

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

TATA COFFEE LIMITED**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)(l) 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

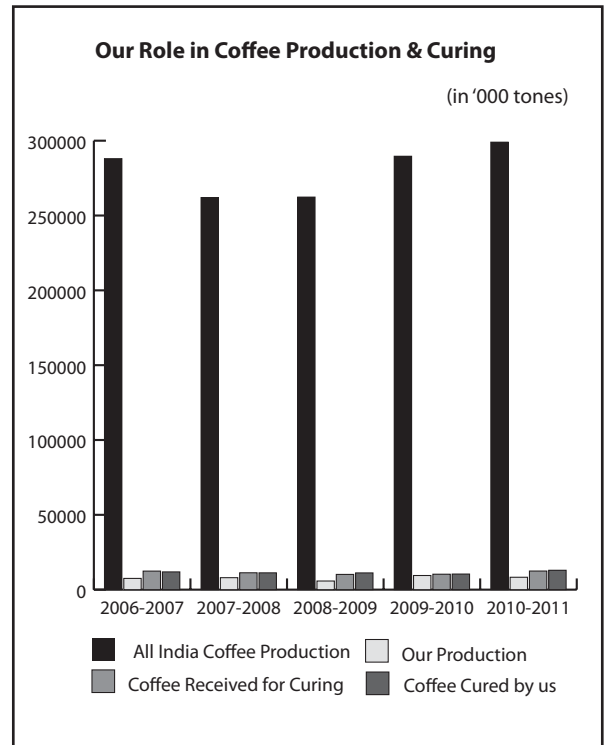
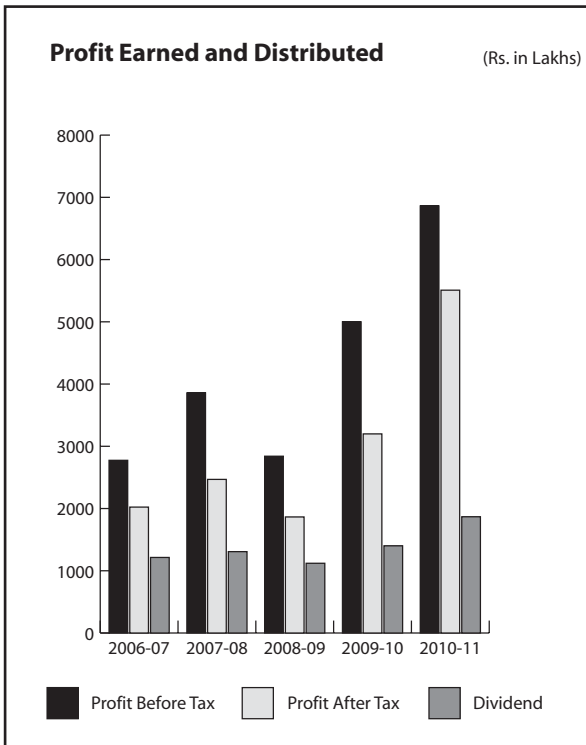
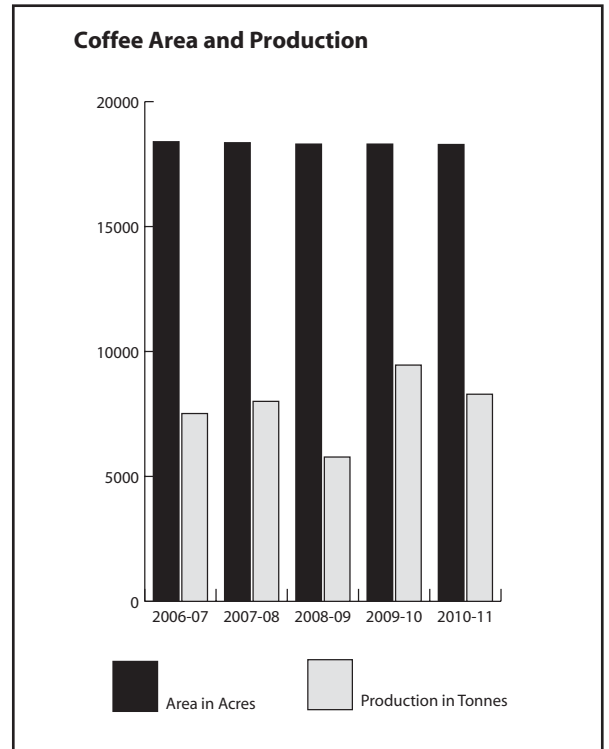
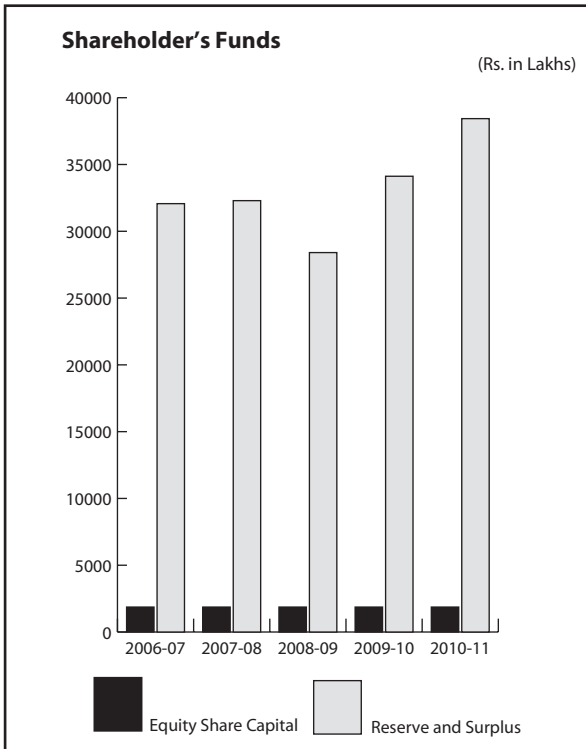
Note: The crop figures for the year 2005/06 and onwards include crop of Anamallai Group Estates which were acquired by the Company during the year 2005/06.

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.



DIRECTORS' REPORT

Your Directors are pleased to submit their Report together with the Audited statement of accounts for the year ended 31st March, 2011.

	2010/11		2009/10
	Rs. in Lakhs		Rs. in Lakhs
Profit from Operations before Other Income and Interest	4280.33		1963.11
Add: Other Income	2038.80		3791.79
Operating profit before Interest	6319.13		5754.90
Less: Interest	522.55		754.98
	5796.58		
Add: Exceptional Income.....	1065.60		-
Profit Before Tax.....	6862.18		4999.92
Provision for Tax: Current Year	1477.00	1292.71	
Deferred Tax.....	(123.28)	508.23	
	1353.72		1800.94
Profit After Tax.....	5508.46		3198.98
Add: Surplus b/f from PY	1420.09		842.15
Amount available for appropriation	6928.55		4041.13
General Reserve No. I	550.84	319.90	
General Reserve No. II.....	311.17	284.42	
Debenture Redemption Reserve A/c	(692.80)	383.29	987.61
Dividends			
Interim Dividend.....	933.85		
Final (Proposed).....	933.85	1400.78	
Tax on Dividend.....	306.60	232.65	1633.43
Balance carried forward.....	4585.04		1420.09

TURNOVER

Your Company's turnover during the year under review was Rs.422.09 crores as compared to Rs.373.42 crores in the previous year, registering an increase of 13% over last year.

PROFITS

Profit from Operations before other income and interest for the year ended 31st March, 2011, stood at Rs.42.80 crores as against Rs.19.63 crores in the previous year, reflecting an increase of 118%. Other income includes dividends from subsidiaries of Rs 19.82 crores (previous year Rs 37.27 crores). Profit before tax at Rs. 68.62 crores vis-à-vis Rs 50.00 crores in the previous year reflected an increase of 37%. Profit after tax in 2010-11 stood at Rs.55.08 crores as against Rs 31.99 crores in the previous year.

DIVIDEND

Your Directors have recommended a final dividend of Rs 5.00 per share which together with the interim dividend of Rs. 5.00 per share declared on the 28th December, 2010 works out to a total dividend of Rs.10.00 per share aggregating to Rs.2174.30 Lakhs for the year 2010-11 including Dividend Tax of Rs.306.60 Lakhs.

COFFEE SCENARIO:

The last year began on a very steady note for both Arabica and Robusta. Going by the prospects of the biggest ever 'on' year crop in Brazil that would ultimately result in only a marginal surplus in supply, no changes were witnessed in the prevailing price levels.

However, market started a steady but significant upward journey from end June onwards and the Arabica market appreciated by about 100% by the end of the year. Robusta was not left untouched by the explosive increase in Arabica but the extent of increase was far less at about 50%, as it showed a greater supply surplus than Arabica. Initially, most analysts attributed the rise to pure fund play based on the huge increase in positions held by the funds. A correction was predicted in the short-term. However, by October it was obvious that the increase was not going to be short term and traders and roasters who had reduced coverage expecting a correction were forced to scramble and cover as the market continued to rise.

Some of the price increase has been passed on to the consumer with no impact on the growth in consumption so far. However, the view is that any further price increase will impact demand growth from here onwards.

TEA SCENARIO

Black Tea production of major producing countries during January/December 2010 stood at 1877 m.kgs as against 1773 m.kgs in 2010, showing an increase of 104 m.kgs.

The Kenyan Crop and Srilankan crop showed an increase of 85 m.kgs and 38 m.kgs respectively in 2010 as compared to the previous year. However all India production during January/December 2010 was 966.4 m.kgs as against 979 m.kgs for 2009 – the North India production was 723.00 m. kgs as against 734.9 in the previous year and the South India production stood at 243.3 m.kgs as against 244.1 m.kgs in previous year 2009.

Indian exports in 2010 were estimated at 193.3 m.kgs as against 197.9 m.kgs in the previous year. Indian consumption continues to rise by 3 to 3.5% p.a which amounts to approximately 25m to 26 m.kgs. The carry forward stock in 2010 was higher as compared to the previous year. However, this year there is no carry over stock due to lower production in the last quarter of 2010.

The current year unlike 2010, has started with a significant drop in South Indian production. During January/February 2011, the South Indian production was 30.25 m.kgs as against 34.83 m.kgs in January/February 2010 and the North Indian production stood at 7.42 m.kgs as against 10.23 m.kgs.

At the global level also, there has been a drop in tea production with Sri Lanka producing 42.63 m.kgs in January/February 2011 as compared to 51.97 m.kgs in the corresponding period in the previous year, while Kenya's production was 62.71 m.kgs as compared to 72.55 m.kgs.

The supply situation, as of now is low in India but is likely to improve in May/June. Once again quality teas are expected to witness good demand from the domestic market and continue to sell well at premium while Medium/Plainer varieties for both Orthodox/CTC's should sell in line with quality.

OPERATIONS

Plantations:

The Company has harvested an Arabica crop of 1670 MT as against 2171 MT in previous year. The Arabica production has been poor across all the 3 planting Districts of Karnataka viz. Coorg, Hassan and Chikmagalur. The Coffee Board has attributed the reasons for poor crop to failure of rainfall during crucial months and also unusual & continuous rains during October and November 2010.

In Robusta, after the record crop in the previous year, the estates harvested the estimated crop of 6620 MT. The Hassan estates did extremely well to harvest a record crop in the current year. With the good winter showers received during October and November 2010, the bushes are looking healthy and the prospects for the coming year appear to be good and the crop estimates indicate a good crop in both the growing areas of Coorg and Hassan.

The Company has achieved a total Tea production of 7.334 m.kgs at Anamallais and the two estates in Karnataka as against the record crop of 7.994 M.kgs during previous year. Major part of the shortfall was in the January to March period with very little rainfall.

On account of delayed ripening, only 535 MT of pepper has been harvested upto 31st March, 2011. With the balance crop being harvested in April/May, the total crop will be 1026 MT as against 1183 MT. The drop is on account of the lower yield in the South Coorg estates caused by uneven rainfall.

TATA COFFEE LIMITED**Curing Works:**

The Company's Curing Works at Kushalnagar cured a total of 12959 MT during the year under review as against 10427 MT in the previous year. In addition, 356 MT of Monsooned Coffee was processed as against 331 MT in the previous year.

The unit handled higher volumes during the year due to the very good Robusta crop picked during 2009-10 season. The unit continued to achieve good financial performance during the year due to sustained cost reduction initiatives in the factory and better husk sale realization.

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

Timber Value Addition:

The Company continues to utilise its Timber extracted by rotation and wind fallen to manufacture Marine Plywood and related products. The Company's high-end products such as Fire Retardant Composite panels, Sound Absorption plywood and shuttering plywood have performed well during 2010/11. In order to get better realization for the low end quality timber, the Company has decided to value add this timber by sawing into sizes of different thickness and width, to cater to the requirements of export packing and construction industry.

Exports:

During the year 2010-11, your Company exported 4819 MT of coffee as against 3633 MT in the previous year.

Your company's thrust to grow the market for differentiated coffee continued to show results with the volume growing to 1847 MT.

Quality Awards:

Your Company's efforts in producing Best Coffees to meet the varying needs of the special customers at the international level are continuing. A total of 10 awards were won by your Company at the Fine Cup Award Cupping competition – 2010 held in California, USA. Out of these, 7 are Regional best awards and 3 are best awards for Specialty coffee. Samples from the Company's different estates have been also sent for the 2011 competition, the results of which are awaited.

Instant Coffee Division

During the year under review, the instant coffee operations stabilized and focus was laid on processes and people development in order to deliver higher value to customers. Total exports in volume terms stood at 5659 MT as compared to 3536 MT in the previous year, an increase of 60%. The period was also well utilized to improve the Freeze dried process by carrying out steady operations and stretching capacity utilization, with focus on Quality. This enabled the Company to move its FDC new product variants from the "Economy" segment and position them in the "Main stream" segment. The agglomeration plant operations at both the units were also stabilized. The year has shown a significant improvement in sale of agglomeration and freeze dried coffee products over last year by 63% and 108% respectively.

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 entered into an agreement with Tata Global Beverages Overseas Ltd. 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 with effect from 1st November, 2010.

The focus continues to be on safety, cost, quality, and sustainability. Your Company proposes to use Renewable energy (wind power) for its operations which will also help support the Company's green initiative.

The Instant coffee unit at Theni received the "ISO 9001:2008" accreditation during the year from M/s. Bureau Veritas certification. This is in addition to the ISO 22000 and SA 8000 accreditations the unit already has.

TRADING OPERATIONS**Coffee Value-Added Products**

Your Company is currently holding on to its volumes in the Roast and Ground coffee segment with a 2.5% market share. Your Company continues to be present in the instant coffee segment through supplies to private labels of key retail chains in India.

Vending business is in the midst of a strategic shift from the current premix based vending to pod based vending, keeping in mind the consumer requirements of modern, hygienic, good quality coffee which is also economical.

PLANTATION TRAILS

Your Company's Hospitality business has seen an increase in occupancy levels as well as turnover. Customer satisfaction levels have seen an improvement over the previous year. The aim is to create a world-class Plantation experience for the Company's guests at Plantation Trails. Your Company aspires to be the number one vacation or corporate getaway choice for customers visiting Coorg and Chikmagalur. Plans for restoration and up-gradation of the Company's heritage bungalows have been consolidated and the work in this regard will commence shortly.

STARBUCKS

The Company has entered into a non binding Memorandum of Understanding (MOU) with Starbucks Coffee International, Inc. (Starbucks) for a potential strategic collaboration in areas of Sourcing of coffee beans, coffee roasting facilities etc. relating to Starbucks entering retail operations in India initially and for other Asian countries over time.

The MOU also envisages discussions and evaluating appropriate opportunities across suitable businesses of associate Tata Companies in the food and beverage categories.

CAPITAL EXPENDITURE

During 2010-11, Rs.1249.09 Lakhs was incurred primarily on account of welfare, modernisation, up-gradation and other programmes undertaken in the various units of the Company.

SUBSIDIARY COMPANIES

Eight O' Clock Coffee Company

Eight O' Clock Coffee Company during the year registered a Turnover of Rs. 912.99 Crores as against Rs. 959.08 Crores in the Previous Year. The Company faced challenging conditions due to sharp increase in the Coffee terminal, especially in Arabica Coffee, which it uses for its products. The sharp surge led to the price to the consumer being increased. This had an impact on volumes which dropped from 43.9 mm lbs in the previous year to 39.5 mm lbs in the year under review. The Profit before Tax at Rs. 118.82 Crores (Rs.135.60 Crores in the previous year) and Profit after Tax at Rs. 72.58 Crores (Rs.76.87 Crores in the previous year) registered a decrease of 12.37% and 5.58% respectively over the previous year.

During the year the foodservice business was merged into the Empirical Group. The Brands packaging graphics was upgraded, which scored extremely favorably in consumer research. EOC paid out Dividend amounting to USD 8 mm in the year 2010-11.

Alliance Coffee Limited

The Marketer Agreement with Alliance Coffee Limited (Alliance) was terminated with effect from close of business hours on 31st October, 2010. Your Company has purchased the entire 49% shareholdings of Beeyu Overseas Limited and its Associates in Alliance, following which Alliance has become a wholly subsidiary of the Company with effect from 1st May, 2011.

The gross income of Alliance for the year ended 31st March, 2011 was Rs.382.24 Lacs as against Rs. 458.83 Lacs during the previous year. Profit before tax was Rs. 273.01 Lacs as against Rs. 327.75 Lacs. Profit after tax stood at Rs. 186.83 Lacs as against Rs. 215.27 Lacs in the previous year. The gross income includes income from commission up to 31st October, 2010 viz. the period up to which the Marketer Agreement between Tata Coffee and Alliance was valid.

The Ministry of Corporate Affairs has vide Circular dated February 8, 2011 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.

