO 2010/2011 A FIVE YEAR REVIEW

INCOME & DIVIDEND, ETC.

		2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Sale Value of Coffee and						
Estate Products and Gross Income						
From Services rendered	(Rs. in Lakhs)	26849.65	32692.38	33678.62	37342.430	42209.94
Profit Before Tax	(Rs. in Lakhs)	2774.77	3857.45	2840.60	4999.920	6862.18
As percentage of Sales		10	12	8	13	16
Profit After Tax	(Rs. in Lakhs)	2023.06	2468.13	1864.42	3198.98	5508.46
As percentage of Sales		8	8	6	9	13
As percentage of Networth		6	7	6	9	14
(Shareholder's Funds)						
Expenses as percentage of Income		91	88	92	87	84
Current Assets/Current Liabilities		2.52:1	2.39:1	1.73:1	2.59:1	2.89:1
Debt/Equity Ratio		0.57:1	0.58:1	0.58:1	0.41:1	0.29:1
Fixed Assets/Net Worth (as percentage)		71	72	81	65	56
Net Profit per Equity Share	(Rs.)	13.94	13.21	9.98	17.13	29.49
Dividend distributed	(Rs.)	6.50	7	6	7.50	10
Assets and Liabilities	(Rs. in Lakhs)					
Net Fixed Assets		23945.41	24653.08	24374.13	23318.91	22561.37
Stocks		7508.46	8329.58	12545.97	11674.88	12532.37
Debtors, Loans and Advances		8601.1	11371.97	9694.43	9482.44	11408.14
Other Assets		1965.44	771.56	1037.69	2149.27	1095.99
Sundry Liabilities		7186.86	8566.60	13441.60	8990.32	8655.54
Net Current Assets		10888.14	11906.51	9836.49	14316.27	16380.96
Deferred Revenue Expenditure		50.48	23.63	3.96	-	-
Investments in Shares and Securities.		18705.22	18382.92	14677.62	14677.62	14570.24
Total Assets		53589.25	54966.14	48892.20	52312.80	53512.57
Represented by	(Rs. in Lakhs)					
Share Capital		1867.70	1867.70	1867.70	1867.70	1867.70
Reserves		32069.26	32293.45	28405.60	34120.26	38433.48
Shareholders' interest (Net Worth)		33936.96	34161.15	30273.30	35987.96	40301.18
Loans		19212.50	19934.78	17666.51	14864.22	11874.05
Deferred Tax Liability (Net)		439.79	870.21	952.39	1460.62	1337.34
Total Liabilities		53589.25	54966.14	48892.20	52312.80	53512.57

TATA COFFEE LIMITED**PRODUCTION (IN TONNES)**

YEAR	COFFEE						COFFEE	INSTANT
	ARABICA	ROBUSTA	TOTAL	TEA	PEPPER	CARDAMOM	CURED	COFFEE
2001/2002	2595	5790	8385	1072	1196	6.62	16223	4507
2002/2003	3044	6813	9857	1114	856	4.43	13027	3590
2003/2004	2338	5539	7877	1048	1150	7.10	14548	5368
2004/2005	2680	4944	7624	1119	1328	10.98	13241	3341
2005/2006	2110	6434	8544	2699	981	14.23	11105	4236
2006/2007	2014	5503	7517	6936	861	44.49	11870	3628
2007/2008	2233	5771	8004	6576	682	4.97	11247	4966
2008/2009	1551	4225	5776	7606	1515	14.52	11195	5219
2009/2010	2171	7285	9456	7994	884	32.01	10427	2955
2010/2011	1670	6620	8290	7334	535	16.02	12959	4974

