

TATA COFFEE LIMITED

Annual Report 2021-22



**Celebrating Goodness.
Since 1922.**

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Corporate Review

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A 100-year legacy of homegrown goodness

A tale of purposeful consolidation and spirited growth

A charter of change in the Indian coffee industry

The story of coffee in India, and the Company
that has always been synonymous with it.



Celebrating Goodness. Since 1922.

In defining the legacy that Tata Coffee has built, very few philosophies are as telling as the Company's long-standing pursuit of creating and inspiring goodness.

The goodness that we have inherited from the inspiring leadership of Mr. P.G. Tipping, Mr. Ivor Bull, Mr. Darbari Seth and other leaders who succeeded them as well as the ideologies of sustainability and quality for which the Company has always rallied.

As a leading coffee planting and processing company in India, and the largest corporate producer of Indian-origin pepper, we have kept this legacy alive in every sip of our coffee and tea and in every whiff of our pepper and more. We have worked to encircle goodness around our people, the natural environment, and within the communities where we operate.

Tata Coffee remains the sum of its experiences - of rising from global-level crises and setbacks, innovating to stay afloat through myriad business waves, paying equal attention to products, processes and standards of living with enduring affinity to ecological friendliness, transparent corporate approach and always listening to its stakeholders.

In this edition, we pay homage to the alliance of two behemoths (Consolidated Coffee Estates with Tata Tea Limited) and the bold strides it made in the world of coffee.

We salute the ideals of trust and sustainability to create a circle of goodness in the ecosystem.

We celebrate that persistent quest for excellence and quality, which continue to guide the Tata Coffee of today and tomorrow.



Looking back at our
annual performance

₹817 CRORE

Revenue from operations

₹122 CRORE

Profit before tax

₹5.45

Earnings per share

Numbers as on March 31, 2022

EVOLUTION OF COFFEE

Becoming of a liberal lifestyle beverage

The coffee world is full of strange and riveting stories. In tracing the spread of coffee, one meets monks and merchants, leaders and labourers, even pirates and popes.

Coffee's earliest written reference is by Rhazes (circa 850-922 A.D.), a highly respected philosopher, astronomer and physician in Baghdad.

Coffee adventure narratives circulated around the world oscillate between myth and reality, many of which speak of the Indian monk Baba Budan - the first man to break the Arab coffee monopoly.

As coffee travelled the world, Europeans embraced it with open arms and took its propagation upon themselves. By about 1715, there were 2,000 coffee houses in London, even becoming sanctuaries for English intellectuals fighting for political liberty.

Demand for coffee continued to grow exponentially around Europe and in its colonies, which initiated coffee cultivation in parts of South America and Asia.

The popularity of artisanal coffee shops today is owed to its repute that it is much more than a caffeine kick. Today people are invested in knowing about the origin of coffee strains, its unique flavours, and the environment in which it is grown and consumed, than ever before.



It is a celebration of the sensory experience, rather than the beverage alone, that has driven coffee's global success.

It is all in the way it brings people together.



Born of the Baba Budan Beans

The coffee plant, while it originates in Africa, its cultivation and propagation are due to the Arabs. There the concoction made from coffee beans were known as bunchum and primarily recorded for its medicinal properties.

The Arab monks from Yemen were the first to systematically cultivate the coffee plant and make a drink with its roasted beans, qahwa, an Arabic word associated with 'wine' and from which, comes the word 'coffee'. Soon the beverage began travelling across borders into Mecca, Cairo and Medina. It was in Mecca that the first café, Kaveh Kane was established.

More of these cafés sprung up and became recreational centres where people could play chess, listen to music and dance. Its popularity began interrupting with people's mosque visits, making angry clergies argue against the beverage's influence. The culture around coffee traversed the Middle East to the Ottoman Empire in Constantinople and then inevitably across Europe.

Bringing coffee in a beard to India

Coffee has its own charming story of first arriving in India, routed through the misty Chandragiri Hills of the southern Chikmagalur district.

Coffee remained a strictly Arab affair until the 16th century, when an Indian Sufi monk, Baba Budan visited the Holy Land of Islam for Hajj. On his return, he made a stop at the port of Mocha, where coffee was traditionally offered as a tonic to disgruntled pilgrims.

Excited after consuming qahwa, Baba Budan chose seven beans from the magic plant to bring back to India, hidden in his enormous beard, as legends suggest. He planted these seeds in the Indian hills from which, it is believed, that seven coffee trees sprouted up: the first Arabica coffee trees on foreign soil.

In Karnataka, the monk's hideout and his tomb is preserved on the hills where he planted his coffee trees, which now bear his name.

Bested by the British in India

The first coffee house in the West was built in Italy. While English travellers wrote about coffee in their works, the first coffee house in Oxford, England was not set up until 1650. The students of Oxford immediately took to the beverage, even as the Dutch experimented with systematic cultivation in Indonesia and Ceylon.