TATA COFFEE LIMITED**EMPLOYEES WELFARE**

Health and welfare of employees has been and continues to be the focus area at Tata Coffee. With the changing economic scenario and the growing market challenges globally, appropriate measures have been adopted with regard to employee welfare. A Human Development Index (HDI) study has been initiated and improved facilities provided to the employees in the areas of housing, education, health and hygiene. The re-certification during the year of SA-8000 - 2008 standard following a detailed audit by M/s. Det Norske Veritas (DNV) bears testimony to the Company's commitment to comply with international requirements under Social Accountability, which are beyond statutory norms. The Company has also been certified under Rainforest Alliance, which reflects its commitment towards protecting and preserving the environment and eco system, thus ensuring a safe workplace and living conditions not only for the Company's employees but also for the community around. The Reward and Recognition practices introduced two years ago have been reinforced and deployed across the Company in order to encourage and foster employee engagement. The Company's aim is to be a provider of workforce facilities at par with world-class standards.

DIRECTORATE

Mr. M. Deepak Kumar was appointed as Additional Director by the Board at its meeting held on 25th October, 2010. At the said meeting Mr. Kumar was also appointed as Executive Director – Finance for a period of 3 years with effect from 25th October, 2010. As Additional Director, Mr. Kumar holds office up to the date of the ensuing Annual General Meeting of the Company in terms of Article 101 of the Articles of Association read with Section 260 of the Companies Act, 1956. The Company has received a notice from a Member under Section 257 of the Act signifying his intention to propose the appointment of Mr. Kumar as Director at the forthcoming Annual General Meeting.

Mr. R. Govindarajan who retires by rotation at the forthcoming Annual General Meeting has informed the Company that he does not wish to offer himself for re-election as a Director of the Company. As required under Section 256(4) of the Companies Act, 1956, a resolution for not filling the vacancy caused by Mr. Govindarajan's retirement has been included in the Agenda of the Annual General Meeting. Your Directors wish to place on record their appreciation of the contributions made by Mr. Govindarajan during the period of his association with the Company.

Mr. U. M. Rao and Prof. Arun Monappa retire by rotation and are eligible for re-appointment.

SERVICE TO THE COMMUNITY

The Coorg Foundation, a Public Charitable Trust established by TATA Coffee Ltd continues to provide assistance to many individuals and institutions in the field of Health Care, Education, Sports, Culture and Environment.

In the field of Health Care, the Foundation provided grants to institutions to conduct free eye camps and treat patients belonging to the lower income group. To support higher education, the Foundation continued to provide educational scholarships to the students studying in diploma & professional courses. Merit Awards were given to students securing ranks in Kodagu District. In the field of Sports, upcoming talented youths continue to be encouraged by providing scholarships to undergo training & take part in international events. To promote and encourage culture, the foundation conducted the annual Art-in- Action programmes which provide opportunity to the rural children in the field of Drawing & Painting, Public Speaking and Bharathnatyam. In the field of environment, the Foundation provided grants to conduct awareness programme on utilization and conservation of natural resources.

"SWASTHA", the Project started by The Coorg Foundation, for differently abled persons continues to do well at its centres at Suntikoppa and Pollibetta. Suntikoppa has 100 students clustered into two streams- Education and Rehabilitation and Pollibetta has 20 participants in the Rehabilitation programme. During the year, Swastha initiated Community Based Rehabilitation Programme (CBR) at Somwarpet Taluk, a concept that caters to the needs of the differently abled, taking care of the needs of the respective communities, moving away from a central location. Under this concept specialist trainers visit the community where differently abled people are located and provide the required package of inputs. This is a cost effective method of reaching out to a larger number of needy persons.

PARTICULARS OF EMPLOYEES

Information required under Section 217(2A) of the Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975 is given in the Annexure forming 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, 2011, 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 judgements 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, 2011 on a 'going concern' basis.

AUDITORS

M/s. N.M. Raiji & 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 : 13th May, 2011

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, 2011

A. CONSERVATION OF ENERGY

1. **Energy Conservation measures taken**
Your Company has taken a two pronged approach in the area of energy conservation - one through driving continuous improvement in utilization of specific energy in the manufacture of products, with a process for audit review, improvement and optimization and secondly by focusing on usage of renewable energy sources.

The optimization efforts include higher capacity utilization resulting from Debottlenecking at the Theni unit and realization of hidden capacities in the Toopran unit through selection of the right product mix.

Arrangements are being finalized for usage of wind power at Theni which would reduce dependence on non-renewable energy sources considerably.
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** Nil

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 31.03.2011	Previous Year ended 31.03.2010
1. ELECTRICITY (FOR MANUFACTURE)		
(a) Purchased		
Units	6491439.00	6532885.00
Total Amount (Rs. in Lakhs)	318.53	311.22
Rate/Unit (Rs.)	4.91	4.76
(b) Own Generation		
(i) Through Diesel Generator Units	473687	642200.00
Diesel Consumed – Ltrs.	156045	211104.00
Cost of Diesel (Rs. in Lakhs)	60.22	75.79
Unit/Ltr.	3.04	3.04
Cost/Unit (Rs.)	12.71	11.80
(ii) Through Steam Turbine/ Generator	Nil	Nil
2. COAL: C GRADE USED IN DRIER	Not being used	Not being used
Quantity – Mts.		
Total Cost (Rs.in Lakhs)		
Average Cost/MT (Rs.)		
3. FURNACE OIL	Not being used	Not being used
4. OTHERS/INTERNAL GENERATION		
(a) Leco for Drier		
Quantity – Mts.	Not being used	Not being use
Total Cost (Rs. in Lakhs)		
Average Cost per MT (Rs.)		
(b) Firewood – used in Drier		
Quantity – Cu. Mtrs.	15022.95	21790.91
Quantity (Agri. Briquettes) – kg.	4624815	3375.020
Total Cost (Rs. in Lakhs) (Firewood)	209.09	265.88
Total Cost (Agri Briquettes)	209.37	135.40
Average Cost per Cu. Mtr. (Rs.) (Firewood)	1391.82	1220.13
Average Cost/MT (Agri Briquettes)	4527.15	4011.83
B. CONSUMPTION PER UNIT PRODUCTION		

	Current year ended 31.03.2011		Previous year ended 31.03.2010	
Standards	Nil		Nil	
Product:				
BLACK TEA (Kgs.)	7544822		8099248	
		Kg.		Kg.
Unit	Unit/Qty	Value/Unit	Unit/Qty.	Value/Unit
Electricity	0.86	4.22	0.81	3.84
Diesel	0.06	0.80	0.08	0.94
Coal- C Grade	Nil	Nil	Nil	Nil
Furnace Oil	Nil	Nil	Nil	Nil
Leco	Nil	Nil	Nil	Nil
Firewood (Cu. Mtr.)	3.97	5.53	4.01	4.84
Agri Briquettes	1.18	5.35	1.17	4.69

FORM B :
TECHNOLOGY ABSORPTION :
I. Research and Development
1. Specific areas

- 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

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 and Magnesium' to improve Coffee, Pepper and 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 traps 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 :

Arecanut 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).

TATA COFFEE LIMITED**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 and 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.

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 and 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	Rs. 6.03 Lakhs
b) Recurring	Rs. 38.10 Lakhs
c) Total Expenses	Rs. 44.13 Lakhs
d) Total as a % of turnover	0.11%

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	: Rs. 7776.89 Lakhs
b) Earned	: Rs. 24442.58 Lakhs

On behalf of the Board

R.K. KRISHNA KUMAR
Chairman

Place : Mumbai
Dated : 13th May, 2011

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 eight Non-Executive Directors. During 2010-11 the Board met eight times on 13th May, 2010; 20th July, 2010; 23rd July, 2010; 25th October, 2010; 26th November, 2010; 28th December, 2010; 13th January, 2011 and 25th January, 2011.

Details of attendance of Directors at the Board Meetings and at the last Annual General Meeting with particulars of their Directorship and Chairmanship/ Membership of Board/ Committees in other Companies are given in the following Table.

Name of Director Messrs.	Category	Attendance at		No. of other Directorships	Committee Positions		No. of Shares held
		Board Meeting	Last AGM		Member	Chairman	
R.K.Krishna Kumar	C (NED)	6	No	10	2	-	-
P.T.Siganporia	NED	6	No	2	-	-	50
R.Govindarajan	NED & IND	8	Yes	-	-	-	400
U.MaheshRao	NED & IND	8	Yes	1	3	1	-
A.Monappa	NED & IND	6	Yes	-	-	-	-
Venu Srinivasan	NED & IND	1	No	13	3	1	-
S.Santhanakrishnan	NED & IND	7	Yes	5	2	3	-
T.V.Alexander	NED & IND	5	Yes	-	-	-	36
Hameed Huq	MD	8	Yes	1	-	-	199
M.Deepak Kumar	ED	4	-	1	-	-	-
Sangeeta Talwar	NED	2	No				

Notes: 1) Mrs. Sangeeta Talwar ceased to be a Director w.e.f. 01.08.2010.

2) Mr.M.Deepak Kumar was appointed as Executive Director – Finance w.e.f. 25.10.2010.

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/she is a Director.

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

TATA COFFEE LIMITED**3. Audit Committee**

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

During 2010-2011, the Audit Committee met seven times on 11th May, 2010; 17th July, 2010; 23rd July, 2010; 5th October, 2010; 20th October, 2010; 24th January, 2011 and 4th March, 2011. 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;
- i) Look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- j) Reviewing the Company's financial and risk management policies;
- k) Reviewing compliances as regards the Company's Whistle Blower Policy.

Details of Attendance of Directors at the Audit Committee Meetings during 2010-11 are given in the following table:

Director	No. of Meetings attended
Mr. S. Santhanakrishnan	7
Mr. R. Govindarajan	7
Mr. U. Mahesh Rao	7

4. Remuneration Committee

The Remuneration Committee comprises of Mr. U. Mahesh Rao as Chairman, and Mr. R.K. Krishna Kumar, Mr. R. Govindarajan and Prof. A. Monappa as the other members. During 2010-11, the Remuneration Committee met twice on 13th May, 2010 and 26th November, 2010.

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 and commission and retirement benefits.

The Company pays Sitting Fee of Rs.20,000/- per meeting to the Non-Executive Directors for attending meetings of the Board, Audit Committee and Executive Committee and Rs.10,000/- for other Committees except for meetings

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

Details of the remuneration for the year 2010-11

a) Non-Executive Directors

Name	Commission (Rs.) (Relating to 2009-10)	Sitting fee (Rs.)
Mr. R.K. Krishna Kumar	786794	180000
Mr. D.M. Dasappa	234682	-
Mr. R. Govindarajan	1027206	440000
Mr. U. Mahesh Rao	941508	390000
Prof. A. Monappa	510095	150000
Mr. Venu Srinivasan	78683	20000
Mr. S. Santhanakrishnan	1340302	340000
Mr. T.V. Alexander	280730	100000

b) Managing Director and Executive Directors:

(Rs. in Lakhs)

	Salary	Perquisites & Allowance	Contribution to Retiral funds	Commission
Mr.Hameed Huq	36.00	49.24	9.72	45.00
Mr.M.Deepak Kumar *	13.06	16.10	3.53	25.00

* Appointed as Executive Director – Finance with effect from 25th October, 2010

5. Shareholders Committee

The Board has constituted a Shareholders/Investors Grievance Committee, which comprises of Mr. R.K. Krishna Kumar, Chairman; Mr. R. Govindarajan and Mr. Hameed Huq. During the year 2010-11 the Committee met four times on 13th May, 2010; 20th July, 2010, 25th October, 2010 and 25th January, 2011. 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 2010-11.

Requests/ Queries/ Complaints received	3937
Requests/ Queries/ Complaints attended	3903
Pending requests/ Queries/ complaints as on 31.03.2011	34*

* Letters were received in last week of March and have been replied to in April 2011.

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 2010-11, 108 requests for transfer and 352 requests for dematerialisation of Shares were received and processed. As on 31.03.2011, 1 share transfer case covering 4 shares and 12 requests for dematerialisation covering 661 shares were pending. These requests were attended to in April 2011.

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
2007-08	18th August, 2008 at 11.30 a.m.	Registered Office : Pollibetta – 571215, Kodagu
2008-09	24th July, 2009 at 4.00 p.m.	-do-
2009-10	23rd July, 2010 at 12 Noon	-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 e-mail ID for entertaining investor complaints viz. investors@tatacoffee.com

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

10. General Shareholder information

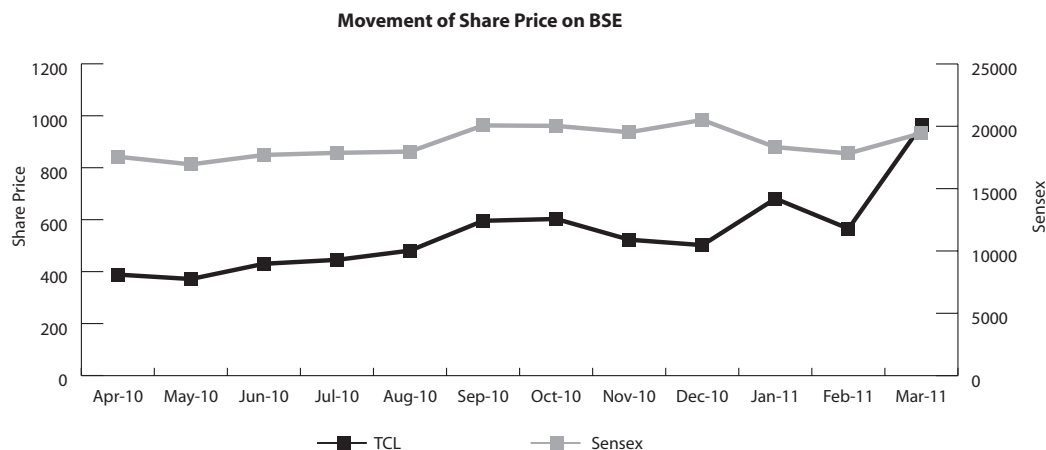
I.	AGM: Date, Time and Venue	5th August, 2011 at 11.30 A.M at the Registered Office: Pollibetta – 571 215, Kodagu	
II.	Financial Calendar (tentative)	Board Meeting for approval of: Audited Results for the first quarter ending 30th June, 2011 Audited Results for the second quarter ending 30th September, 2011 Audited Results for the third quarter ending 31st December, 2011 Annual Accounts 2011-2012 Annual General Meeting for the year ended 31st March, 2012	In July/August 2011 In October/November 2011 In January/February 2011 In May/June, 2012 In July/August, 2012
III.	Dates of Book Closure	19th July, 2011 to 5th August, 2011 (both days inclusive)	
IV.	Dividend Payment Date	The Dividend warrants will be mailed on or after 6th August, 2011.	
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	

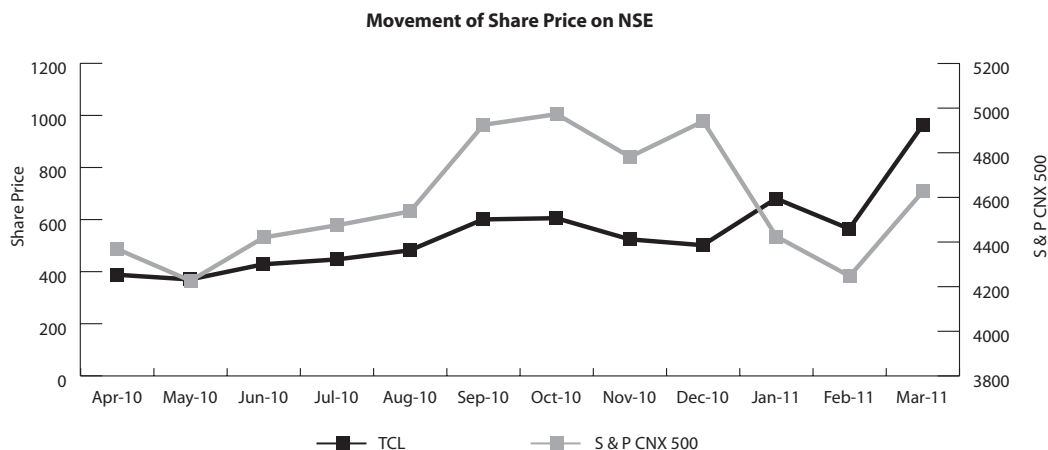
	Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Tel: 022-22721233/34 Fax: 022-22723121 Stock Code: 532301	
	National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No.C/1, G.Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 Tel Nos: 022-26598100-8114 Fax : 022-26598237/38 Stock Code: TATACOFFEE	
	The Company has paid Listing Fees for the financial year to each of the Stock Exchanges.	

