TATA COFFEE LIMITED

Senventy-First Annual Report and Financial Statements 2013–2014



Towards a better world for all

In a free enterprise, the community is not just another stakeholder in business, but it is in fact the very purpose of its existence.

– Jamsetji Tata



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Chairman's Message

Dear Shareholders,

I am delighted to introduce the theme of this Annual Report - Sustainability in Tata Coffee. Your Company is a proud, prosperous and progressive institution. As we grow from strength to strength in the world of coffee, we are also committed to ensuring that such growth is sustainable, and significantly improves the quality of life of all the communities in which we operate.



Many decades ago, the founder of the Tata Group, Jamsetji Tata, said - "In a free enterprise, the community is not just another stakeholder in business, but it is in fact the very purpose of its existence." Tata Coffee has held deep conviction in this simple but powerful philosophy of sustainability, which has guided its approach to business at all times.

Across all its operating units, in the plantations business as well as in the instant coffee business, you will see exemplary initiatives that are driven by the need to create a positive impact in the lives of people and communities. You will read, in the pages of this Annual Report, stories of how your Company has contributed to areas as wide-ranging as biodiversity and ecology, water conservation, reduction of carbon emissions and optimizing energy usage. You will, through these pages, get a glimpse of your Company's deep and abiding commitment to sustainability.

At the root of all these initiatives is a recognition that while the future of our business lies in the excellence of our products and our financial performance, it also resides in how good our social and environmental bottomlines are. By living in harmony with our environment and society, we create long-term value and happiness for all our stakeholders. Our customers, across the world, also recognize and value the fact that the coffee, tea and pepper we market to them are products of a responsible and good business that is committed to people and the environment.

Some aspects of Tata Coffee make our sustainability efforts unique. Most of our business operations are located across the Western Ghats of India, an area known for its rich biodiversity. Your Company has therefore made it a mission to preserve and enhance the ecological wealth of this area. Our vast coffee estates are triple certified — Utz, Rainforest Alliance and SA 8000 — thereby reinforcing our commitment to producing this wonderful bean in a socially and environmentally responsible manner.

We are also very proud of the efforts we have made towards community development, through Swastha, a center for special education and rehabilitation of differently abled children of the South Coorg region. Conceived under the aegis of the Coorg Foundation, Swastha has today grown into a school with over 120 students and it passionately pursues the objective of rehabilitating these students into the mainstream of society through education and skills training. This is a mark of our commitment to the Coorg region, which is the home of your Company.

We recognize that sustainability is an ongoing voyage and we have many more promises to keep in the years and decades ahead of us. Even as we continue to focus on profitably growing our business, we will ensure that sustainable development always takes center stage in our efforts.

I am sure you will feel proud and happy that for your Company how growth and profits are achieved is as important as how much growth and profits are achieved. Please join me, therefore, in celebrating our commitment to sustainability.

- Harish Bhat
Chairman

Board of Directors



Harish Bhat
Chairman

Date of Appointment: 27.07.2012
Qualifications: BTech, MBA from IIM, Ahmedabad

Mr. Harish Bhat is a member of the Group Executive Council (GEC) of Tata Sons. He joined the Tata Group in 1987 as an officer in the Tata Administrative Service. Prior to being appointed as a member of the GEC, he led Tata Global Beverages as the Managing Director and CEO.

Mr. Bhat is an alumnus of BITS Pilani and IIM Ahmedabad, graduating at the top of his class in both institutions and winning the IIM Ahmedabad Gold Medal for scholastic excellence. He is a prolific writer and his first book 'Tata Log' was published by Penguin in 2012.



S Santhanakrishnan
Director

Date of Appointment: 13.10.2008
Qualifications: Graduate in Science, Degree in Law, Fellow Member of the Institute of Chartered Accountants of India.

Mr. S. Santhanakrishnan, FCA, is a partner in PKF Sridhar & Santhanam, Chartered Accountants, and has more than 30 years of experience in Finance, Accounts, including IFRS, Strategy & Planning, Global Assurance, Corporate Laws and Consulting. He is a member of the Central Council of the Institute of Chartered Accountants of India (ICAI) and is actively involved in numerous industry-oriented initiatives of the Reserve Bank of India and Ministry of Corporate Affairs.