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

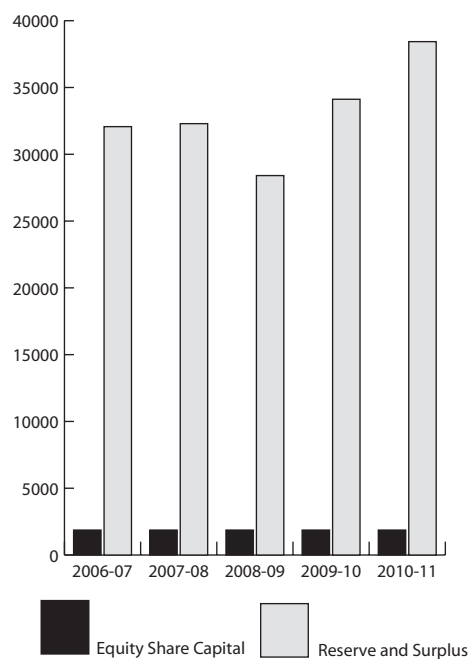
	2006/07	2007/08	2008/09	2009/10	2010/11	
	Acres				Acres	Hectares
COFFEE*						
Arabica	7786	7569	7563	7539	7489	3032
Robusta	10523	10700	10651	10675	10709	4335
Mixed Coffee	86	86	86	86	86	35
	18395	18355	18300	18300	18284	7402
TEA	6089	6089	6089	6089	6089	2465
OTHER CROPS						
Cardamom	533	420	496	504	429	174
Paddy	123	104	37	39	50	20
Pure Pepper/Areca	351	496	472	464	539	218
Oil Palm/ Bamboo/ etc.**	14	34	99	95	103	42
TOTAL CULTIVATED AREA:	25505	25498	25493	25491	25494	10321

* Pepper interplanted in Coffee

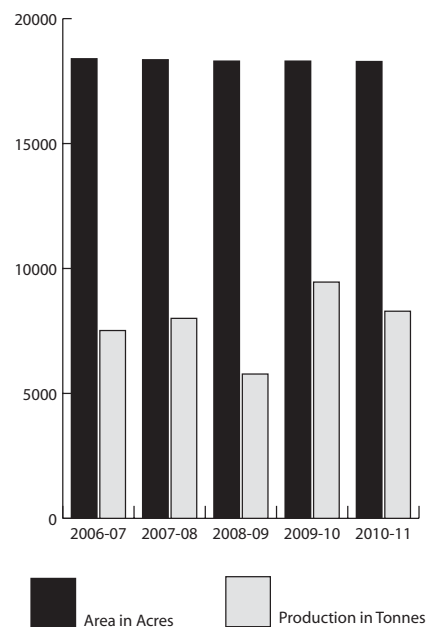
** Since Oil Palm/ Bamboo/ Rubber etc., was planted on waste land/marginal areas on a trial basis, the same was not taken into cultivated areas in the earlier years.

Shareholder's Funds

(Rs. in Lakhs)

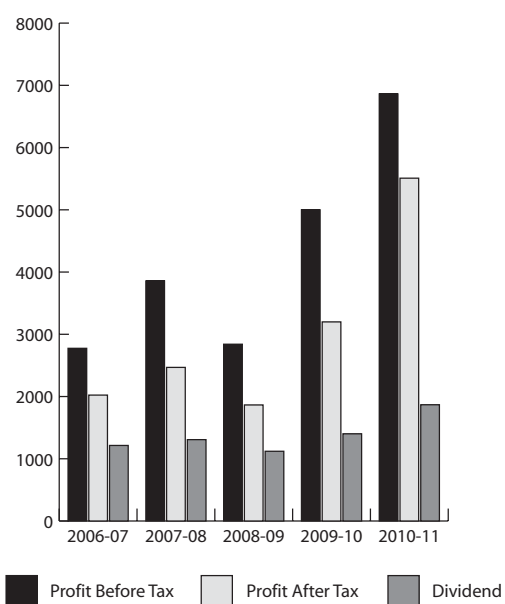


Coffee Area and Production



Profit Earned and Distributed

(Rs. in Lakhs)



Our Role in Coffee Production & Curing

(in '000 tonnes)