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

	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2010	420.90	357.05	419.50	356.25
May, 2010	428.45	351.15	428.00	351.40
June, 2010	458.65	365.00	474.80	360.50
July, 2010	477.70	384.10	477.90	405.00
August, 2010	546.95	373.95	547.85	437.60
September, 2010	648.15	483.15	650.00	484.00
October, 2010	662.00	590.00	662.00	592.00
November, 2010	641.00	485.00	647.00	480.15
December, 2010	567.80	355.00	568.75	360.00
January, 2011	761.40	455.05	761.30	455.00
February, 2011	714.95	512.00	715.90	509.80
March, 2011	1075.00	557.00	1026.90	557.45

VII. Share price performance compared with Broad based indices





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

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

ISIN Code

INE 493A01019
INE 493A01019

IX. Registrar and Transfer Agent

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

Regd. Office:

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

Branch Offices

(i) Bengaluru

TSR Darashaw Ltd.
503, Barton Centre, 5th Floor,
84, Mahatma Gandhi Road
Bengaluru – 560 001.
Tel: 080- 25320321
Fax: 080-25580019
E-mail: tsrdlbgang@tsrdarashaw.com

(ii) New Delhi

TSR Darashaw Ltd.
2/42 Sant Vihar Ansari Road, Daryaganj,
New Delhi – 110 002
Tel: 011- 23271805
Fax: 011-23271802
E-mail: tsrdldel@tsrdarashaw.com

(iii) Kolkata

TSR Darashaw Ltd.
Tata Centre, 1st Floor
43, J L Nehru Road,
Kolkata – 700 071
Tel: 033-22883087
Fax: 033-22883062
E-mail: tsrdlcal@tsrdarashaw.com

(iv) Jamshedpur

TSR Darashaw Ltd.
Bungalow No.1 'E' Road
Northern Town, Bistupur
Jamshedpur – 831 001.
Tel: 0657-2426616
Fax: 0657-2426937
E-mail: tsrdljsr@tsrdarashaw.com

(v) Ahmedabad (Agent)

Shah Consultancy Services Limited
3, Sumathinath Complex
Pritam Nagar, Akhada Road
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.
Email: investors@tatacoffee.com

X. Share Transfer System Physical:

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

Dematerialisation of Shares and liquidity

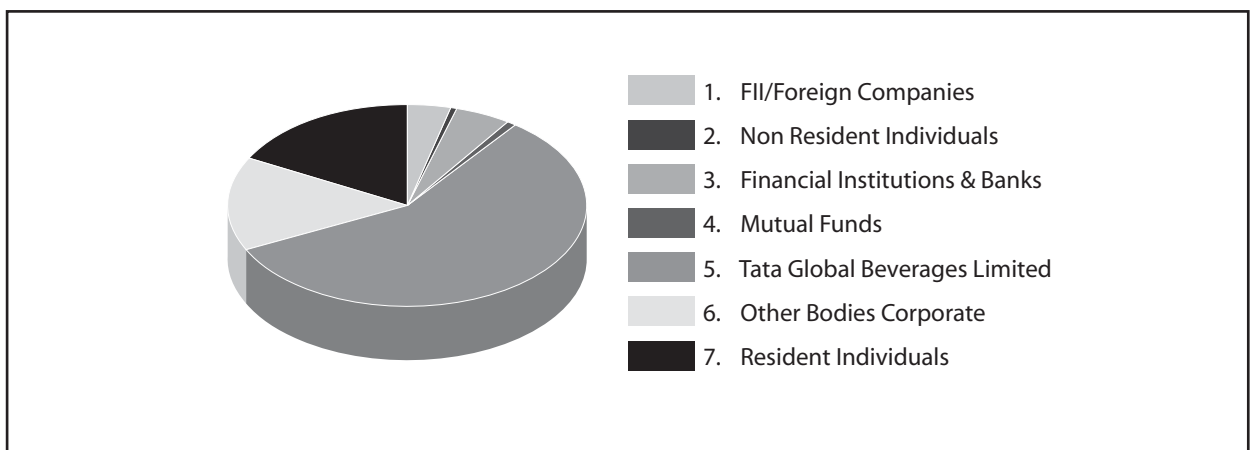
The process of conversion of shares from physical form to electronic form is known as dematerialisation. For dematerializing the shares, the Shareholder has to open a demat account with a Depository Participant (DP). The Shareholder is required to fill in a Demat Request Form and submit the same alongwith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

XI. Distribution of Shareholding as on 31st March, 2011

No. of Equity Shares held	No. of Shareholders	% to Shareholders	No. of Shares	% of Shareholdings
1- 500	24915	95.65	1185628	6.35
501- 1000	538	2.07	398132	2.13
1001-2000	316	1.21	437702	2.34
2001-3000	97	0.37	237988	1.27
3001-4000	56	0.22	196279	1.05
4001-5000	28	0.11	126786	0.68
5001 – 10000	47	0.18	311320	1.67
10001 & above	50	0.19	15783202	84.51
TOTAL	26044	100.00	18677037	100.00

XII. Categories of Shareholders as on 31st March, 2011

Sr. No.	Category of Shareholders	Total Holdings	Percentage
1.	FII/Foreign Companies	759813	4.07
2.	Non-Resident Individuals	101596	0.54
3.	Financial Institutions & Banks	948964	5.08
4.	Mutual Funds	150564	0.81
5.	Tata Global Beverages Limited	10735982	57.48
6.	Other Bodies Corporate	2763825	14.80
7.	Resident Individuals	3216293	17.22



XIII. Shares in physical and demat form as on March 31, 2011	No. of Shares	Percentage
In Physical Form	882015	4.72
In Dematerialised Form	17815022	95.28
XIV. No. of share holders whose shares as on March 31, 2011 are in physical and demat form.	No. of Shares	Percentage
In Physical Form	10030	38.51
In Dematerialised Form	16014	61.49
XV. Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity.	Nil	

XVI. Plant Locations

17 Coffee Estates in Kodagu, Hassan and Chikmagalur District, Karnataka. Kodagu, Chickmagalur and Hassan
 1 Tea Estate in Hudikeri, Kodagu Dist. Karnataka and 1 Tea and Coffee Districts, Karnataka
 (mixed) Estate in Basrikatte, Chikmagalur District.

5 Tea Estates in Tamil Nadu/Kerala viz. Malkiparai, Pachaimalai, Pannimade, Kerala
 Uralikal & Velonie and 1 Coffee Estate in Tamil Nadu viz., Valparai 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)

XVII. Address for correspondence

As stated in 10 (ix) above

11. Particulars about Director proposed for appointment as well as the Directors who retire by rotation and are eligible for re-appointment indicating their shareholdings in the Company have been given in the Notice of the forthcoming Annual General Meeting.

12. Compliance of Clause 49 pertaining to mandatory requirements and 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, 2011.

HAMEED HUQ
Managing Director

Place: Bangalore.
 Dated: 3rd May, 2011

MANAGEMENT DISCUSSION & ANALYSIS

A. Industry structure and developments:

Global Coffee production is estimated at 133 mln bags and global consumption at 134 mln bags. A small supply surplus exists on account of the carry forward from last year's bumper Brazilian crop. This surplus is not enough to make up for the shortfall resulting from this year's 'off' year crop. Consumption has so far, remained unaffected by the price increases passed on to the consumer and has grown at the same pace of 1.5-2% in the last year as in the past.

India's domestic production for 2010/11 is estimated at 4.73 mln bags by the Coffee Board of India, a dip versus the previous year's harvest of 4.83 mln bags.

The market for certified coffees continues to grow but premiums are marginally down owing to the strong prices prevailing for green coffee.

The beverage industry is undergoing a transformation as private label trends support brisk growth and reveal ample opportunities for soluble coffee retailers. Private label coffee packaging is up scaling in both perception and practice. The recession impacted the buying pattern of coffee & Consumers moved to affordable private label coffee, rather than national brands. They desire high quality, tempting flavors brewed from the finest ingredients. Generic private label brands are becoming a popular pick in international markets with the premium private label soon to follow, and there is room to grow.

The global soluble coffee market for the year 2010 was estimated to be around 990 million kg of which 90% for retail and 10% for food services. The forecasted growth is with a CAGR of 4.1%.

The soluble coffee segment which had a 18% share in total coffee market during 2010 is expected to grow at a faster pace and account for 23 to 25% of total consumption by the year 2013. The growth continues to be in the Freeze dried coffee segment. Emerging products are in the areas of decaffeinated and organic instant coffees. Russia and CIS continue to be major markets of soluble coffee though at a lower price point. 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.

Domestic coffee consumption has grown at the rate of 5% sparked by healthy growth rates in Cafés and in Instant coffee. Considerable growth has also been witnessed in non-retail segment. Your company has cashed in on this and is supplying coffee beans to Cafes, Instant coffee to HORECA segment and to Hot tea shop segment in Tamil Nadu. In line with robust economic growth rate and incomes of people, Vending is gearing up to offer superior products and services to customers through POD based technology.

Tea apart from being the cheapest & the most preferred beverage of mass consumption across different strata of society is over the years becoming a favorite 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 3-3.5% annually.

Carried forward stock from year 2009 was well absorbed. An increase in crop in East Africa due to better climatic conditions and a sharp decline in price at Mombasa adversely affected South Indian CTC market especially at the medium and lower end.

Tea is cultivated in about 36 countries all over the world, but production is heavily concentrated in just a handful. In 2000, five countries (India, China, 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 dramatically over the last two decades. In the ten years between 1986 and 1995 Kenyan production increased by 44% while Tanzanian production increased by 58%.

Tea producing countries such as Bangladesh, Kenya, Malawi and Tanzania expanded their tea production area by more than 130,000 hectares in the first half of the 1990s.

B. Opportunities , Threats & Risks

The first and foremost threat for any commodity is the Demand & Supply and Coffee is no exception. Demand for coffee is both within the country as well as outside, at the international market. The demand and supply is dependent on world coffee production, stocks held by the producing countries and the political/economic situation in the importing countries. This year, the earthquake that hit Japan (the world's third largest economy) in March 2011 has cast doubts over demand for commodities. The International Coffee Organization (ICO) has put the total production in the selected exporting countries during 2010/11 at 133 million bags as against 123 million bags of last year (increase of 8.1%), representing 83.343 million bags of Arabica and 49.722 million bags of Robusta. India contributes just 3.56% of the world production at 4.733 million bags as against 4.823 million bags of last year. The Coffee Board of India has reduced its post blossom forecast of Indian coffee production for 2010/11 from 3.08 Lakh MTs to 2.99 Lakh MTs during post monsoon. The split up is 0.95 Lakh MTs of Arabica and 2.04 Lakh MTs of Robusta.

As per ICO, the outlook for coffee remains broadly unchanged and continues to favour firm prices. With current low levels of world stocks and consumption showing continued dynamism, the prospects for the rebuilding of stocks are limited. Exports by all exporting countries during February 2011 totalled 8.5 million bags, bringing the cumulative total for the first five months of the coffee year 2010/11 (Oct.2010 - Feb.2011) to 42.3 million bags, representing an increase of 14% compared to 37.1 million bags for the same period during 2009/10. This increase is attributable to improved crops in some producing countries, especially in Africa and Central America and to current high price levels. The world consumption in calendar year 2010 was 134 million bags compared to 130.9 million bags in 2009, which represents a strong growth of 2.4% and is evidence of the recovery in consumption after the relatively weak performance in 2009 due to global economic crisis. Coffee consumption is growing more rapidly in exporting countries particularly in Brazil, Ethiopia and Vietnam, while consumption in traditional importing markets is growing at a lower rate. It is reported that tight market fundamentals continue to support high price levels.

The second important factor that governs the demand/supply chain is the quality of the product. In India, 98.8% of the coffee holdings are with small growers who hold between 2 to 10 hectares and the balance 1.2% are large growers, holding above 10 hectares. The small growers normally sell their produce at the farm gate to the traders due to economic conditions and the difficulties involved in taking the crop to a Curing Works for curing and grading. The traders, who collect coffee from these small growers, cure it at their small mills or hullers without paying much attention to the quality. These coffees are normally utilized to meet the demand inside the country.

As coffee marketing is strongly influenced by the international market, your company is accredited with coveted international certifications such as SA: 8000, Rainforest Alliance, UTZ, ISO: 9001, USDA Organic etc. to compete in the international markets. Tata Coffee has entered into a historical non-binding agreement with the iconic brand Starbucks in January 2011 for supplying coffee beans to the global major, including supplying beans to the latter's operations in other Asian markets. Tata Coffee's credibility as a bulk operator in the Instant Coffee market has already been established.

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 wages are being increased by the Government regularly on an year-to-year basis, 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, increased thrust on worker welfare measures such as labour housing, worker education, medical system, recognition and rewarding the best performers etc., which should help in reducing labour turnover and bring in fresh hands.

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, to cater to exports/direct sale to the ultimate user. Our 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 created by the Company in the minds of 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.

Another big threat for any plantation Company is the vagaries of nature and uncertainty of weather conditions during critical months. To mitigate this, your Company has created extensive irrigation capabilities over the years.

Another threat to plantation is the management of pests and diseases like Berry Borer, White Stem Borer, Pepper Wilt etc., in the light of Rainforest Alliance Certification which prevents extensive use of harmful chemicals. Your Company has been following environmental friendly proactive measures to prevent pests and diseases in coffee, which has been a great success.

Now there is a new threat to the plantation industry from the wild animals. Incidence of elephant attack on plantation workers has been increasing and no concrete solution is forthcoming from the Forest Department due to government rules. Herds of wild elephants are entering the plantations looking for food and water, especially with the backdrop of natural extinction of lush bamboos in the forest, which used to fill the food basket of these animals. Since these elephants are here to stay for long, your Company has taken various steps to address the man-animal conflict in association with the Forest Department and other NGOs, which include creation of an Elephant Cell to monitor movement of elephants and pass on information to the concerned estates to arrange their labour deployment accordingly, putting experienced watchers on the job of tracking movement of elephants in the elephant prone areas.

The major threat faced by the soluble coffee division is increased cost of 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 synergized the coffee procurement process with Eight O' Clock Coffee through the Global procurement centre. The centre sources beans for Eight O' Clock Coffee as well as Tata Coffee and has in place a mechanism for trading in spot and future markets.

TATA COFFEE LIMITED

So far as Tea is concerned, the climate change initiatives of 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 56% reduction in the usage of firewood in 2010-11.

Over production by major tea producing countries continues to pose a major threat. The ongoing political instability & turmoil in the Middle East & North Africa could possibly impact exports in 2011. Changing weather patterns and volatility in the south Indian Orthodox markets are other factors that could have an impact on the industry. Availability of labour continues to be a major problem across all plantations with the younger generation not being inclined to work on the plantations. Conveyorisation in the factories & Mechanization of spraying, pruning and harvesting is an integral part of operations to mitigate the shortage of labour.

Shot Hole borer continues to be a risk to tea production, which is being effectively controlled as per guidelines issued by UPASI.

On the domestic Coffee front, as per current trends, coffee consumption is expected to grow at the rate of over 8% in the next five years. Instant coffee is expected to grow further than the current levels to about 15% in the next five years. Specialty coffees could see a rise through stick pack sachets. Rural south could be an area of interest for all coffee marketing companies.

Meeting the expectations of consumers in a predominantly tea drinking market in terms of taste and aroma will be a significant threat to growth of Coffee. Health and Wellness platform being appropriated by Tea and soft drink manufacturers could also check the switch of consumers from other segments to coffee. Since Nescafe the market leader and HUL have not yet entered the market through pods in India even though they have proven delivery systems such as Nespresso, coffee pods may not have a significant growth potential.

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. Your Company has however established its name as a supplier of branded products in the market

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

		2010/11		2009/2010	
		Quantity (in Tonnes)	Value (Rs. in Lakhs)	Quantity (in Tonnes)	Value (Rs. in Lakhs)
	Coffee:				
	Cured	7501	8005.94	6743	7426.50
	Instant	5616	18312.00	3503	11559.41
	R&G	418	766.80	511	921.74
	Tea	7504	5645.14	7975	6603.87
	Pepper	963	1851.40	1272	1849.64
	Estate Supplies	-	2336.92	-	2017.72

D. Outlook

With good bush conditions and favourable showers received, normal crop is expected during the coming year. With the continued thrust on quality at every stage of operation, the Company should be able to increase its share in the specialty coffee market. The Company's association with the global major Starbucks should help in marketing the Company's 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. The initiatives undertaken at plant level in terms of debottlenecking, streamlining the processes, expanding capacities through Organic and Inorganic routes will ensure attainment of the above objectives. This coupled with a systematic long term capital expenditure program focusing on modernization of equipment, adoption of best practices and development of new products for catering to different segments will make 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. The company is also making major strides in reducing carbon foot print, thus helping in reducing cost and ultimately improving the profitability and long term sustainability. Potential areas have been identified to maximize the throughput and at the same time minimize consumption of resources and reduce waste and emissions.

As regards Tea, with the current year unlike 2010, starting with a lower production coupled with practically no carry forward stocks and demand growing at 3 – 3.50%, 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 premium while Medium / Plainer varieties for both Orthodox / CTC's should sell in line with quality.

The dynamic 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 2011 there is an anti bearish argument.

E. Internal Control Systems and their adequacy

The Company has in place adequate and appropriate systems of internal control, commensurate with its size and nature of business designed to provide reasonable assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly and that all applicable laws and corporate policies are followed.

The Company operates across various locations in India. Robust internal controls and scalable processes are imperative to manage operations. To ensure adequacy of the control system, adherence to Management guidelines and compliance and exhaustive internal audits are carried out at regular intervals across all locations. The Company has also engaged Management Auditors to independently review specific areas of operations and recommend measures to improve controls and efficiencies.

The Audit Committee of the Board reviews all important Internal Audit reports periodically. The committee deliberates on the observations and suggests corrective action for the Management to implement with defined timelines and follows up on the implementation.

F. Financial and Operational Performance

The operating results of the company registered a significant improvement with the top-line scaling Rs.400 crores for the first time. The profit after tax was 72% higher as compared to the previous year at Rs. 55.08 crores.

The growth can be largely attributed to the instant coffee operations which witnessed a major turnaround during the year. The Freeze Dried unit ran to full capacity during the last three quarters of the year. Improvement in quality, effective procurement strategies and on-going customer interactions led to significant improvement in the operating results of the Division.

So far as the Plantation segment is concerned, the surge in price realisation in London (Robusta) and New York (Arabica) terminals had a positive impact on the operating results on coffee despite a steep increase in the Indian production of Robusta Parchment in 2010 –11 which had a deleterious impact on the differentials. Tea prices in 2009 –10 had recorded very high levels which were not sustainable and this had an impact on the operating results in 2010–11 vis –a-vis the previous year. The pepper saleable crop was lower as compared to the previous year. However, with the improvement in unit realization, pepper profitability was in line with the previous year. The overall commodity prices for Arabica, Robusta, and Pepper are likely to continue to remain firm recognizing the growing consumption, as against supply which is relatively flat. In the case of pepper, reduced worldwide production has led to the current price spiral.

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

The manpower strength of the company as on 31st March, 2011 was 5818 permanent employees including 141 Management staff across different locations.

Human resource development is a focus area for the organisation and diverse activity plans have been developed towards building talent capabilities. Robust plans in terms of Talent Attraction, Talent Nurturing and Talent Retention have been developed in order to build capabilities in the company in its endeavour towards achieving its goals. Capability development has been initiated through Competency Index for management staff and Skill Index for workers. Training and development interventions in areas of technical and behavioral needs of the workforce have been addressed through the deployment of internal and external faculty. The company has conducted detailed workshops in the areas of TATA Code of Conduct, Management by Ethics and Strategy Development for the Senior Leadership Team. The Company's HR initiatives are in complete alignment with the business needs / demands of the organization and the changing business environment.

