June 12, 2020

The National Stock Exchange of India Ltd.
Exchange Plaza,Sth floor Plot No. C/1, G Block Bandra Kurla Complex Bandra (E)
Mumbai 400 051
Scrip Code - TATACONSUM

BSE Ltd.
Corporate Relationship Dept.
1st Floor, New Trading Wing
Rotunda Building, PJ Towers
Dalal Street
Mumbai 400 001
Scrip Code - 500800

The Calcutta Stock Exchange Ltd.
7 Lyons Range
Kolkata 700 001
Scrip Code – **10000027 (Demat)**
27 (Physical)

Sub: Annual Report for the year ended March 31, 2020 along with Notice of the Annual General Meeting ('AGM')

Dear Sir,

In terms of the requirement under the Regulation 34 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ("Listing Regulations"), we are submitting herewith the Annual Report of the Company including the Business Responsibility Report and the Notice of AGM for the financial year 2019-20, which will be circulated to the Members through electronic mode.

The 57th AGM will be held on Monday, July 6, 2020 at 10:30 a.m. IST through Video Conference and other Audio-Visual Means (OAVM) in accordance, with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).

The Directors have recommended a dividend of Rs. 2.70 per equity share of Re. 1 each of the Company for approval by the shareholders at the AGM.

Pursuant to Regulation 42 of the Listing Regulations, the Register of Members and Share Transfer Books of the Company will be closed from **Monday, June 22, 2020 to Monday, June 29, 2020 (both days inclusive)** for determining entitlement of members to the dividend for the financial year ended March 31, 2020. If the dividend, as recommended by the Board of Directors is approved at the AGM, payment of such dividend, subject to deduction of tax at source, will be made on or after **Wednesday, July 8, 2020** as under:

i) To all the beneficial owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central

Depository Services (India) Limited ("CDSL") as of the beginning of the business hours on **Monday, June 22, 2020**.

ii) To all the members in respect of shares held in physical form after giving effect to all valid transmission/transposition in respect of valid requests lodged with the Company before the commencement of book closure date **i.e. Monday, June 22, 2020.**

The Annual Report for the Financial year 2019-20 containing the Notice of Annual General Meeting is uploaded on the website of the Company at https://www.tataconsumer.com/investors/investor-information/annual-reports .

Kindly take the same on your record and acknowledge.

Yours Sincerely,
For: **TATA CONSUMER PRODUCTS LIMITED**

NEELABJA CHAKRABARTY

Digitally signed by NEELABJA CHAKRABARTY
DN: c=IN, o=Personal, 2.5.4.20=4e0068be8501396de3b75440c137958e6fc80ff67b26a1d2d5da6783504fd6, postalCode=400614, st=MAHARASHTRA, serialNumber=487b8507038b0f3ec8b36db157ab2994811d286bef41b4bc6d20a88d64b9976, cn=NEELABJA CHAKRABARTY
Date: 2020.06.12 20:52:50 +05'30'

Neelabja Chakrabarty
Vice President & Company Secretary
ACS No. 16075

CC:

1. National Securities Depository Limited
Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

2. Central Depository Services (India) Limited
Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400 013

3. TSR Darashaw Consultants Private Limited
6, Haji Moosa Patrawala Industrial Estate, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011.

TATA CONSUMER PRODUCTS LIMITED

(Formerly known as Tata Global Beverages Limited)



THE PLATFORM FOR BETTER

INTEGRATED ANNUAL REPORT 2019-20

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Read the online version here
www.tataconsumer.com/investors/investor-information/annual-reports

About this Report

Reporting Approach

We are taking incremental steps to usher in the next wave of efficiency and growth through 'Integrated Reporting'. We seek to disclose the material impact of our business operations across both financial and non-financial metrics to our stakeholders, helping them make informed decisions. The Report provides insights into our key strategies, operating environment, risks, opportunities, governance structure and the approach towards long-term sustainability.

Reporting Principles

The financial and statutory data presented in this Report is in line with the requirements of the Companies Act, 2013 (and the rules made thereunder); Indian Accounting Standards; the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and the Secretarial Standards issued by the Institute of Company Secretaries of India. The narrative section of the Report is guided by the Integrated Reporting <IR> framework outlined by the International Integrated Reporting Council (IIRC).