Venu Srinivasan
Director

Date of Appointment: 13.10.2008
Qualifications: BTech, PGDM (IIM)
Expertise in Specific functional area: Overall Business Management

Mr. Venu Srinivasan is an Indian industrialist, the Chairman and Managing Director of Sundaram Clayton Ltd and TVS Motor Company -- the third largest two-wheeler manufacturer in India. He has also served as the President of Confederation of Indian Industry for 2009-10. He was also President of the Manufacturers. Currently, he is the Honorary Consul General of Republic of Korea and a Member of the Prime Minister's Council on Trade & Industry.



D R Kaarthikeyan
Director

Date of Appointment: 02.07.2013
Qualifications: BSc and LLB

Prior to getting selected to Indian Police Service, Mr. D. R. Kaarthikeyan practiced as a lawyer for 3 years. In the Police Department, he held several positions in different parts of India, including Director-General of Central Reserve Police Force, Director of Central Bureau of Investigation and Director-General of National Human Rights Commission. He is on the Board of several Companies and a member of several leading International and Domestic Forums. He has participated in important national and international events. He was conferred the Padma Shri by the Government of India in 2010.

Board of Directors



Arun Monappa
Director

Date of Appointment: 31.03.2006
Qualifications: M.A. Political Science & Public Administration, M.Sc, Industrial Relations, J.N. Tata School at L.S.E.

A former professor of Personnel Management of Industrial Relations at IIM Ahmedabad, Prof. Arun Monappa has worked for Personnel Development of Organisations in Sweden, USA and India.



Hameed Huq
Managing Director

Date of Appointment: 03.01.2010
Qualifications: BA (Hons)

Mr. Hameed Huq has been the Managing Director of Tata Coffee since 2010. He joined Tata Coffee in 1999 as Vice President (Plantations) and was promoted to Executive Director (Plantations) in 2005. Prior to this, Mr. Huq was in Tata Tea since 1972 and held various senior positions in the company. He also had a stint in Plantations in Sri Lanka from 1994 to 1997.



M Deepak Kumar
Executive Director - Finance

Date of Appointment: 25.10.2010
Qualifications: BCom, ACA,
Diploma in Computer Applications

Mr. Deepak Kumar joined Tata Coffee in 1999 and was Vice President (Finance) till he was promoted to the position of Executive Director (Finance) in 2010. Prior to this, he was in Tata Tea since 1980. He was also directly involved in the acquisition of Eight O' Clock Coffee (EOC) in 2006 and is currently on the Board of Directors of EOC.



T Radhakrishnan
Executive Director - ICD Operations

Date of Appointment: 26.07.2013
Qualifications: B.Tech (Chemical)

A Chemical Engineer from Sri Venkateswara University, Mr. T. Radhakrishnan started his career with Tata Chemicals in 1982 and then moved to Tata Coffee In January 2010 as Vice President - ICD Operations. He was subsequently elevated as Executive Director - ICD Operations.



N S Suryanarayanan
Company Secretary

Date of Appointment: 27.06.2012
Qualifications: FCS, CWA

Mr. N. S. Suryanarayanan worked as Company Secretary with WS Industries Ltd., Empee Distilleries Ltd. and Auro Mira Energy Company Private Ltd. before joining Tata Coffee in 2012. He has over 30 years of industrial experience in the manufacturing sector.

Carbon Footprint

Tata Coffee has strong practices in place and is committed to protect the environment by aligning to its mission of preserving and enhancing ecological wealth.

The Plantations area has enormous green cover, with diversity in tree species which sequestrates a lot of carbon. A recent carbon footprint assessment showed a negative of 1.71 lakh tonnes CO_2 equivalent per annum, an enormous source of carbon sink which is being sustained through eco-friendly plantation business practices.



Living Organisms' Group	Species	Native Species	Percent Nativity
Plants	5,916	3,049	51.5
Mammals	140	18	12.9
Birds	458	35	7.6
Reptiles	267	174	65.2
Amphibians	178	130	73.0
Freshwater Fishes	191	139	72.8