Harmonious industrial relations prevailed at all the units of the Company during 2010-11 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 2011, 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 : 13th May, 2011

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, 2011 and also the related Profit and Loss Account 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 Account 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 Account 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 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 March 31, 2011;
 - b. in the case of Profit and Loss Account, 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

For N.M. RAIJI & CO.
Chartered Accountants

S. LAKSHMANAN
Partner

J.M. GANDHI
Partner

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

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

Place : Mumbai
Date : 13th May, 2011

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, 2011]

- 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 & protection fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise-duty, cess and other applicable statutory dues. No undisputed amount was outstanding as at 31st March 2011 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	2000-01	13.82	Dy. Commissioner of Income Tax, Bangalore
	2003-04	8.34	Karnataka High Court
	2004-05	1.91	Karnataka High Court
	2005-06	66.96	Commissioner of Income Tax (Appeals) Bangalore

- 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 explanation 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 note No. B2 of Schedule 13 to the financial statements. The said details have been verified by us.
- xxi. To the best of our knowledge and according to the information and explanations 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

For N.M. RAIJI & CO.
Chartered Accountants

S. LAKSHMANAN
Partner

J.M. GANDHI
Partner

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

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

Place : Mumbai

Date : 13th May, 2011

BALANCE SHEET

	Schedule No.	As at 31st March, 2011		As at 31st March, 2010	
		Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
(a) Share Capital	1	1,867.70		1,867.70	
(b) Reserves and Surplus	2	38,433.48		34,120.26	
			40,301.18		35,987.96
2. LOAN FUNDS					
(a) Secured Loans.....	3	11,374.05		9,864.22	
(b) Unsecured Loans		500.00		5,000.00	
			11,874.05		14,864.22
3. DEFERRED TAX LIABILITY (NET)					
(Refer Note No. B 11 of Schedule 13)			1,337.34		1,460.62
			53,512.57		52,312.80
APPLICATION OF FUNDS					
1. FIXED ASSETS					
Gross Block.....	4	34,277.70		32,815.71	
Less : Depreciation		11,748.70		10,267.12	
Net Block		22,529.00		22,548.59	
Add : Capital Work-in-progress		32.37		770.32	
			22,561.37		23,318.91
2. INVESTMENTS					
	5		14,570.24		14,677.62
3. CURRENT ASSETS, LOANS AND ADVANCES					
(a) Inventories	6	12,532.37		11,674.88	
(b) Receivables		4,223.09		2,502.20	
(c) Cash and Bank Balances.....		951.65		2,024.21	
(d) Other Current Assets.....		144.34		125.06	
(e) Loans and Advances.....		7,185.05		6,980.24	
		25,036.50		23,306.59	
Less : CURRENT LIABILITIES AND PROVISIONS					
(a) Liabilities.....	7	6,487.51		6,577.94	
(b) Provisions		2,168.03		2,412.38	
		8,655.54		8,990.32	
Net Current Assets			16,380.96		14,316.27
TOTAL			53,512.57		52,312.80
Significant Accounting Policies / Notes on Accounts	13				

 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 : Mumbai
 Date : 13th May, 2011

PROFIT AND LOSS ACCOUNT

	Schedule No.	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
		Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
INCOME					
Sales and Services	8	39,415.97		32,814.45	
Less: Excise Duty		121.32	39,294.65	66.28	32,748.17
Other Income	9		2,915.29		4,594.26
			42,209.94		37,342.43
EXPENSES	10	34,915.67		29,551.19	
Depreciation		1,208.01		1,138.72	
ACCRETION [-] / DECRETION TO STOCK	11	289.68		1,652.60	
			36,413.36		32,342.51
			5,796.58		4,999.92
Exceptional Income/(Expense)	12		1,065.60		-
PROFIT BEFORE TAXATION			6,862.18		4,999.92
Provision for Taxation:					
For Current Tax		1,477.00		1,292.71	
For Deferred Tax		(123.28)		508.23	
			1,353.72		1,800.94
PROFIT AFTER TAXATION			5,508.46		3,198.98
Add: Surplus brought forward from previous year			1,420.09		842.15
AMOUNT AVAILABLE FOR APPROPRIATION			6,928.55		4,041.13
APPROPRIATIONS					
General Reserve No. 1		550.84		319.90	
General Reserve No. 2		311.17		284.42	
Debenture Redemption Reserve A/c		(692.80)		383.29	
			169.21		987.61
Dividends :					
Interim		933.85		-	
Final (Proposed)		933.85		1,400.78	
Tax on Dividend		306.60		232.65	
			2,174.30		1,633.43
Surplus Carried to Balance Sheet			4,585.04		1,420.09
Significant Accounting Policies/Notes on Accounts	13				
EPS - Basic & Diluted (on Rs.10 per Share) (Refer Note B 14 of Schedule 13)			Rs. 29.49		Rs. 17.13

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 : Mumbai
Date : 13th May, 2011

TATA COFFEE LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET
Schedule No. 1
**SHARE CAPITAL
AUTHORISED**

2,50,00,000 Equity Shares of Rs.10/- each

ISSUED, SUBSCRIBED AND PAID-UP

 1,86,77,037 Equity Shares of Rs.10/- each, fully paid
(Previous year 1,86,77,037 Equity Shares)

Of the above

- a) Shares held by the Holding Company, Tata Global Beverages Ltd.
- b) Shares allotted as fully paid-up :
- (1) Pursuant to the Scheme of Amalgamation of erstwhile Asian Coffee Limited and Coffee Lands Limited with the Company without payment being received in cash.
 - (2) Pursuant to contracts without payments being received in cash.....
 - (3) Pursuant to Scheme of Amalgamation of erstwhile SIFCO Ltd. with the Company without payments being received in cash.
 - (4) By way of Bonus Shares through capitalisation of General Reserve and Share Premium.....

As at 31st March, 2011 Rs. in Lakhs	As at 31st March, 2010 Rs. in Lakhs
2,500.00	2,500.00
2,500.00	2,500.00
1,867.70	1,867.70
1,867.70	1,867.70
No. of shares	No. of shares
10,735,982	10,735,982
29,61,747	29,61,747
4,13,312	4,13,312
92,826	92,826
88,27,820	88,27,820

Schedule No. 2
RESERVES AND SURPLUS

	As at 1st April, 2010 Rs. in Lakhs	Additions Rs. in Lakhs	Deductions Rs. in Lakhs	As at 31st March, 2011 Rs. in Lakhs
Capital Subsidy Reserve	30.10	-	-	30.10
Capital Redemption Reserve	10.41	-	-	10.41
Securities Premium Account	14,424.27	-	-	14,424.27
Amalgamation Reserve	832.53	-	-	832.53
Debenture Redemption Reserve	3,111.23	-	692.80	2,418.43
General Reserve Number I	9,732.63	550.84	-	10,283.47
General Reserve Number II	5,565.45	311.17	-	5,876.62
	33,706.62	862.01	692.80	33875.83
Hedging Reserve Account (Ref. Note B1 of Sch 13)	(1,006.45)	100.94	(878.12)	(27.39)
SUB TOTAL	32,700.17	962.95	(185.32)	33,848.44
Surplus Per Profit and Loss Account	1,420.09	-	-	4,585.04
TOTAL	34,120.26			38,433.48

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule No. 3

	As at 31st March 2011 Rs. in Lakhs	As at 31st March 2010 Rs. in Lakhs
A. SECURED LOANS		
- 7% Secured Redeemable Non-Convertible Debentures	6,208.33	9,312.50
- Working Capital/Cash Credit Facilities from Banks	5,165.72	551.72
	11,374.05	9,864.22
 NOTES:		
(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 instalment has been redeemed during the year. The Debentures are secured by a charge on the part of the Land and the Factory located at Theni.		
(2) Working Capital/Cash Credit facility is 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.		
 B. UNSECURED LOANS		
Short Term Loan from Banks	500.00	5,000.00
	500.00	5,000.00

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule No. 4
FIXED ASSETS

	COST				DEPRECIATION				NET VALUE	
	As at 01.04.10 Rs. in Lakhs	Additions for the year Rs. in Lakhs	Deductions / Adjustments Rs. in Lakhs	As at 31.03.11 Rs. in Lakhs	Up to 01.04.10 Rs. in Lakhs	For the year Rs. in Lakhs	Deductions / Adjustments Rs. in Lakhs	Up to 31.03.11 Rs. in Lakhs	As at 31.03.11 Rs. in Lakhs	As at 31.03.2010 Rs. in Lakhs
Freehold Land and Development	7,593.83	-	-	7,593.83(a)	-	-	-	-	7,593.83	7,593.83
Leasehold Land and Development	185.89	-	-	185.89	0.16	-	-	0.16	185.73	185.73
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-
Buildings	5,592.64	108.52	(95.18)	5,605.98(a)	1,720.44	150.02	(74.89)	1,795.57	3,810.41	3,872.20
Water and Sanitary Installations	804.57	72.23	(0.41)	876.39(a)	383.07	31.26	(0.41)	413.92	462.47	421.50
Electrical Installations	1,060.40	79.73	(20.27)	1,119.86(a)	463.42	50.33	(20.25)	493.50	626.36	596.98
Plant and Machinery (c)	15,813.84	1,730.81	(519.26)	17,025.39	6,643.67	841.91	428.76	7,914.34	9,111.05	9,170.17
Furniture/ Fixtures & Equipment	817.93	22.18	(5.29)	834.82	600.23	33.16	(3.29)	630.10	204.72	217.70
Vehicles	946.61	182.11	(93.18)	1,035.54	456.13	101.33	(56.35)	501.11	534.43	490.48
TOTAL	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	22,548.59
Previous year	32,570.61	849.10	(604.00)	32,815.71	9,306.99	1,138.72	(178.59)	10,267.12	22,548.59	
Capital Work-in-Progress (b)									32.37	770.32
TOTAL									22,561.37	23,318.91

a) Includes the following assets jointly owned/held with the Holding Company :-

Freehold Land	Rs.103.78 Lakhs (Previous Year - Rs.103.78 Lakhs)
Buildings	Rs. 56.78 Lakhs (Previous Year - Rs. 56.78 Lakhs)
Water and Sanitary Installations	Rs.8.15 Lakhs (Previous Year - Rs.8.15 Lakhs)
Electrical installations	Rs. 22.07 Lakhs (Previous Year - Rs.22.07 Lakhs)

b) Addition for the year includes certain machineries capitalised at Rs.946.50 lakhs. As the same was not giving desired performance, an amount of Rs.485.24 has been recovered from the Supplier, which has been reflected as deduction/ adjustment under Gross Block. Against the said asset, an impairment of Rs.457.43 has been provided, based on its value in use (Current year Rs.226.17 lakhs) and it has been shown under deduction/adjustment in the Depreciation Block.

c) Capital work-in-progress includes Capital Advance Rs. NIL (Previous Year Rs 5.67 Lakhs)

d) 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

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule No. 5	Class	No.	Face Value of each Rs.	As at 31st March, 2011 Rs. in Lakhs	As at 31st March, 2010 Rs. in Lakhs
INVESTMENTS - AT COST					
Long-term investments (Fully paid)					
TRADE					
Quoted					
Tata Global Beverages Limited \$	Equity Shares	9,82,500	1	56.38	113.76
Tata Chemicals Limited	Equity Shares	1,60,000	10	424.21	424.21
Joonkollte Tea & Industries Limited	Equity Shares	11,524	10	6.42	6.42
				487.01	544.39
Unquoted					
Chembra Peak Estates Limited	Equity Shares	3,481	10	0.41	0.41
Wartyhully Estates Limited	Equity Shares	24,748	10	0.93	0.93
The Cochin Malabar Estates & Industries Limited	Equity Shares	2,156	10	0.20	0.20
				1.54	1.54
In Subsidiary Companies:					
Consolidated Coffee Inc.	Common stock	300	USD 0.01	14065.36	14065.36
Alliance Coffee Limited	Equity Shares	25,500	10	2.55	2.55
				14067.91	14067.91
In Joint Venture					
Tata Coffee (Uganda) Limited	Equity Shares	50	USHS 50,000	0.65	0.65
				0.65	0.65
OTHER THAN TRADE - Quoted					
IDBI Bank Limited	Equity Shares	16,160	10	13.13	13.13
Rural Electric Corporation (Redeemed during the year)	5.5% Capital Gain Bonds			0.00	50.00
				13.13	63.13
OTHER THAN TRADE - Unquoted					
Ritspin Synthetics Ltd	Equity Shares	1,00,000	10	-	-
(Net of Provision for Diminution Rs.10 Lakhs)					
Coorg Orange Growers Co-operative Society Ltd. *	Equity Shares	4	100	-	-
Tata Coffee Co-operative Stores Limited *	Equity Shares	20	5	-	-
Coorg Cardamom Co-operative Marketing Society Limited *	Equity Shares	1	100	-	-
				-	-
Carried Forward				14,570.24	14,677.62

\$ During the year Tata Global Beverages Ltd has split its shares from a face value of Rs 10 per share to Rs 1 each. Against the allotment of 19,82,500 shares of face value Rs 1 each the Company has sold 10,00,000 shares during the year.

* Represent Amount less than Rs.1000

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule No. 5 (Contd.)		As at 31st March, 2011	As at 31st March, 2010
Brought forward		<u>14,570.24</u>	<u>14,677.62</u>
	TOTAL	<u>14,570.24</u>	<u>14,677.62</u>
Cost of Investments			
Quoted			
Long Term		500.14	607.52
Current		-	-
Unquoted			
Long Term		14,070.10	14,070.10
Current		-	-
	TOTAL	<u>14,570.24</u>	<u>14,677.62</u>
Market Value of Quoted Investments		<u>1,546.35</u>	2,551.62

Schedule No. 6	As at 31st March, 2011			As at 31st March, 2010		
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
CURRENT ASSETS, LOANS AND ADVANCES						
(a) INVENTORIES:						
Stores and Spares	990.48			934.56		
Raw materials	3,212.82			2,121.57		
		4,203.30			3,056.13	
Stock-in-trade:						
Finished/Trading Goods.....	8,014.80			8,544.14		
Work-in-progress/Crop-in-progress	314.27			74.61		
		8,329.07			8,618.75	
		<u>12,532.37</u>				11,674.88
		<u>12,532.37</u>				11,674.88

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule No. 6 (Contd.)	As at 31st March, 2011			As at 31st March, 2010		
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Brought Forward			12,532.37			11,674.88
(b) RECEIVABLES :						
Sundry Debtors :						
Unsecured						
Debts outstanding for a period exceeding six months						
- Considered Good	69.61			96.24		
- Considered Doubtful	292.91			271.07		
	362.52			367.31		
Less: Provision for Doubtful Debts	292.91			271.07		
	69.61			96.24		
Other Debts considered good:						
- Secured	1,017.40			1,484.91		
- Others	3,136.08			921.05		
		4,223.09			2,502.20	
			4,223.09			2,502.20
(c) CASH AND BANK BALANCES:						
Cash, cheques in hand & stamp balances		67.11			70.13	
Bank balances:						
With Scheduled Banks:						
On Current Accounts.....	754.58			741.43		
In Deposit Accounts.....	18.48			1,117.13		
In Dividend and Debenture Interest Accounts	111.47			95.51		
	884.53			1,954.07		
With Kodagu District Co-op. Central Bank Limited (Non-scheduled Bank)						
On Current Account.....	0.01			0.01		
(Maximum balance outstanding at any time during the year on current Account Rs.0.01 lakhs)		884.54			1,954.08	
			951.65			2,024.21
d) OTHER CURRENT ASSETS :						
Interest accrued on Investments/Loans/Deposits.....			144.34			125.06
Carried Forward			17,851.45			16,326.35

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE No. 6 (Contd.)	As at 31st March, 2011			As at 31st March, 2010		
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Brought Forward			17,851.45			16,326.35
e) LOANS AND ADVANCES:						
(Unsecured - Considered good unless Otherwise stated)						
Advances recoverable in cash or in kind or for value to be received:						
Considered Good	1,187.90			784.85		
Considered Doubtful	86.49			97.99		
	1,274.39			882.84		
Less: Provision for Doubtful Advances	86.49			97.99		
		1,187.90			784.85	
Deposits with Companies						
Considered Good	3,400.00			3,400.00		
Considered Doubtful	38.00			38.00		
	3,438.00			3,438.00		
Less: Provision for Doubtful Deposits	38.00			38.00		
		3,400.00			3,400.00	
MAT Credit Entitlement.....		681.17			466.85	
Balances with Excise Authorities, Port Trust etc.....		165.15			264.71	
Loan to The Coorg Foundation - a Public Charitable Trust		30.00			120.00	
Balance in Escrow		61.42			58.61	
Other Deposits						
Considered Good	1,659.41			1,885.22		
Considered Doubtful	3.84			3.84		
	1,663.25			1,889.06		
Less: Provision made	3.84			3.84		
		1,659.41			1,885.22	
		7,185.05			6,980.24	
			7,185.05			6,980.24
TOTAL			25,036.50			23,306.59

Notes :

1. Loans and Advances include:			
- Due by an Officer		-	0.03
Maximum amount due at any time during the year		0.03	0.05
2. Due by Directors		-	-
Maximum amount due at any time during the year		-	0.01
3. Other deposits include Rs 1394.14 Lakhs (Previous year Rs 1624.14 Lakhs) deposited with NABARD in Coffee/Tea Deposit account under Section 33 AB of the Income-tax Act, 1961.			