Scope and Boundary

This Report includes information that is material to our stakeholders and it presents an overview of the Company's major operations in India and abroad, along with the associated activities that help in short, medium and long term value creation.

Leadership Accountability

The Company's senior management, under the Managing Director's supervision, have reviewed the Report content. The Board Members of the Company have provided the required governance oversight.

About Us

Tata Global Beverages was renamed as Tata Consumer Products, following the merger of the Consumer Products business of Tata Chemicals with itself.

Home to iconic brands, such as Tata Tea, Tetley, Eight O' Clock, Himalayan, Tata Salt and Tata Sampann, our portfolio of products represents our interests spanning food and beverage.

With a combined reach of 200 million households in India, we have an unparalleled ability to leverage the Tata brand in consumer products. Our deep understanding of consumers, iconic category-leading brands and vastness of reach are key drivers of our value proposition. Our JV Tata Starbucks owns and operates cafés in India. We also have a JV with PepsiCo in India, NourishCo*, which markets non-carbonated ready-to-drink beverages that focus on health and enhanced wellness.

With a diverse workforce spread across the world, we have grown through innovation, organic expansion, multiple strategic alliances and bold acquisitions.

*We are in the process of acquiring the 50% stake of PepsiCo in NourishCo Beverages, which is in line with our ambition to create a larger portfolio in the food and beverage industry in India. On the completion of this acquisition, NourishCo Beverages will become a fully-owned subsidiary of Tata Consumer Products Limited.

Tea

Read more Page 38

Coffee

Read more Page 42

Foods

Read more Page 44

Liquid Beverages

Read more Page 48

Out-of-home

Read more Page 50

Performance Highlights FY 2019-20

Rs. 9,637 Cr
Revenue from Operations

171.5 Mn Kg
Branded Sales Volume – Tea

Rs. 1,084 Cr
Profit before Tax and Exceptional Items

1,185.2 Mn Kg
Branded Sales Volume – Salt

Read more Page 18

THE PLATFORM FOR BETTER

As Tata Consumer Products, we stand ‘For Better’.

By constantly pushing boundaries in everything we do – the quality of our products and services, our contribution to people and the planet, and the productivity across our workplaces – we are restless evangelists of a better life.











We see ourselves as enablers of a better life for all our stakeholders. We stay close to the ground and maintain a high degree of engagement. Therefore, innovating, servicing and all else that we do is a two-way process, where we create value for our stakeholders through their inputs and aspirations that drive us. While we take pride in our heritage, the trust our stakeholders place in us ensures we spare no effort in raising the bar higher for the future. That's why we brought together, to unify a complementary set of businesses and target a massive opportunity by leveraging our collective market strength, brand influence, innovation power and distribution muscle. To build more nourished homes and a healthier world.

For better products

Read more
Page 38

For better nutrition

Read more
Page 44

For better experiences

Read more
Page 50

For better productivity

Read more
Page 54

For better planet

Read more
Page 56









At A Glance

A DIVERSE GROUP OF CONSUMER BUSINESSES

We are committed to delivering high quality, innovative and delightful products that are made with goodness and care. Products that fulfil different consumption occasions and bring people closer to each other. With every sip and every bite.





Tea

No. 2 branded tea company in the world, with a portfolio of global leading brands and trusted regional 'hero' brands

Black tea | Specialty tea
Cold infusions | Iced tea
Ready-to-drink tea

Coffee

Category-defining brands that are consistently ranked ahead on quality

Whole bean | Ground
Gourmet coffee | K-Cup brews
Instant coffee | Coffee capsules

Brands

TATA TEA · Tetley · EIGHT O'CLOCK · TATA COFFEE GRAND · Laager · vitax · GOOD EARTH · teapigs.