Traversing tumultuous terrains

It was in 1877 that the first British surveyors were sent to examine the Western Ghats through Kodaikanal. In 1879, Henry Gribble Turner, on his long leave in India, climbed peaks and marched over long distances to discover the future cultivation possibilities of the vast stretch of country. Climate and rainfall seemed suitable, with jungle soil in plenty. An obstacle on this road was that there were none, which made him collaborate with Poonyatu Rajah, the Zamindar of the Kanan Devan hills to develop land and roads for freight and produce to travel uphill and down.

Pioneers in planting soon began to flock the coffee district, of which one was John Payne who opened Talliar for H.G. Turner in 1881. He cut the road between Devicolam and Periakanal and his zigzags for ponies, donkeys and bullocks remained famous in the region for years. A particularly historic undertaking on their part was the erection of the big aerial ropeway from Koranganni to Top Station, which alleviated the difficulty of traversing the rocky and steep country and prevented elephants, prevalent in the region, from interfering with plantation work.



EVOLUTION OF COFFEE

Continuing cult of coffee...

This rich, dark liquid has persistently flown across geographies and greased the wheels of economies around the world. Coffee's intoxicating and aromatic flavours, psycho-active impact and social currency drive its popularity, prompting the global coffee industry to continuously bring the new and the premium to those beguiled by coffee charms, and adding meaningfully to the coffee culture.

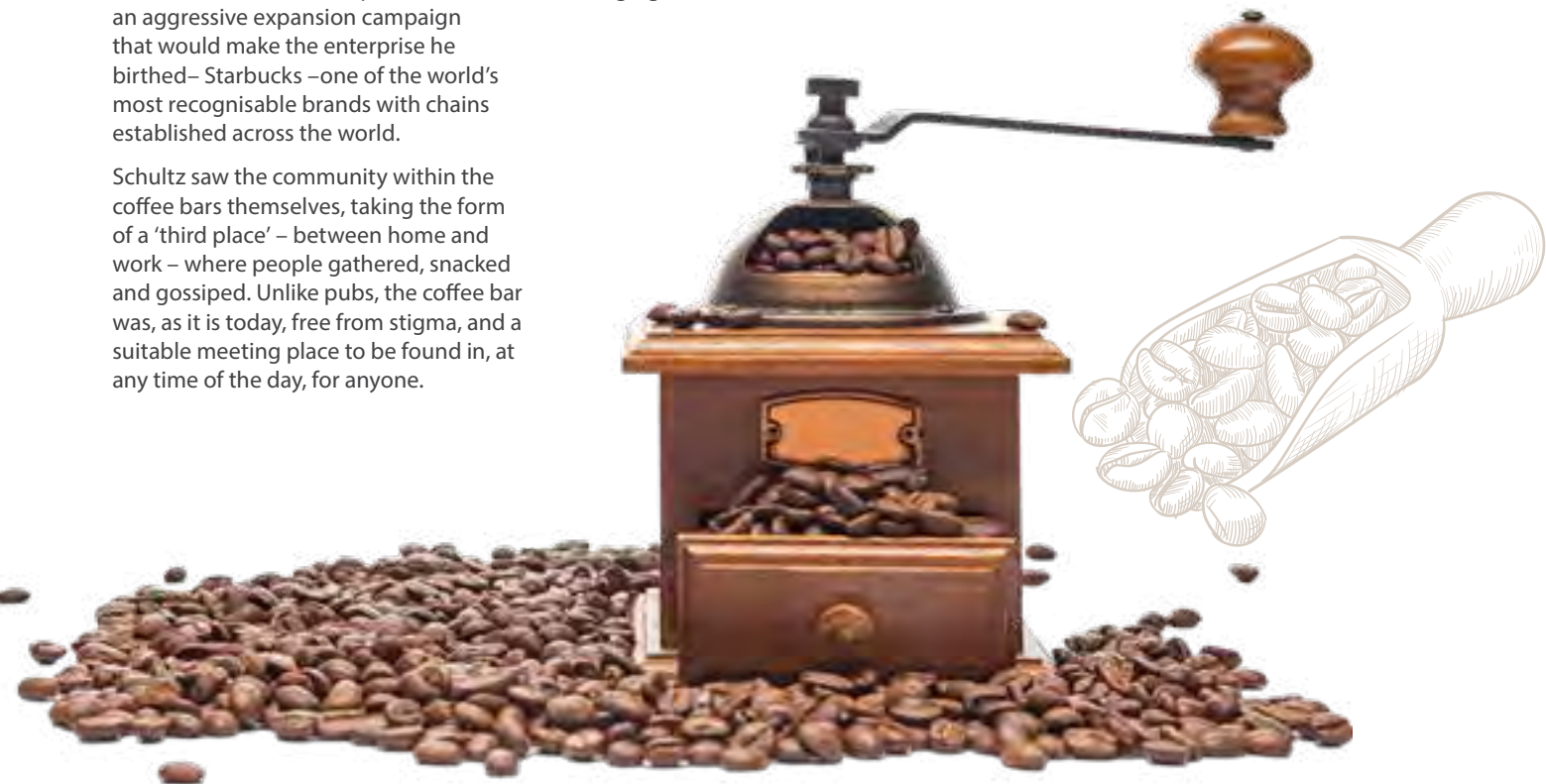
An espresso obsession that became a phenomenon