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011		As at 31st March, 2010	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Schedule No. 7				
CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES:				
Sundry Creditors				
- Due to Micro, Small & Medium Enterprises	6.23		36.61	
- Others.....	1,754.89		1,387.78	
Includes amount due to Holding Company Rs 27.77 Lakhs (Previous year Rs 87.59 Lakhs) and Subsidiary Company Rs NIL (Previous year Rs 104.54 Lakhs)				
Other Liabilities.....	4,374.19		4,756.74	
Interest accrued but not due	110.73		179.30	
Due to Directors.....	130.00		122.00	
Unpaid Dividend and Debenture Interest.....	111.47		95.51	
		6,487.51		6,577.94
PROVISIONS:				
Provision for taxation.....	5,082.51		4,185.06	
Less: Payments in advance	3,999.82		3,406.11	
		1,082.69		778.95
Dividend				
- Proposed Final	933.85		1,400.78	
- Tax on Final Dividend.....	151.49		232.65	
		1,085.34		1,633.43
		2,168.03		2,412.38
		8,655.54		8,990.32

There are no amounts due and outstanding, to be credited to Investors Education and Protection Fund.

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
Schedule No. 8
INCOME
SALES AND SERVICES

Coffee :

	For the Year ended 31st March, 2011		For the Year ended 31st March, 2010	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Green Bean		8,005.94		7,426.50
Instant.....		18,312.00		11,559.41
R & G.....		766.80		921.74
Tea		5,645.14		6,603.87
Pepper		1,851.40		1,849.64
Cardamom and Minor produce		203.31		284.79
Pre-Mix		768.68		846.23
Timber	241.42		181.36	
Less : Extraction Expenses.....	54.01		41.11	
		187.41		140.25
Veneer/Plywood		784.47		725.04
Trading Sales..... (Refer Note No. B 9 of Schedule 13)		2,436.26		2,122.65
Coffee Curing		260.44		187.05
Room and Food revenue – Hospitality Division.....		194.12		147.28
		39,415.97		32,814.45

Schedule No. 9
OTHER INCOME
Operational

Rent		57.34		57.41
Sale of scrap/waste		103.05		62.12
Provision no longer required		153.17		183.48
Export Incentives.....		456.02		320.33
Profit on Sale of Fixed Assets (Net)		40.58		13.68
Others		66.33		165.45
		876.49		802.47
Income from Long Term Investments:				
Dividend :				
- Trade \$, **		2,037.43		3,776.48
		2,037.43		3,776.48
Interest - on long term investment.....	1.37		2.75	
Interest - Others	-	1.37	12.56	15.31
		2,038.80		3,791.79
		2,915.29		4,594.26

\$ includes dividend from subsidiaries Rs.1982.62 Lakhs
(Previous year: Rs.3726.82 Lakhs)

** Tax Deducted at Source Rs. 270.60 Lakhs (Previous year:
Rs. 543.72 Lakhs)

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Schedule No. 10	For the Year ended 31st March, 2011		For the Year ended 31st March, 2010	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
PRODUCTION, TRADING,SELLING AND ADMINISTRATION EXPENSES				
Salaries, Wages and Bonus		7,431.01		7,164.94
Contribution to Provident and Other Funds.....		1,020.35		851.56
Workmen and Staff Welfare Expenses.....		775.05		449.35
Consumption of Raw Materials.....		8,159.07		5,154.74
Contract/Processing Charges		1,315.20		1,086.79
Purchase of Trading Goods		2,331.05		2,088.64
Consumption of Packing Material.....		2,796.03		1,906.56
Consumption of Stores and Spare Parts.....		1,625.32		1,437.00
Power and Fuel		3,111.42		2,331.91
Rent		51.42		69.94
Repairs to Buildings.....		310.70		385.99
Repairs to Machinery		254.25		257.21
Repairs to Machinery - others.....		108.18		98.75
Insurance		96.29		94.93
Rates and Taxes.....		185.96		207.35
Sales Promotion, Advertisements and Publicity		84.31		150.59
Selling Expenses		1,175.16		1,017.59
Excise Duty and Cess.....		22.63		24.42
Freight		1,167.35		840.44
Directors' Sitting Fees		16.20		13.30
Directors' Commission		60.00		52.00
Auditors Remuneration.....		50.72		49.49
(Refer Note No.B 12 of Schedule No.13)				
Interest and Finance Charges:				
- Fixed Loans/Debentures/Working capital / Others				
(net of Interest income / Interest capitalised).....		444.48		691.33
(Refer Note No. B 6 of Schedule No.13)				
- Finance Charges.....		78.07		63.65
		522.55		754.98
Impairment of Assets		226.17		231.26
Exchange Fluctuation Loss (Net)		964.36		1,718.08
Provision for bad and doubtful debts & advances.....		23.16		16.96
Donations.....		30.61		138.87
Research and Development Expenses		38.10		42.95
Miscellaneous expenses		963.05		914.60
		34,915.67		29,551.19

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
Schedule No. 11
ACCRETION [-]/DECRETION TO STOCK/ WORK-IN-PROGRESS

Stock as at 1st April, 2010

	For the Year ended 31st March, 2011		For the Year ended 31st March, 2010	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Green Bean	3,947.15		3,697.58	
Instant Coffee	3,289.69		5,178.78	
R&G Coffee	56.06		65.35	
Work-in-Progress	40.35		10.16	
Tea	502.30		429.14	
Pepper	466.92		573.30	
Cardamom and Minor Produce	1.98		24.97	
Pre-Mix	9.13		24.83	
Veneer/Plywood	16.95		37.86	
Trading Stock	253.96		229.38	
Crop-in-Progress – Pepper	34.26		0.00	
		8,618.75		10,271.35

Stock as on 31st March, 2011

Green Bean	5,045.53		3,947.15	
Instant Coffee	1,855.09		3,289.69	
R&G Coffee	62.03		56.06	
Work-in-Progress	70.63		40.35	
Tea	457.03		502.30	
Pepper	256.62		466.92	
Cardamom and Minor Produce	0.27		1.98	
Pre-Mix	77.42		9.13	
Veneer/Plywood	30.75		16.95	
Trading Stock	230.05		253.96	
Crop-in-Progress - Pepper	243.65		34.26	
		8,329.07		8,618.75

Accretion (-)/Decretion to stock/work-in progress

289.68
1,652.60
Schedule No.12
EXCEPTIONAL INCOME /(EXPENSE)
Exceptional Income

Profit on sale of investments

	For the Year ended 31st March, 2011		For the Year ended 31st March, 2010	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Profit on sale of investments	1,065.60		-	
		1,065.60		-
		1,065.60		-

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule No.13

A. SIGNIFICANT ACCOUNTING POLICIES

I. Profit and Loss Account

- a) All income and expenses are accounted on accrual basis.
- b) Sales are recognized on passing of property in goods 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 are 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 their estimated useful life or as per the Rates prescribed in Schedule XIV whichever is higher (Refer Schedule 4). 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 Account.
- 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 account. 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 Account. 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 is 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 account.
- 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 where there is business loss are only recognized to the extent of virtual certainty of future taxable profits.

II. 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

TATA COFFEE LIMITED
SIGNIFICANT ACCOUNTING POLICIES
Schedule No. 13 (Contd.)

acquiring such assets. Roll over charges, and exchange differences, relating to foreign currency borrowings attributable to Fixed Assets are capitalized upto 31.03.2007 and charged to P&L Account 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 & 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

B. NOTES ON ACCOUNTS
1. 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 of Accounting Standard -30.

Foreign Currency	31st March, 2011			31st March, 2010		
	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	Rs. Lakhs	Nos.	\$ mm	Rs. Lakhs
Option Contracts	1	2.00	(128.35)	18	23.25	(1,232.53)
Forward Cover	52	7.43	61.53			
Packing Credit Foreign Currency Loan	15	4.60	39.43			
Total		14.03	(27.39)	18	23.25	(1,232.53)
MTM Loss recognized in - Profit and Loss Account						226.08
- Hedge Reserve Account			(27.39)			(1,006.45)

The Foreign Currency exposures that are not hedged by a derivatives instrument or otherwise, aggregates to USD 7.29 million towards receivable and USD 4.83 million and Euro 0.01 million toward payable (Previous year USD 0.05 million) as at the Balance Sheet date.

2. Rights issue of Partly Convertible Debentures

The Company had raised Rs. 24,833.32 lakhs by way of Rights issue of Partly Convertible Debentures in 2006-07. Against this, the Company had utilized Rs. 23,587.98 lakhs as per the Objects of the Issue. The balance amount of Rs. 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
Schedule No. 13 (Contd.)

3. 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 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 the employees. An amount of Rs. 652.30 Lakhs (Rs. 750.05 Lakhs) has been charged to the Profit and Loss Account of defined contribution schemes.

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.

iii) Pension:

The Company's retired Management Staff's pension, except periodical increases, are met through annuity issued by LIC of India. The pension increase component which has become applicable from the year 2009-10 onwards, is a non-funded scheme and hence there are no plan assets attributable to the obligation.

b) Principal actuarial assumptions:

Particulars	Gratuity		Pension		Medical	
	2011	2010	2011	2010	2011	2010
Discount Rate	8.00%	8.00%	8.05%	8.00%	8.05%	8.00%
Rate of Return on Plan Assets	9.40%	9.40%	-	-	-	-
Salary Escalation	5.00%	5.00%	5.00%	5.00%		
Annual increase in Healthcare Costs	-	-	-	-	8.00%	8.00%

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

Rs. in Lakhs

	Gratuity		Pension		Medical	
	2011	2010	2011	2010	2011	2010
Present value of obligation	2,598.96	2,279.78		-	-	-
Fair Value of Plan Assets	2,287.86	2,176.42				
Unfunded obligation	311.10	103.37	112.20	93.90	925.80	676.90
Net Liability	311.10	103.37	112.20	93.90	925.80	676.90

TATA COFFEE LIMITED
NOTES ON ACCOUNTS
Schedule No. 13 (Contd.)
d) Amounts recognized in the Profit and Loss Account are as follows:

Rs. in Lakhs

Particulars	Gratuity		Pension		Medical	
	2011	2010	2011	2010	2011	2010
Current service Cost	135.62	125.80	-	-	25.53	24.03
Interest Cost	182.38	179.39	7.56	-	55.15	50.52
Expected return on Plan assets	(195.71)	(186.19)	-	-		
Net actuarial loss/(gain) recognized during the year	188.81	(13.05)	30.40	110.01	193.12	(60.30)
Total included in employee Benefit	311.10	105.95	37.96	110.01	273.80	14.26
Sensitivity						
Effect of 1% decrease	-	-	-	-	(76.44)	(62.84)
Effect of 1% increase	-	-	-	-	83.32	68.28

e) Reconciliation of opening and closing balances of the present value of the obligations:

Rs. in Lakhs

Particulars	Gratuity		Pension		Medical	
	2011	2010	2011	2010	2011	2010
Opening defined benefit obligation	2,279.78	2242.32	93.90	-	676.90	681.00
Current service Cost	135.62	125.80	-	-	25.53	24.03
Interest Cost	182.38	179.39	7.56	-	55.15	50.52
Net actuarial loss/(gain) recognized during the year	198.94	(3.52)	30.40	110.01	193.12	(60.30)
Liabilities assumed on Transfer of Employees	18.47					
Benefit Paid	(216.23)	(264.20)	(19.66)	(16.11)	(24.91)	(18.36)
Closing Defined Benefit Obligation	2,598.96	2279.78	112.20	93.90	925.80	676.90

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

Rs. in Lakhs

Particulars	Gratuity	
	2011	2010
Opening fair value of Plan Assets	2,176.42	1,808.12
Expected Return on plan assets	195.71	186.19
Actuarial gain/(loss)	10.12	9.53
Contribution by employer	103.37	436.79
Assets acquired on Transfer of Employee	18.47	
Benefits Paid	(216.23)	(264.20)
Closing Fair value of Plan Assets	2,287.86	2,176.42
Actual return on Plan Assets	205.83	195.71

NOTES ON ACCOUNTS
Schedule No. 13 (Contd.)

	As at 31st March, 2011 Rs. in Lakhs	As at 31st March, 2010 Rs. in Lakhs
4. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	113.66	124.83
5. a) Claims against the Company not acknowledged as debts:		
i) Demands Raised by Income Tax, Excise & Sales tax authorities	999.65	678.10
ii) Labour Disputes	302.61	283.59
iii) Claims by Customers / Suppliers.....	408.17	390.86
	1,710.43	1,352.55
b) Contingent Liabilities:		
i) Bank Guarantees	1,000.81	897.95
ii) Bills discounted.....	137.36	-
6. Interest (Net)		
Interest on		
- Debentures	596.51	718.38
- Working Capital.....	290.54	258.33
- Others	61.10	51.35
	948.15	1028.06
Less: Interest earned on		
- Inter Corporate Deposits	390.14	258.70
- Deposits with Banks (including Deposit with NABARD).....	113.53	78.03
	444.48	691.33
7. A) Repairs to Buildings Include		
Wages	58.20	59.14
B) Repairs to Machinery Include		
Wages	19.63	17.42
C) Repairs to Machinery – Others Include		
Wages	0.17	0.17
8. Selling expenses include		
a) Commission to Sales agents.....	622.57	607.47
b) Brokerage and Discount on sale	15.49	26.47
c) Tata Brand Equity	88.08	75.19
9. Trading Sales Include		
a) Sale of Coffee Bean	109.78	68.49
b) Sale of Timber/Plywood.....	8.45	36.58
c) Sale of Pre-mix, Instant Tea and Chicory.....	23.20	45.50

TATA COFFEE LIMITED
NOTES ON ACCOUNTS
Schedule No. 13 (Contd.)

	As at 31st March, 2011	As at 31st March, 2010
10. Following Provisions have been made against the liabilities of contingent nature viz. claims from customers		
Opening Balance as on 1st April, 2010	25.15	25.15
Amount Utilized	-	-
Closing balance as on 31st March, 2011	25.15	25.15
11. Classification of Deferred Tax :		
Deferred Tax Liability/Asset (Under Central Income Tax)		
a) Difference in depreciation between books and tax	1,575.00	1,564.95
b) Other Timing Differences (Net)	(255.66)	(116.83)
c) AS 15 (Revised) - Employee Benefits	(78.00)	(61.83)
Total	1,241.34	1,386.29
Deferred Tax Liability/Asset (Under Agriculture Income Tax)		
a) Difference in depreciation between books and tax	102.00	95.81
b) Other Timing Differences (Net)	(6.00)	(21.48)
Total	96.00	74.33
Deferred Tax Liability (Net)	1,337.34	1,460.62
12. The Auditors Remuneration includes the following :		
Audit Fee	25.00	25.00
Tax Audit/Taxation Matters	5.00	5.00
Other Services	17.04	16.34
Expenses	3.68	3.15
Total	50.72	49.49
13. Disclosure in respect of Operating leases		
- Lease payments recognised in Profit and Loss	-	2.97
14. Basic and Diluted Earnings Per Share		
Earnings Per Share has been computed as under:		
a) Profit After taxation	5,508.46	3,198.98
b) Number of shares	18,677,037	18,677,037
c) Basic & Diluted Earnings Per Share (Rs.) (a)/(b)	29.49	17.13
d) Nominal value of share (Rs.)	10.00	10.00
15. Micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the confirmations received in response to intimation in this regard sent by the Company to the suppliers. Interest Accrued but not paid as at 31st March, 2011 is Rs 0.05 Lakhs (Previous Year Rs 0.07 Lakhs)		

NOTES ON ACCOUNTS
Schedule No. 13 (Contd.)

	As at 31st March, 2011	As at 31st March, 2010
16. Computation of Directors' Commission		
Net profit before taxes	6862.18	4999.92
Add:		
Remuneration to Managing Director and Whole-time Directors	197.65	275.28
Other Directors' commission	60.00	52.00
Directors' sitting fees	16.20	13.30
Provision for Bad and Doubtful debts (Net) and Impairment of Assets	249.33	248.22
	523.18	588.80
	7,385.36	5,588.72
Less: Capital profit on sale of Timber	311.17	284.42
Capital profit on sale of Shares	1,065.60	
Profit for purpose of calculation of commission	6,008.59	5,304.30
Commission to Non-Whole-time Directors at 1% restricted to	60.00	52.00
17. Remuneration to Managing Director and Whole-time Directors \$		
Salary	111.58	160.86
Contribution to Provident and Superannuation Funds	13.25	25.08
Commission	70.00	70.00
Value of other benefits	2.82	19.34
	197.65	275.28

\$ The appointment and the payment of remuneration to Mr. M. Deepak Kumar as Executive Director (Finance), is subject to the approval of the shareholders.

18. Quantitative and Other Particulars

	As at 31st March, 2011	As at 31st March, 2010
a) Licenced Capacity		
Instant Coffee (Tonnes)	7600	7600
Others		No Licence is required for other items manufactured by the Company
b) Installed Capacity (as certified by Management)		
Instant Coffee (Tonnes)	5000	5000
Coffee cured (Own/Outsiders) (Tonnes)	20000	20000
Coffee - (Roasted and Ground) (Tonnes)	1500	1500
Made Tea (Tonnes)	11900	11900
c) Actual Production		
Instant Coffee (Tonnes)	4974	2954
Coffee cured (Own/Outsiders) (Tonnes)	12959	10427
Coffee - (Roasted and Ground) (Tonnes)	405	443
Made Tea (Tonnes)	7517	8104

TATA COFFEE LIMITED
NOTES ON ACCOUNTS
Schedule No. 13 (Contd.)

d) Coffee and other crops

		Opening Stock	Production	Sales/ Adjustments	Closing Stock
Green Bean	(Tonnes)	7,443	8,291	8,231	7,503
Includes - Transfer of Coffee for manufacture in R & G/ICD		(5,188)	(9,459)	(7,204)	(7,443)
Pepper	(Tonnes)	849	533	963	418
		(1,237)	(884)	(1,272)	(849)

e) Manufactured / other items:

a) Instant Coffee	(Tonnes)	1,456	4,974	5,723	707
		(2,066)	(2,954)	(3,565)	(1,456)
b) R & G Coffee	(Tonnes)	41	405	407	39
		(48)	(443)	(450)	(41)
c) Made Tea *	(Tonnes)	914	7,517	7,689	742
		(784)	(8,104)	(7,974)	(914)
d) Pre-Mix	(Tonnes)	30	589	549	70
		(64)	(610)	(643)	(30)
e) Veneers/Plywood (Processed at leased Units)	(C.M.T.)	13	1,797	1,441	369
		(148)	(1,545)	(1,680)	(13)
f) Timber - Rose wood from own estates	(C.M.T.)	285	408	411	282
		(40)	(457)	(212)	(285)

(Figures in brackets relate to Previous year)

* Production includes 184 Tonnes (Previous year 116 Tonnes) from manufacture of bought leaf

f) Trading Items

	Opening Stock Rs. in Lakhs	Purchases Rs. in Lakhs	Sales/ Adjustments Rs. in Lakhs	Closing Stock Rs. in Lakhs
Estate Supplies	147.22	2,244.58	2,294.83	195.10
	(137.01)	(1900.22)	(1972.08)	(147.22)
Others *	106.74	86.47	141.43	34.95
	(92.38)	(188.42)	(150.57)	(106.74)
* Quantitative particulars not furnished as items are numerous	253.96	2,331.05	2,436.26	230.05
	(229.38)	(2,088.64)	(2,122.65)	(253.96)

(Figures in brackets relate to Previous year)

g) Details of Raw Materials Consumed

		As at 31st March, 2011	As at 31st March, 2010
Coffee *	(Tonnes)	10,782	6,976
	(Rs. in Lakhs)	7,249.03	4,509.14
Others	(Rs. in Lakhs)	910.04	645.60
		8,159.07	5,154.74

* Excludes 736 MT of own production (Previous year 449 MT)

h) Value of Raw Materials consumed

	Raw Materials	
	Value Rs. in Lakhs	% of total Consumption
Imported	6,136.80	75.21
	(3,332.54)	(64.65)
Indigenous	2,022.27	24.79
	(1,822.20)	(35.35)
	8,159.07	100%
	(5,154.74)	(100%)

(Figures in brackets relate to Previous year)

NOTES ON ACCOUNTS
Schedule No. 13 (Contd.)

i) Value of Packing Materials, Stores and Spare Parts consumed

	Packing Materials		Stores & Spares	
	Value Rs. in Lakhs	% of Total Consumption	Value Rs. in Lakhs	% of Total Consumption
Imported	171.07 (63.48)	6.12 (3.33)	1.70 (29.05)	0.10 (2.02)
Indigenous	2,624.96 (1,843.08)	93.88 96.67	1,623.62 (1,407.95)	99.90 97.98
	2,796.03 (1,906.56)	100% (100%)	1,625.32 (1,437.00)	100% (100%)

(Figures in brackets relate to Previous Year)

	As at 31st March, 2011 Rs. in Lakhs	As at 31st March, 2010 Rs. in Lakhs
j) 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	56.90	45.52
Year	2009/10	2008/09
No. of Shareholders	1	-
No. of Shares held in lakhs	7.58	-
Net Dividend remitted (Interim)	37.93	-
Year	2010/11	-
k) Expenditure incurred in respect of Company's Research and Development Department:		
Capital Expenditure	6.03	2.44
Revenue Expenditure	38.10	42.95
Total	44.13	45.39
l) C.I.F. Value of Imports:		
Raw materials	7,398.72	3,458.49
Spare Parts and Components	136.93	90.11
Capital goods	41.13	27.50
m) Earnings in Foreign Currency:		
a) FOB Value of Exports (Includes Exports through third parties and Export Houses in case of 100% EOU)	22,638.57	15,287.87
b) Dividend received in foreign currency (Tax deducted Rs 270.60 Lakhs (Rs 543.72 Lakhs))	1,804.01	3,624.82
n) Expenditure in Foreign Currency:		
a) Travelling expenses	14.03	25.63
b) Professional Charges	45.91	50.98
c) Others	45.34	36.45

TATA COFFEE LIMITED
NOTES ON ACCOUNTS
Schedule No. 13 (Contd.)
19. Segmental Reporting:

The Company's operations predominantly relate to Coffee & 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 & 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

Rs. 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	31,898.10	24,623.84	5,645.14	6,603.87	3,329.88	2,950.33	502.69	415.48	41,375.81	34,593.52
Less: Inter-Segment Sales					1,027.06	967.95	237.44	221.92	1,264.50	1,189.87
Un-Allocated Income									59.83	146.99
Total Revenue	31,898.10	24,623.84	5,645.14	6,603.87	2,302.82	1,982.38	265.25	193.56	40,171.14	33,550.64
Segment Results#	4,013.24	499.37	336.85	1,485.97	38.98	37.29	123.26	138.02	4,512.33	2,160.65
Unallocated Corporate Income										
Net of Expenses									1,806.80	3,594.25
Operating Profits									6,319.13	5,754.90
Interest Expense									(522.55)	(754.98)
Exceptional Income/(Expense)									1,065.60	-
Profit Before Tax									6,862.18	4,999.92
Income Taxes										
Current Tax									(1,477.00)	(1,292.71)
Deferred Tax									123.28	(508.23)
Profit After Taxation									5,508.46	3,198.98
Other Information										
Segment Assets	35,370.07	33,467.35	6,235.62	6,046.21	284.12	244.54	308.48	339.42	42,198.29	40,097.52
Unallocated Common Assets									19,969.80	21,205.57
Total Assets									62,168.09	61,303.09
Segment Liabilities	(3,707.06)	(3,072.95)	(625.93)	(786.78)	(107.74)	(103.92)	(129.19)	(116.01)	(4,569.92)	(4,079.66)
Unallocated Liabilities									(17,296.99)	(21,235.47)
Total Liabilities									(21,866.91)	(25,315.13)
Capital Employed	31,663.01	30,394.40	5,609.69	5,259.43	176.38	140.63	179.29	223.41	40,301.18	35,987.96
Capital Expenditure	873.37	575.75	325.49	139.74	-	0.05	27.52	100.73	1,226.38	816.27
Depreciation	921.97	879.98	194.40	184.46	0.17	0.25	91.47	74.03	1,208.01	1,138.72
Non-Cash Expenses	234.64	248.22	-	-	-	-	14.69	76.11	249.33	324.33
Other than Depreciation										

After considering impairment of Plant and Machinery of Rs.226.17 Lakhs (Previous year Rs.231.26 Lakhs)

The Previous year figures are regrouped wherever necessary.

NOTES ON ACCOUNTS
Schedule No. 13 (Contd.)

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.

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

Secondary (Geographical) Segments	Rs. in Lakhs Current Year	Rs. in Lakhs Previous year
CIS Countries *	14,483.18	9,351.40
Rest of the World *	8,683.41	6,318.48
India	17,004.55	17,880.76
TOTAL	40,171.14	33,550.64

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

20. Related Party Transactions:

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

Sl. No.	Nature of transaction	Subsidiaries		Holding Company		Relatives of 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			556.15	326.71					556.15	326.71
2.	Sale of Goods - Tata Russia							5,137.07	2,075.89	5,137.07	2,075.89
3.	Rendering of Services - Alliance Coffee Ltd.	32.69	53.65							32.69	53.65
4.	Purchase of Goods - Eight O'Clock Coffee Company	1,385.32	42.40							1,385.32	42.40
5.	Purchase of Goods			79.12	63.18					79.12	63.18
6.	Remuneration					-	5.04			-	5.04
7.	Receiving of Services - Alliance Coffee Ltd.	378.14	453.45							378.14	453.45
8.	Receiving of Services - Tata Global Beverages Overseas Ltd.							123.37	-	123.37	-
9.	Receiving of Services			12.85	13.46					12.85	13.46
10.	Interest Payment			424.48	463.90					424.48	463.90
11.	Dividend Received			39.65	34.69					39.65	34.69
12.	Dividend Received - Consolidated Coffee Inc.	1,804.01	3,624.82							1,804.01	3,624.82
13.	Dividend Received - Alliance Coffee Ltd.	178.61	102.00							178.61	102.00
14.	Outstanding at the year end									-	-
	Credit	-	104.54	27.77	87.59			123.37		151.14	192.13
	Debit							787.09	254.11	787.09	254.11

*Salary paid as an employee to Ms Farah Ashraff - Daughter of Mr M H Ashraff, Ex-Managing Director.

TATA COFFEE LIMITED**NOTES ON ACCOUNTS****Schedule No. 13 (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 (w.e.f. 25.10.2010)
4. Fellow Subsidiary	Tata Russia (Grand JV) Tata Global Beverages Overseas Ltd.

The remuneration and commission to key management personnel is disclosed in Note No. B16 and B17 of Schedule No. 13

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

Signature to Schedules 1 to 13

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*Place : Mumbai
Date : 13th May, 2011S. LAKSHMANAN
Partner
Membership No.: 20045J. M. GANDHI
Partner
Membership No.: 37924

Notes on Accounts
Schedule No. 13 (Contd.)

22. Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

L	8	5	1	1	0	K	A	1	9	4	3	P	L	C	0	0	0	8	3	3
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

 State Code

0	8
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	1	1
---	---	---	---

Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

					N	I	L
--	--	--	--	--	---	---	---

Bonus Shares

					N	I	L
--	--	--	--	--	---	---	---

Rights Issue

					N	I	L
--	--	--	--	--	---	---	---

Private Placement

					N	I	L
--	--	--	--	--	---	---	---

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

		6	2	1	6	8	1	1
--	--	---	---	---	---	---	---	---

Total Assets

				6	2	1	6	8	1	1
--	--	--	--	---	---	---	---	---	---	---

Source of Funds:

Paid-up Capital

				1	8	6	7	7	0
--	--	--	--	---	---	---	---	---	---

Secured Loans

		1	1	3	7	4	0	5
--	--	---	---	---	---	---	---	---

Deferred Tax Liability

				1	3	3	7	3	4
--	--	--	--	---	---	---	---	---	---

Reserves and Surplus

				3	8	4	3	3	4	8
--	--	--	--	---	---	---	---	---	---	---

Unsecured Loans

						5	0	0	0	0	0
--	--	--	--	--	--	---	---	---	---	---	---

Application of Funds:

Net Fixed Assets

		2	2	5	6	1	3	7
--	--	---	---	---	---	---	---	---

Net Current Assets

		1	6	3	8	0	9	6
--	--	---	---	---	---	---	---	---

Accumulated Losses

						N	I	L
--	--	--	--	--	--	---	---	---

Investments

				1	4	5	7	0	2	4
--	--	--	--	---	---	---	---	---	---	---

Deferred Revenue Expenditure/
Miscellaneous Expenditure

									N	I	L
--	--	--	--	--	--	--	--	--	---	---	---

Deferred Tax Asset

									N	I	L
--	--	--	--	--	--	--	--	--	---	---	---

TATA COFFEE LIMITED

Notes on Accounts

Schedule No. 13 (Contd.)

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover

4 2 2 0 9 9 4

+ -

+ 0

Profit/Loss Before Tax

6 8 6 2 1 8

(+ for Profit, - for Loss)

Earning per Share in (Rs.)

2 9 . 4 9

Total Expenditure

3 6 4 1 3 3 6

+ -

+ 0

Profit/(Loss) After Tax

5 5 0 8 4 6

Dividend

1 0 0 %

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

0 9 . 0 1 . 0 0 0 0

Product Description

C O F F E E

Item Code No. (ITC Code)

2 1 . 0 1 . 0 0 0 0

Product Description

I N S T A N T C O F F E E

Item Code No. (ITC Code)

0 9 . 0 2 . 0 0 0 0

Product Description

T E A

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

Place : Mumbai
Date : 13th May, 2011

S. LAKSHMANAN
Partner
Membership No.: 20045

J. M. GANDHI
Partner
Membership No.: 37924

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Year ended 31st March, 2011		Year ended 31st March, 2010	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
A. Cash Flow from Operating Activities:				
Net Profit before Tax		6,862.18		4,999.92
Adjustments for:				
Depreciation	1,208.01		1,138.72	
Provision for Doubtful Debts/Advances/ Impairment	249.33		324.34	
Amortisation of Voluntary Retirement Compensation	-		3.96	
Investments and Interest Income	(2,542.48)		(4,128.52)	
Interest/Finance Charges	1,026.23		1,091.71	
Exceptional (Income)/Expenses.....	(1,065.60)		-	
Unrealised Foreign Exchange Gain/Loss	31.36		226.08	
Profit/Loss on Sale of Fixed Assets	(40.58)		(13.68)	
Excess Provision written back	(153.17)	(1,286.90)	(183.48)	(1,540.87)
Operating Profit Before Working Capital Changes:		5,575.28		3,459.05
Working Capital Changes				
Decrease/(Increase) in Trade and Other Receivables	(2,095.84)		873.72	
Decrease/(Increase) in Inventories	(857.49)		871.09	
Increase in Trade Payables	1,091.73	(1,861.60)	(503.64)	1,241.17
Cash Generated from Operations:		3,713.68		4,700.22
Direct Taxes Paid		(1,387.58)		(1,304.08)
Net Cash from Operating Activities		2,326.10		3,396.14
B. Cash Flow From Investing Activities:				
Purchase of Fixed Assets	(1,226.13)		(816.29)	
Sale of Fixed Assets.....	590.07		103.67	
Sale of Investment	1,172.99		-	
Other Deposits	314.46		(480.24)	
Investments and Interest Income	2,523.20		4,095.33	
Net Cash used in Investing Activities		3,374.59		2,902.47
Carried forward		5,700.69		6,298.61

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Year ended 31st March, 2011		Year ended 31st March, 2010	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Brought forward		5,700.69		6,298.61
C. Cash Flow from Financing Activities:				
NCDs Issued/(repaid) during the period.....	(3,104.17)		(2,550.00)	
Repayment of Long Term Borrowings	130.78		(252.29)	
Dividend and Dividend Tax Paid	(2,722.38)		(1,311.07)	
Interest and Finance Charges Paid	(1,094.80)		(1,113.99)	
Net Cash Used In Financing Activities:		(6,790.57)		(5,227.35)
Net Increase / Decrease In Cash and Cash Equivalents (A+B+C)		(1,089.88)		1,071.26
D. Cash and Cash Equivalents				
Opening Balance		1,911.57		840.31
Closing Balance.....		821.69		1,911.57

Notes to the cash flow statement for the year ended 31st March, 2011

1. Cash and cash equivalents excludes balance in Dividend/ Debenture Interest Accounts Rs.111.47 Lakhs (Previous year Rs.95.51 Lakhs) and Deposits given on lien of Rs 18.48 Lakhs (Previous Year Rs 17.13 Lakhs).
2. Previous year's figures have been regrouped 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 : Mumbai
Date : 13th May, 2011

AUDITORS' 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 31st March, 2011, the Consolidated Profit and loss account 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 subsidiaries and Joint Venture whose financial statements reflect total assets of Rs. 121,729.86 lakhs as at March 31, 2011, total revenues of Rs. 91,448.19 lakhs and total net cash outflows of Rs. 3,340.84 lakhs for the year ended on that date. In the Consolidated Financial Statements, Group's share of profit of Rs. 3,635.38 lakhs for the year ended on that date has been considered.

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

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 give 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, 2011;
 - b) In the case of the consolidated Profit and Loss Account, of the consolidated results of the operations 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.

For SNB ASSOCIATES
Chartered Accountants

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

Place: Mumbai
Date: 13th May, 2011

For N. M. RAJI & CO.
Chartered Accountants

J.M. GANDHI
Partner
Membership No.: 37924
(Firm's Registration No.: 018296W)

CONSOLIDATED BALANCE SHEET

	Schedule No.	As at 31st March, 2011		As at 31st March, 2010	
		Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
(a) Share Capital	1	1,867.70		1,867.70	
(b) Reserves and Surplus	2	41,120.49		35,294.69	
			42,988.19		37,162.39
2. Minority Interest (CCI)		16,653.54		15,050.80	
Minority Interest (ACL)		43.90	16,697.44	135.36	15,186.16
3. LOAN FUNDS	3				
(a) Secured Loans		67,400.20		67,157.64	
(b) Unsecured Loans		6,904.53		11,138.97	
			74,304.73		78,296.61
4. DEFERRED TAX LIABILITY (Refer Note No. B 10 of Schedule 13)			10,818.45		9,769.66
			144,808.81		140,414.82
APPLICATION OF FUNDS					
1. FIXED ASSETS	4				
Gross Block		144,441.28		143,555.96	
Less: Depreciation		23,107.46		19,142.30	
Net Block		121,333.82		124,413.66	
Add: Capital Work-in-progress		1,109.99		847.26	
			122,443.81		125,260.92
2. INVESTMENTS	5		570.96		807.25
3. DEFERRED TAX ASSET (Refer Note No. B 10 of Schedule 13)			1,387.38		1,521.89
4. CURRENT ASSETS, LOANS AND ADVANCES	6				
(a) Inventories		21,910.85		17,698.55	
(b) Receivables		10,508.52		7,256.11	
(c) Cash and Bank Balances		1,988.59		6,398.36	
(d) Other Current Assets		504.07		659.09	
(e) Loans and Advances		10,609.17		7,921.63	
		45,521.20		39,933.74	
Less : CURRENT LIABILITIES AND PROVISIONS	7				
(a) Liabilities		23,800.76		24,409.18	
(b) Provisions		1,314.00		2,701.20	
		25,114.76		27,110.38	
Net Current Assets			20,406.44		12,823.36
5. Miscellaneous Expenditure to the extent not written off - Deferred Revenue Expenditure (Refer Note No. B4 of Schedule 13)			0.22		1.40
			144,808.81		140,414.82
Significant Accounting Policies/Notes on Accounts	13				