Once espresso machines from Italy, that could extract more flavour from the grinds, got integrated into the coffee scene, espresso coffee took over global cities. Howard Schultz, a manager at a little-known coffee shop in Seattle, fell in love with Italian espresso during a business trip to Milan. He bought out the owners of this coffee shop and initiated an aggressive expansion campaign that would make the enterprise he birthed– Starbucks –one of the world's most recognisable brands with chains established across the world.

Schultz saw the community within the coffee bars themselves, taking the form of a 'third place' – between home and work – where people gathered, snacked and gossiped. Unlike pubs, the coffee bar was, as it is today, free from stigma, and a suitable meeting place to be found in, at any time of the day, for anyone.

This was the relaxing hospitable environment that he wanted to create at his chains, and this is the energy around modern-day Starbucks cafes around the world and in India, attracting throngs of people who spend hours in the ambience and contribute to the surge of the coffee cult across advanced and emerging economies.

Coffee in popular culture has come to be associated also with IT professionals who have named one of the main software languages after a coffee origin: Java.



Going back to Vietnam's connection with coffee

European settlers introduced the plant to their colonies in Asia and South America: Portugal brought coffee to Brazil, France to Vietnam, and Spain to Colombia. Coffee cultivation came to be linked with the slave trade, which was not abolished until the 1850s in Colombia and the 1880s in Brazil.

Coffee remains vital across these economies, and today Brazil, Vietnam and Colombia are three of the largest producers of the raw coffee bean.



Coffee must build on what it was yesterday to remain what it is to the world today...



India acquiring a new character of coffee

India's coffee culture has matured in leaps with a specialty coffee wave brewing within it. Affluent Indians are contributing to it by paying for specialty coffee, infused in small batches, and customised for different palates.

PURSUIT OF GOODNESS: A TATA COFFEE CONSTANT

A pursuit and a purpose that took many forms

There are not many places in India that match the beauty of Coorg and far lesser districts, which compare to its natural splendour or ideal coffee-growing conditions. The British saw the site for its potential and raised expansive estates in the region.

In 1922, the amalgamation of two Edinburgh based companies, Coorg Co. Limited London and Pollibetta Coffee Estates Co. Limited managed by Matheson & Co, was the beginning of what came to be known as Consolidated Coffee Estates.

In India, it did exactly what its name suggests – bringing the large and widely dispersed, British-run estates in and around the Coorg district, together as a company to leverage its scale and influence.

It opened new avenues for the business and took the enterprise on to its best growth journey.

Until 1940, no British or native coffee grower in India thought to cover behind the protection of any government for favourable prices. Coffee entered the country freely and India could export freely without controls to protect the small grower against the large ones, the consumer against the traders, or the Indian producers against foreign producers.

The first 50 years of the Company is a lesson in navigating emerging challenges, dangers and risks that a planting company faces, and yet it highlights what an exciting and rewarding pursuit it can be.



The colossus we started out as...

The birth of the Consolidated Coffee Estates Limited in 1922 heralded a seismic shift in the Indian coffee culture. With a pioneering spirit, this company of British heritage, brought with it the revolutionary coffee pooling system and the possibility of inter-plantation of commercial crops into the Indian coffee culture. The alliance of CCL with Tata Tea in 1991-92 fanned the Company's growth prospects.

The liberalisation of the Indian economy meant new opportunities were in sight, which few companies could leverage as good as Tata Tea Limited. Collectively, they charted a legendary path, sharing a vigour for modern agricultural management, strong R&D, and market expansion expertise.



The connoisseurs we are now...

We are one of the largest integrated coffee cultivation and processing companies in the world. We are also the largest corporate producer of Indian-origin pepper in the world.

The Company we are today is an outcome of spirited innovation in natural and field resource utilisation and continuous sophistication of products and processes over 100 years.

Offerings



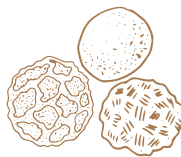
Green Bean



Instant Coffee



Tea



Pepper

Mission

Create distinctive long-term value for all stakeholders with Coffee and Allied Plantation products embracing sustainable practices.

Values



Safety



Customer focus



Responsibility



Innovation & Agility



People-centric



Transparency