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

J.M. GANDHI
Partner

Membership No. 20045

Membership No. 37924

Place: Mumbai
Date: 13th May, 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Schedule No.	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
		Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
INCOME					
Sales and Services	8	129,330.29		128,680.12	
Less: Excise Duty		121.32		66.28	
Net Sales			129,208.97		128,613.84
Other Income	9		1,085.32		1,083.80
			130,294.29		129,697.64
EXPENSES					
Depreciation & Amortisation of Intangibles	10	111,563.33		109,389.63	
Less: Amount Drawn from Revaluation reserve (Refer Note No. B13 of Schedule 13)		3,396.39 (252.54)		3,383.72 (275.60)	
Impairment of Goodwill (Refer Note No. B1a of Schedule 13)		519.30		544.07	
Accretion [-]/Decretion to Stock	11	(1,859.91)		877.77	
			113,366.57		113,919.59
Exceptional Income/(Expense)	12		16,927.72		15,778.05
PROFIT BEFORE TAXATION			17,034.37		15,161.07
Provision for Taxation :					
For Current Tax		5,851.41		6,876.15	
Excess Tax provision written back		(5.10)		-	
For Deferred Tax		216.77		910.38	
			6,063.08		7,786.53
PROFIT AFTER TAXATION			10,971.29		7,374.54
Less: Minority Interest in CCI @ 49.92%			(3,623.26)		(3,837.14)
Minority Interest in ACL @ 49.00%			(91.55)		(105.48)
NET PROFIT			7,256.48		3,431.92
Add: Surplus brought forward from previous year			2,382.13		1,588.93
AMOUNT AVAILABLE FOR APPROPRIATION			9,638.61		5,020.85
APPROPRIATIONS					
General Reserve No. 1		550.84		319.90	
General Reserve No. 2		311.17		284.42	
Debenture Redemption Reserve A/c		(692.80)		383.29	
			169.21		987.61
Dividends :					
Interim		933.85		-	
Final (Proposed)		933.85		1,400.78	
Tax on Dividend		318.57		250.33	
			2,186.27		1,651.11
Surplus Carried to Balance Sheet			7,283.13		2,382.13
Significant Accounting Policies / Notes on Accounts	13				
EPS - Basic & Diluted (on Rs.10 per Share) (Refer Note No. B 14 of Schedule 13)			Rs. 38.85		Rs. 18.38

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

J.M. GANDHI
Partner

Membership No. 20045

Membership No. 37924

Place: Mumbai
Date: 13th May, 2011

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Schedule No. 3

	As at 31st March, 2011 Rs. in Lakhs	As at 31st March, 2010 Rs. in Lakhs
A. SECURED LOANS		
- 7% Secured Redeemable Partly - Convertible Debentures	6,208.33	9,312.50
- Senior Debt (*) - Rabo Bank	32,393.40	33,504.77
- Senior Debt (*) - Tata Global Beverages Investments Limited	23,632.75	23,788.65
- Working Capital/Cash Credit Facilities from Banks	5,165.72	551.72
	67,400.20	67,157.64

NOTES:

- (1) The 7% Non-Convertible Debentures are redeemable at par in three equal instalments at the end of 4th, 5th & 6th years from the date of allotment i.e. 29.12.2006. Accordingly the first instalment has been redeemed during the year. The Debentures are secured by a charge on the part of the Land and the Factory located at Theni.
- (2) Working Capital/ Cash Credit facility is 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
- (*) Senior Debts are secured by specific security over the Assets of overseas Subsidiary.

B. UNSECURED LOANS

Short-term loan from Banks	500.00	5,000.00
Tata Global Beverages Investments Limited	6,404.53	6,138.97
	6,904.53	11,138.97

Schedule No. 4

FIXED ASSETS

	COST				DEPRECIATION				NET VALUE	
	As at 01.04.2010 Rs. in Lakhs	Additions Rs. in Lakhs	Deductions / Adjustments * Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs	Up to 01.04.2010 Rs. in Lakhs	For the year \$\$ Rs. in Lakhs	Deductions / Adjustments * Rs. in Lakhs	Up to 31.03.2011 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs	As at 31.03.2010 Rs. in Lakhs
Goodwill	82,143.01	-	(538.31)	81,604.70	1,876.15	519.30	(23.24)	2,372.21	79,232.49	80,266.86
Intangibles	17,953.70	-	(117.66)	17,836.04	2,633.21	728.84	(32.65)	3,329.40	14,506.64	15,320.49
Freehold Land and Development	7,593.83	-	-	7,593.83 (a)	-	-	-	-	7,593.83	7,593.83
Leasehold Land and Development	185.89	-	-	185.89	0.16	-	-	0.16	185.73	185.73
Leasehold Improvement	-	-	-	-	-	-	-	-	-	-
Buildings	6,954.49	64.43	(105.16)	6,913.76 (a)	2,067.31	247.74	(167.33)	2,147.72	4,766.04	4,887.18
Water and Sanitary Installations	804.57	72.23	(0.41)	876.39 (a)	383.07	31.26	(0.41)	413.92	462.47	421.50
Electrical Installations	1,060.40	79.73	(20.27)	1,119.86 (a)	463.42	50.33	(20.25)	493.50	626.36	596.98
Plant and Machinery (c)	23,698.52	1,942.93	(576.16)	25,065.29	10,051.59	1,941.85	380.16	12,373.60	12,691.69	13,646.93
Furniture/Fixtures & Equipment	2,202.16	22.59	(14.77)	2,209.98	1,206.57	293.12	(23.85)	1,475.84	734.14	995.59
Vehicles	959.39	182.11	(105.96)	1,035.54	460.82	103.25	(62.96)	501.11	534.43	498.57
Total	143,555.96	2,364.02	(1,478.70)	144,441.28	19,142.30	3,915.69	49.47	23,107.46	121,333.82	124,413.66
Previous Year	156,621.56	1,812.37	(14,877.97)	143,555.96	16,462.03	3,927.79	(1,247.52)	19,142.30	124,413.66	
Capital Work-in-Progress (b)									1,109.99	847.26
Total									122,443.81	125,260.92

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

\$\$ includes impairment of Goodwill

a) Includes the following assets jointly owned/held with the Holding Company :-

Freehold Land	Rs.103.78 Lakhs (Previous Year - Rs.103.78 Lakhs)
Buildings	Rs. 56.78 Lakhs (Previous Year - Rs. 56.78 Lakhs)
Water and Sanitary Installations	Rs.8.15 Lakhs (Previous Year - Rs.8.15 Lakhs)
Electrical installations	Rs. 22.07 Lakhs (Previous Year - Rs.22.07 Lakhs)

b) Addition for the year includes certain machineries capitalised at Rs.946.50 lakhs. As the same was not giving desired performance, an amount of Rs.485.24 Lakhs has been recovered from the Supplier, which has been reflected as Deduction/Adjustment under Gross Block. Against the said asset, an impairment of Rs.457.43 Lakhs has been provided, based on its value in use (Current Year Rs.226.17 lakhs) and it has been shown under Deduction/Adjustment in the Depreciation Block.

c) Capital work-in-progress includes Capital Advance Rs. NIL (Previous Year Rs 5.67 Lakhs)

d) 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

TATA COFFEE LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Schedule No. 5	Class	No.	Face Value of each Rs	As at 31st March, 2011 Rs.in Lakhs	As at 31st March, 2010 Rs.in Lakhs
INVESTMENTS - AT COST					
Long term investments (Fully paid)					
TRADE					
Quoted					
Tata Global Beverages Limited \$	Equity Shares	98,250	1	56.38	113.76
Tata Chemicals Limited	Equity Shares	1,60,000	10	424.21	424.21
Joonktolle Tea & Industries Limited.	Equity Shares	11,524	10	6.42	6.42
				487.01	544.39
Unquoted					
Chembra Peak Estates Limited.....	Equity Shares	3,481	10	0.41	0.41
Wartyhully Estates Limited	Equity Shares	24,748	10	0.93	0.93
The Cochin Malabar Estates & Industries Limited	Equity Shares	2,156	10	0.20	0.20
				1.54	1.54
OTHER THAN TRADE - Quoted					
IDBI Bank Limited	Equity Shares	16,160	10	13.13	13.13
Rural Electric Corporation	5.5% Cap Gain Bonds			-	50.00
(Redeemed during the year)					
				13.13	63.13
OTHER THAN TRADE - Unquoted					
Ritspin Synthetics Ltd	Equity Shares	1,00,000	10	-	-
(Net of Provision for Diminution Rs.10 Lakhs)					
Coorg Orange Growers Co-operative Society Ltd.*..	Equity Shares	4	100	-	-
Tata Coffee Co-operative Stores Limited *	Equity Shares	20	5	-	-
Coorg Cardamom Co-operative Marketing	Equity Shares	1	100	-	-
Society Limited *					
Current investments - Mutual Funds					
Unquoted					
HSBC Ultra Short Term Fund - Weekly Dividend	Units	6,31,909	10	69.28	198.19
				69.28	198.19
				TOTAL	807.25
Cost of Investments					
Quoted					
Long Term				500.14	607.52
Current				-	-
Unquoted					
Long Term				1.54	1.54
Current				69.28	198.19
				TOTAL	807.25
Market Value of Quoted Investments					
				1,546.35	2,551.62

* Represents Amount less than Rs.1000

\$During the year Tata Global Beverages Ltd. has split its shares from a face value of Rs. 10 per share to Re. 1 each. Against the allotment of 19,82,500 shares of face value Re. 1 each the Company has sold 10,00,000 shares during the year.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Schedule No. 6	As at 31st March, 2011 Rs. in Lakhs	As at 31st March, 2010 Rs. in Lakhs
CURRENT ASSETS, LOANS AND ADVANCES		
(a) INVENTORIES:		
Stores and Spares.....	1,401.34	1,445.61
Raw materials	6,278.16	3,881.50
	7,679.50	5,327.11
Stock-in-trade:		
Finished/Trading Goods	13,917.08	12,296.83
Work-in-progress/Crop-in-progress.....	314.27	74.61
	14,231.35	12,371.44
	21,910.85	17,698.55
(b) RECEIVABLES:		
Sundry Debtors:		
Unsecured		
Debts outstanding for a period exceeding six months		
- Considered Good	69.61	96.24
- Considered Doubtful	292.91	271.07
	362.52	367.31
Less: Provision for Doubtful Debts	292.91	271.07
	69.61	96.24
Other Debts considered good:		
- Secured.....	1,017.40	1,484.91
- Others (Considered Good).....	9,421.51	5,674.96
- Others (Considered Doubtful).....	94.13	93.13
	9,515.64	5,768.09
Less: Provision for Doubtful Debts	94.13	93.13
	9,421.51	5,674.96
Sub-Total	10,508.52	7,256.11
(c) CASH AND BANK BALANCES:		
Cash, cheques in hand and stamp balances ..	67.56	70.59
Bank balances:		
With Banks:		
On Current Accounts	1,791.08	5,115.13
In Deposit Accounts	18.48	1,117.13
In Dividend and Debenture Interest Account	111.47	95.51
	1,921.03	6,327.77
	1,988.59	6,398.36
d) OTHER CURRENT ASSETS:		
Interest accrued on Investments/ Loans/ Deposits/ Def Fin Cost and Share of Joint Venture	504.07	659.09
Carried Over	34,912.03	32,012.11

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET
SCHEDULE No. 6 (Contd.)

	As at 31st March, 2011 Rs. in Lakhs	As at 31st March, 2010 Rs. in Lakhs
Brought Forward	34,912.03	32,012.11
e) LOANS & ADVANCES:		
(Unsecured - Considered good unless Otherwise stated)		
Advances recoverable in cash or in kind or for value to be received:		
Considered Good	4,269.75	1,398.94
Considered Doubtful	86.49	97.99
	<u>4,356.24</u>	<u>1,496.93</u>
Less: Provision for Doubtful Advances	86.49	97.99
	4,269.75	1,398.94
Deposits with Companies		
Considered Good	3,400.00	3,400.00
Considered Doubtful	38.00	38.00
	<u>3,438.00</u>	<u>3,438.00</u>
Less: Provision for Doubtful Deposits	38.00	38.00
	3,400.00	3,400.00
MAT Credit Entitlement	681.17	466.85
Balances with Excise Authorities, Port Trust etc....	169.49	265.65
Loan to The Coorg Foundation - a Public Charitable Trust.....	30.00	120.00
Balance in Escrow	61.42	58.61
Other Deposits		
Considered Good	1,997.34	2,211.58
Considered Doubtful	3.84	3.84
	<u>2,001.18</u>	<u>2,215.42</u>
Less: Provision made	3.84	3.84
	1,997.34	2,211.58
SUB-TOTAL	10,609.17	7,921.63
TOTAL	45,521.20	<u>39,933.74</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Schedule No. 7	As at 31st March, 2011 Rs. in Lakhs	As at 31st March, 2010 Rs. in Lakhs
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES :		
Sundry Creditors		
- Due to Micro, Small and Medium Enterprises.....	6.23	36.61
- Others	7,367.08	5,744.54
(Includes amount due to Holding Company Rs 27.77 Lakhs. Previous year Rs 87.59 Lakhs)		
Other Liabilities.....	16,075.25	18,230.86
Interest accrued but not due	110.73	179.30
Due to Directors.....	130.00	122.00
Liability towards investors Education and Protection Fund Under Section 205C of the Companies Act, 1956		
- Unpaid Dividend and Debenture Interest.....	111.47	95.51
	23,800.76	24,408.82
Other liability in Joint Ventures (Refer Note No. A(I) (c) of Schedule No.13)	-	0.36
	-	0.36
	23,800.76	24,409.18
PROVISIONS:		
Provision for taxation.....	4,340.68	4,962.86
Less: Payments in advance	4,112.02	3,929.79
	228.66	1,033.07
Dividend		
- Proposed Final.....	933.85	1,400.78
- Tax on Final Dividend.....	151.49	267.35
	1,085.34	1,668.13
	1,314.00	2,701.20
	25,114.76	27,110.38

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
Schedule No. 8

	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
INCOME				
NET SALES AND SERVICES				
Coffee :				
Green Bean.....		8,005.94		7,426.50
Instant.....		18,312.00		11,559.41
R & G.....		90,681.12		96,787.41
Tea		5,645.14		6,603.87
Pepper		1,851.40		1,849.64
Cardamom & Minor produce		203.31		284.79
Pre-Mix		768.68		846.23
Timber	241.42		181.36	
Less: Extraction Expenses.....	54.01		41.11	
		187.41		140.25
Veneer/Plywood		784.47		725.04
Trading Sales (Refer Note No. B 8 of Schedule 13)		2,436.26		2,122.65
Coffee Curing		260.44		187.05
Room and Food revenue - Hospitality Division.....		194.12		147.28
		129,330.29		128,680.12

Schedule No. 9
OTHER INCOME
Operational

Rent	57.34		57.41	
Sale of scrap/waste.....	103.05		62.12	
Provision no longer required.....	153.17		245.27	
Export Incentive.....	456.02		348.81	
Profit on Sale of Fixed Assets (Net)	40.58		13.68	
Others	214.88		286.16	
		1,025.04		1,013.45
Income from Long Term Investments:				
Dividend :				
Trade *	54.81		49.66	
Others	4.10		5.38	
* Tax Deducted at Source Rs. 543.72 Lakhs (Previous year: Rs. 216.88 Lakhs)	58.91		55.04	
Interest - On Long Term Investment.....	1.37		2.75	
Interest - Others	-		12.56	
	1.37		15.31	
		60.28		70.35
		1,085.32		1,083.80

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

Schedule No. 10

	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
PRODUCTION, TRADING, SELLING AND ADMINISTRATION EXPENSES				
Salaries, Wages and Bonus		14,760.80		12,952.79
Contribution to Provident and Other Funds.....		2,286.91		2,017.85
Workmen and Staff Welfare Expenses.....		833.29		601.10
Consumption of Raw Materials		43,113.87		39,043.81
Contract/Processing Charges		1,315.20		1,086.79
Purchase of Trading Goods		3,634.78		2,088.64
Consumption of Packing Material.....		6,825.43		6,503.85
Consumption of Stores & Spare Parts.....		1,625.32		1,437.00
Power and Fuel		3,681.74		3,030.21
Rent		832.51		854.79
Repairs to Buildings.....		415.33		491.32
Repairs to Machinery		434.30		490.43
Repairs to Machinery - others.....		394.33		350.14
Insurance.....		914.85		850.13
Rates and Taxes.....		270.44		275.19
Sales Promotion, Advertisements and Publicity		2,466.22		2,658.32
Selling Expenses		18,244.47		20,410.34
Excise Duty and Cess.....		22.63		24.42
Freight.....		3,164.66		2,878.91
Directors' Sitting Fees.....		16.20		13.30
Directors' Commission		60.00		52.00
Auditors Remuneration.....		262.51		267.49
(Refer Note No. B11 of Schedule No. 13).....				
Interest and Finance Charges :				
- Fixed Loans/ Debentures/ Working capital/ Others (net of Interest income/Interest capitalised)		4,233.41		5,609.13
(Refer Note No. B 5 of Schedule No.13)				
- Finance Charges		286.57		386.71
Impairment of Assets.....		226.17		231.26
Loss on Sale/Discard of Fixed Assets (net)		-		33.81
Exchange Fluctuation Loss (Net)		964.36		1,718.08
Provision for bad and doubtful debts and advances.....		23.16		65.78
Donations.....		30.61		138.87
Research and Development Expenses		38.10		42.95
Miscellaneous expenses		185.16		2,784.22
		111,563.33		109,389.63

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
Schedule No. 11

	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
ACCRETION [-] / DECRETION TO STOCK/ WORK-IN-PROGRESS				
Stock as at 1st April, 2010				
Coffee	3,947.15		3,697.58	
Instant Coffee	3,289.69		5,178.78	
R&G Coffee.....	3,808.75		3,043.21	
Work-in-Progress.....	40.35		10.16	
Tea	502.30		429.14	
Pepper.....	466.92		573.30	
Cardamom and Minor produce	-		24.97	
Pre-Mix	9.13		24.83	
Veneer/Plywood	16.95		37.86	
Trading Stock.....	253.96		229.38	
Crop-in-Progress - Pepper.....	34.26		-	
		12,371.44		13,249.21
Stock as on 31st March, 2011				
Coffee	5,045.53		3,947.15	
Instant Coffee	1,855.09		3,289.69	
R&G Coffee.....	5,964.31		3,808.75	
Work-in-Progress.....	70.63		40.35	
Tea	457.03		502.30	
Pepper.....	256.62		466.92	
Cardamom and Minor produce	0.27		1.98	
Pre-Mix	77.42		9.13	
Veneer/Plywood	30.75		16.95	
Trading Stock.....	230.05		253.96	
Crop-in-Progress - Pepper.....	243.65		34.26	
		14,231.35		12,371.44
ACCRETION [-]/ DECRETION TO STOCK/ WORK-IN-PROGRESS		(1,859.91)		877.77
Schedule No. 12				
Exceptional Income/(Expense)				
- Profit on sale of investments	1,065.60		-	
- Restructuring cost	(958.95)		(616.98)	
		106.65		(616.98)
		106.65		(616.98)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule No.13

A. NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Basis of Consolidation

a) Basis of Preparation

The Consolidated financial statements are prepared in accordance with Accounting Standard 21 on Consolidated Financial Statement and AS-27 on Financial Reporting of Interest in Joint Venture issued by the Company (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 unrealized profits or losses thereon have been fully eliminated.
- iii) Company's interest in the Joint Ventures is accounted for using proportionate consolidation.
- 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 recognized as "Goodwill" under fixed assets and is not being amortized. 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 AS-26 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 original cost of these assets (Net of revaluation), 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	51%
Consolidated Coffee Inc.	USA	Investment	50.08%
Eight 'O' Clock Coffee Company	USA	Roasted Coffee Beans and R&G powder	50.08%

c) Joint Ventures 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%

II. SIGNIFICANT ACCOUNTING POLICIES**i) Profit and Loss Account**

- a) All income and expenses are accounted on accrual basis.
- b) Sales are recognized on passing of property in goods 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 & accrued on completion of export sales. In the case of a subsidiary, sales are recognized 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 and Loss Account.
- 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 account. 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 Account. 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 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 account.

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 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

CONSOLIDATED NOTES ON ACCOUNTS
Schedule No.13 (Contd.)

the contrary, deferred tax assets pertaining to business loss are only recognized to the extent of virtual certainty of future taxable profits.

- h) The costs incurred for obtaining financing are deferred and amortized 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 recognized. 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 and Loss Account 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 realizable value.
Work-in-Progress	At lower of cost and net realizable value.
- Cardamom and Other Produces	At since realized/estimated realizable value.

B. CONSOLIDATED NOTES ON ACCOUNTS

1. a) Reference to para I a (v) of the Basis of Consolidation an amount of Rs. 519.31 lakhs has been considered as impairment of Goodwill during the year (Previous year: Rs.544.07 lakhs).
- b) The Group has entered into forward contracts for hedging highly probable future cash flows. The Mark to Market loss of Rs.897.44 lakhs (Previous year: Rs 1930.44 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.
- c) 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. 3 of the Standalone Financial Statements.

TATA COFFEE LIMITED
CONSOLIDATED NOTES ON ACCOUNTS
Schedule No.13 (Contd.)

	As at 31st March, 2011 Rs. in Lakhs	As at 31st March, 2010 Rs. in Lakhs
2. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances).....	263.12	146.22
3. a) Claims against the Company not acknowledged as debts		
i) Demands Raised by Income Tax, Excise and Sales tax authorities	999.65	678.10
ii) Labour Disputes	302.61	283.59
iii) Claims by Customers/Suppliers.....	437.41	420.10
	1,739.67	1,381.79
b) Contingent Liabilities:		
i) Bank Guarantees	1,000.81	897.95
ii) Bills discounted.....	137.36	0.00
4. Deferred revenue expenditure brought forward from previous year	1.40	4.66
Add: Deferred revenue expenditure incurred on Voluntary Retirement Scheme	0.00	0.01
	1.40	4.67
Less: Written off during the year, Voluntary Retirement Scheme charged off.....	1.18	3.27
Unrealized Foreign Exchange Gain / (Loss)		
Closing balance of Deferred Revenue Expenditure.....	0.22	1.40
5. Interest (Net)		
Interest on		
- Debentures	596.51	718.38
- Fixed Loans	3,789.55	5,119.56
- Working Capital.....	290.54	62.01
- Others	61.10	51.35
	4,737.70	5,951.30
Less: Interest earned on		
- Inter Corporate Deposits.....	390.14	258.70
- Deposits with Banks (including Deposit with NABARD).....	114.15	83.47
	4,233.41	5,609.13
6. a) Repairs to Buildings Include		
Wages	58.20	59.14
b) Repairs to Machinery Include		
Wages	19.63	17.42
c) Repairs to Machinery - Others Include		
Wages	0.17	0.17
7. Selling expenses include		
a) Commission to Sales agents.....	622.57	607.47
b) Brokerage and Discount on sale	15.49	26.47
c) Tata Brand Equity	220.97	208.12
8. Trading Sales Include		
a) Sale of Coffee Bean	109.78	68.49
b) Sale of Timber/Plywood.....	8.45	36.58
c) Sale of Pre-mix, Instant Tea and Chicory	23.20	45.50

CONSOLIDATED NOTES ON ACCOUNTS
Schedule No.13 (Contd.)

	As at 31st March, 2011 Rs. in Lakhs	As at 31st March, 2010 Rs. in Lakhs
9. Following Provisions have been made against the liabilities of contingent nature (included under the head 'Current Liability' of Schedule 7)		
Opening Balance as on 1st April, 2010	1,695.06	1,619.72
Add Provisions made during the period.....	5,098.94	6,131.69
Amount Utilized.....	(4,815.14)	(6,056.36)
Closing balance as on 31st March 2011	1,978.86	1695.05
10. Classification of Deferred Tax:		
a) Difference in depreciation between books and tax.....	(2,863.15)	(2,961.47)
b) Other Timing Differences (Net)	1,901.34	2,472.43
c) AS-15 (Revised) - Employee Benefits	78.00	61.83
d) Premium on Redemption of 4% NCD's	-	-
e) Carry forward loss.....	-	-
f) Intangible assets	(15,265.70)	(14,636.44)
g) Others	6718.45	6815.88
Total:	(9,431.06)	(8,247.77)
Represented by:		
Defered Tax Liability	(9,769.66)	(9,769.66)
Defered Tax Asset.....	1521.89	1521.89
Net:.....	(8,247.77)	(8,247.77)
11. The Auditors Remuneration includes the following :		
Audit Fee	207.10	212.44
Tax Audit/Taxation Matters	34.69	35.56
Other Services	17.04	16.34
Expenses.....	3.68	3.15
Total	262.51	267.49
12. Disclosure in respect of Operating leases		
- Lease payments recognised in Profit and Loss	-	2.97
13. Movement of Revaluation Reserve		
Revaluation Reserve Drawn during the year	252.54	275.60
14. Earnings Per Share has been computed as under:		
a) Profit After taxation after Minority Interest.....	7,256.48	3,431.91
b) Number of shares	18,677,037	18,677,037
c) Basic and Diluted Earnings Per Share (Rs.) (a)/(b).....	38.85	18.38
d) Nominal value of share	10.00	10.00

TATA COFFEE LIMITED
CONSOLIDATED NOTES ON ACCOUNTS
Schedule No.13 (Contd.)
15. 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

Rs. 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	121,960.97	120,700.49	5,645.14	6,603.87	3,329.88	2,950.33	502.69	415.48	131,438.68	130,670.17
Less:inter-Segment Sales					1,027.06	967.95	237.45	221.92	1,264.51	1,189.87
Un-Allocated Income									59.84	146.98
Total Revenue	121,960.97	120,700.49	5,645.14	6,603.87	2,302.82	1,982.38	265.24	193.56	130,234.01	129,627.28
Segment Results#	20,165.49	19,628.19	336.85	1,485.97	38.98	37.29	123.26	138.02	20,664.58	21,289.47
Unallocated Corporate Income (Net of Expenses)									783.12	484.42
Operating Profits									21,447.70	21,773.89
Interest Expense									(4,519.97)	(5,995.84)
Exceptional Income/(Expense)									106.65	(616.98)
Profit Before Tax									17,034.37	15,161.07
Income Taxes										
Current Tax									(5,851.41)	(6,876.15)
Deferred Tax									(216.77)	(910.38)
Excess Tax Provision Written Back									5.10	-
Net Profit									10,971.29	7,374.54
Other Information										
Segment Assets	155,806.07	152,346.75	6,235.62	6,046.21	284.12	244.54	308.48	339.42	162,634.29	158,976.92
Unallocated Common Assets									5,901.88	7,026.36
Total Assets									168,536.17	166,003.28
Segment Liabilities	(90,690.69)	(91,523.95)	(625.93)	(786.79)	(107.74)	(103.92)	(129.19)	(116.01)	(91,553.55)	(92,530.67)
Unallocated Liabilities									(17,296.99)	(21,124.06)
Total Liabilities									(108,850.54)	(113,654.73)
Capital Employed	65,115.39	60,822.80	5,609.69	5,259.42	176.38	140.62	179.29	223.41	59,685.63	52,348.56
Capital Expenditure	873.37	1,182.36	325.49	139.74	-	0.05	27.52	100.73	1,226.38	1,422.88
Depreciation	3,110.34	3,124.98	194.40	184.46	0.17	0.25	91.48	74.03	3,396.39	3,383.72
Non-Cash Expenses	753.94	841.11	-	-	-	-	14.69	76.11	768.63	917.22
Other than Depreciation										

After considering impairment of Plant and Machinery of Rs.226.17 Lakhs (Previous Year Rs.231.26 Lakhs)

The Previous Year figures are regrouped wherever necessary.

CONSOLIDATED NOTES ON ACCOUNTS
Schedule No.13 (Contd.)

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

Rs. in Lakhs	Rs. in Lakhs
Current Year	Previous Year
14,483.18	9,351.40
8,683.41	6,318.48
90,062.88	96,076.64
17,004.54	17,880.76
130,234.01	129,627.28

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

16. Related Party Transactions:

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

Sl. No.	Nature of transaction	Rs.in Lakhs							
		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	556.15	326.71					556.15	326.71
2.	Sale of Goods - Tata Russia					5,137.07	2,075.89	5,137.07	2,075.89
3.	Rendering of Services				5.04			-	5.04
4.	Purchase of Goods	79.12	63.18					79.12	63.18
5.	Purchase of Fixed Assets							-	-
6.	Purchase of Current Assets							-	-
7.	Directors Remuneration			3,732.93	962.85			3,732.93	962.85
8.	Receiving of Services	12.85	13.46					12.85	13.46
9.	Receiving of Services - Tata Global Beverages Overseas Ltd.					123.37	-	123.37	-
10.	Interest Payment to Tata Global Beverages Investments Ltd.					1,501.57	1,627.73	1,501.57	1,627.73
11.	Interest Payment	424.48	463.90					424.48	463.90
12.	Dividend Received	39.65	34.69					39.65	34.69
13.	Loan outstanding at the year end - Tata Global Beverages Investments Ltd.					30,037.28	29,927.62	30,037.28	29,927.62
14.	Outstanding at the year end								
	Credit	27.77	87.59			123.37		151.14	87.59
	Debit					787.09	254.11	787.09	254.11

*Salary paid as an employee to Ms Farah Ashraff - Daughter of Mr M H Ashraff, Ex-Managing Director.

TATA COFFEE LIMITED

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 (wef 25.10.2010)
Ms. Barbara Roth
Mr. Paul Lawer (Part of the year)
Mr. Tom Corcoran
3. Fellow Subsidiary Tata Russia (Grand JV)
Tata Global Beverages Overseas Ltd.
Tata Global Beverages Investments Ltd.

The remuneration and commission to key management personnel is disclosed in Note No. B16 and 17 of Schedule No. 13 of separate financial statements of Tata Coffee Limited.

Signature to Schedules 1 to 13

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

Place: Mumbai
Date: 13th May, 2011

S. LAKSHMANAN
Partner
Membership No. 20045

J.M. GANDHI
Partner
Membership No. 37924

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Year ended 31st March, 2011		Year ended 31st March, 2010	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
A. Cash Flow from Operating Activities:				
Net Profit before Tax		17,034.37		15,161.07
Adjustments For:				
Depreciation	3,396.39		3,383.72	
Amount drawn from Revaluation Reserve	(252.54)		(275.60)	
Impairment of Goodwill	519.30		544.07	
Provision for Doubtful Debts/Advances/ Impairment	249.33		373.15	
Preliminary Expenses written off	-		0.05	
Amortisation of Voluntary Retirement Compensation	-		3.96	
Investments and Interest Income	(563.96)		(412.87)	
Interest/Finance Charges	5,023.62		6,338.36	
Exceptional (Income) Expenses	(1,065.60)			
Premium on redemption of debentures	-		-	
Unrealised Foreign Exchange Gain/Loss	31.36		226.08	
Profit/Loss on Sale of Fixed Assets	(38.19)		20.13	
Excess Provision written back	(153.17)	7,146.54	(245.47)	9,955.58
Operating Profit Before Working Capital Changes:		24,180.91		25,116.65
Working Capital Changes				
Decrease/(Increase) In Trade and Other Receivables (Debtors, Loans and Advances and Balance with Excise)	(5,813.39)		3,746.86	
Decrease/(Increase) In Inventories	(4,212.30)		(344.78)	
Increase In Trade Payables	568.27	(9,457.42)	254.96	3,657.04
Cash Generated from Operations:		14,723.49		28,773.69
Direct Taxes Paid		(5,898.47)		(7,310.39)
Net Cash From Operating Activities		8,825.02		21,463.30
B. Cash Flow From Investing Activities:				
Purchase of Fixed Assets	(2,497.95)		(1,538.10)	
Sale of Fixed Assets	596.19		100.66	
Sale/(Purchase) of Investment	1,301.88		1,211.06	
Other Deposits	302.89		(712.98)	
Interest and Investment Income received	544.68		763.74	
Net Cash used in Investing Activities		247.69		(175.62)
C. Cash Flow From Financing Activities:				
NCDs Issued/(repaid) during the period	(3,104.17)		(2,550.00)	
Proceeds (Repayment) of Borrowings (Net of Exchange Fluctuation)	(870.93)		(252.29)	
Effect of Exchange Rate Changes in Cash and Cash Equivalents	433.25			
Proceeds from Short Term Borrowings, etc. (Net of Exchange fluctuation)	-		(5,445.60)	
Dividends	(4,865.75)		(5,126.56)	
Interest and Finance Charges Paid	(5,092.19)		(6,377.25)	
Net Cash Used In Financing Activities:		(13,499.79)		(19,751.70)
Net Increase/Decrease in Cash and Cash Equivalents (A+B+C)		(4,427.08)		1,535.98
D. Cash and Cash Equivalents				
Opening Balance		6,285.72		4,749.74
Closing Balance		1,858.64		6,285.72

Notes to the cash flow statement for the year ended 31st March, 2011

- 1 Cash and cash equivalents excludes balance in Dividend/ Debenture Interest Accounts Rs.111.47 Lakhs (Previous year Rs.95.51 Lakhs) and Deposits given on lien of Rs 18.48 Lakhs (Previous Year Rs 17.13 Lakhs)
- 2 Previous year's figures have been regrouped 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: Mumbai
Date: 13th May, 2011

TATA COFFEE LIMITED
Subsidiary Companies Financial Highlights - 2010/11

(Rs. in Lakhs)

		Consolidated Coffee Inc. *	Alliance Coffee Ltd.
1	Capital	26709.47	5.00
2	Reserves	6653.31	84.60
3	Total Assets	121729.84	93.53
4	Total Liabilities	121729.84	93.53
5	Turnover	91448.19	382.24
6	Profit before Taxation	11881.81	273.01
7	Provision for Taxation	4623.18	86.18
8	Profit After Taxation	7258.63	186.83
9	Proposed Dividend	-	0.00
10	Investment	-	69.28
Reporting Currency		US Dollars	Indian Rupees
Exchange Rate Used for Conversion :			
- Average Yearly Rates for P & L Items		45.40	
- Year end rates for Balance Sheet Items		44.59	

* 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	14	933	357.70	693	1937			
Balmangy	4.10	2	488	219.60	341	1553			
Cannoncadoo	105.95	73	689	198.55	313	1576			
Cottabetta	2.80	3	1071	440.65	632	1434			
Coovercolly	277.10	149	538	218.30	325	1489			
Jumboor	365.40	123	337	0.00	0	0			
Margolly	192.10	122	635	285.10	453	1589			
Nullore	388.00	287	740	77.70	130	1673			
Pollibetta	1.50	1	667	328.00	517	1576			
Sunticoppa	234.60	88	375	0.00	0	0			
Woshully	3.25	4	1231	522.75	584	1117			
Yemmigoondi	53.30	36	675	518.90	855	1648			
COORG	1643.10	902	549	3167.25	4843	1529			
Gubgul	3.60	3	833	125.95	210	1667			
Goorghully	185.17	85	459	225.05	346	1537			
Karadibetta	117.40	60	511	257.30	352	1368			
Merthikhan	84.70	31	366	27.95	34	1216			
Mylemoney	342.10	336	982	89.60	119	1328			
Ubban	207.40	143	689	196.40	320	1629			
HASSAN	940.37	658	700	922.25	1381	1497			
Tamil Nadu	2583.47	1560	604	4089.50	6224	1522			
Valparai	319.78	110	344	245.96	396	1610			
TEA KARNATAKA									
Merthikhan							117.85	249	2113
Glenlorna							244.92	789	3221
TAMIL NADU									
Pachamalai							301.07	1065	3537
Pannimade							431.03	1063	2466
Uralikal							429.65	1159	2698
Velonie							410.89	1172	2852
KERALA									
Malakiparai							529.76	1837	3468
Grand Total	2903.25	1670	575	4335.46	6620.00	1527	2465.17	7334	2975



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 68th Annual General Meeting of the Company to be held on Friday, the 5th August,
2011 at the Registered Office and at any adjournment thereof.

Sign this day of 2011.

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 68th Annual General Meeting of the Company held on Friday, the 5th August, 2011 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.