Foods

Household in-the-kitchen brands enjoyed all over India

Salt | Dals and pulses | Besan
Ready-to-cook mix | Spices | Poha
| Nutritional solutions



Liquid beverages

Water, instant energy and RTD wellness brands

Natural mineral water
Nutrient water
Ready-to-serve drink



Out-of-home

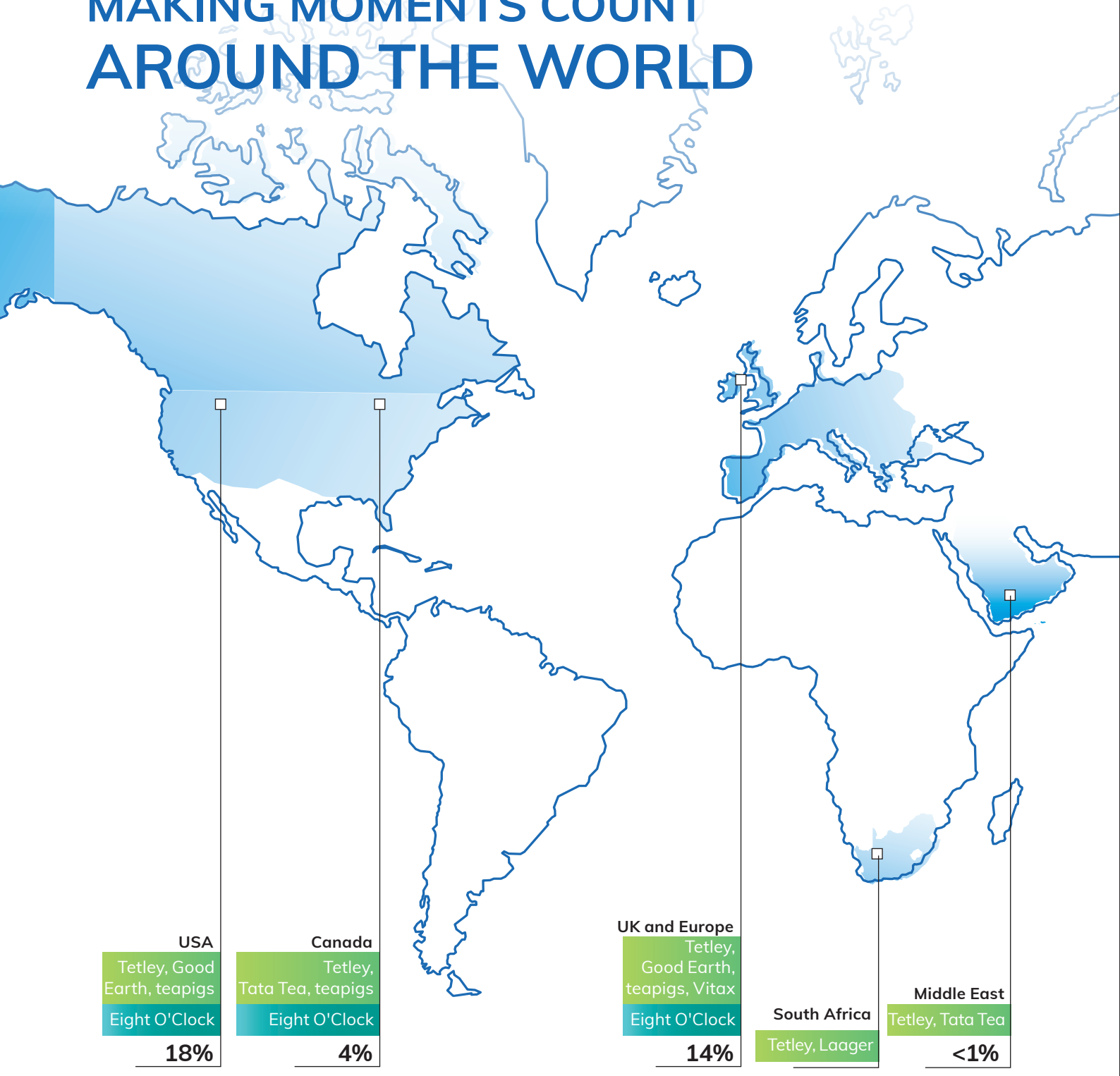
Social hubs with food and beverages at the core

Coffeehouse chain
Concept tea cafes

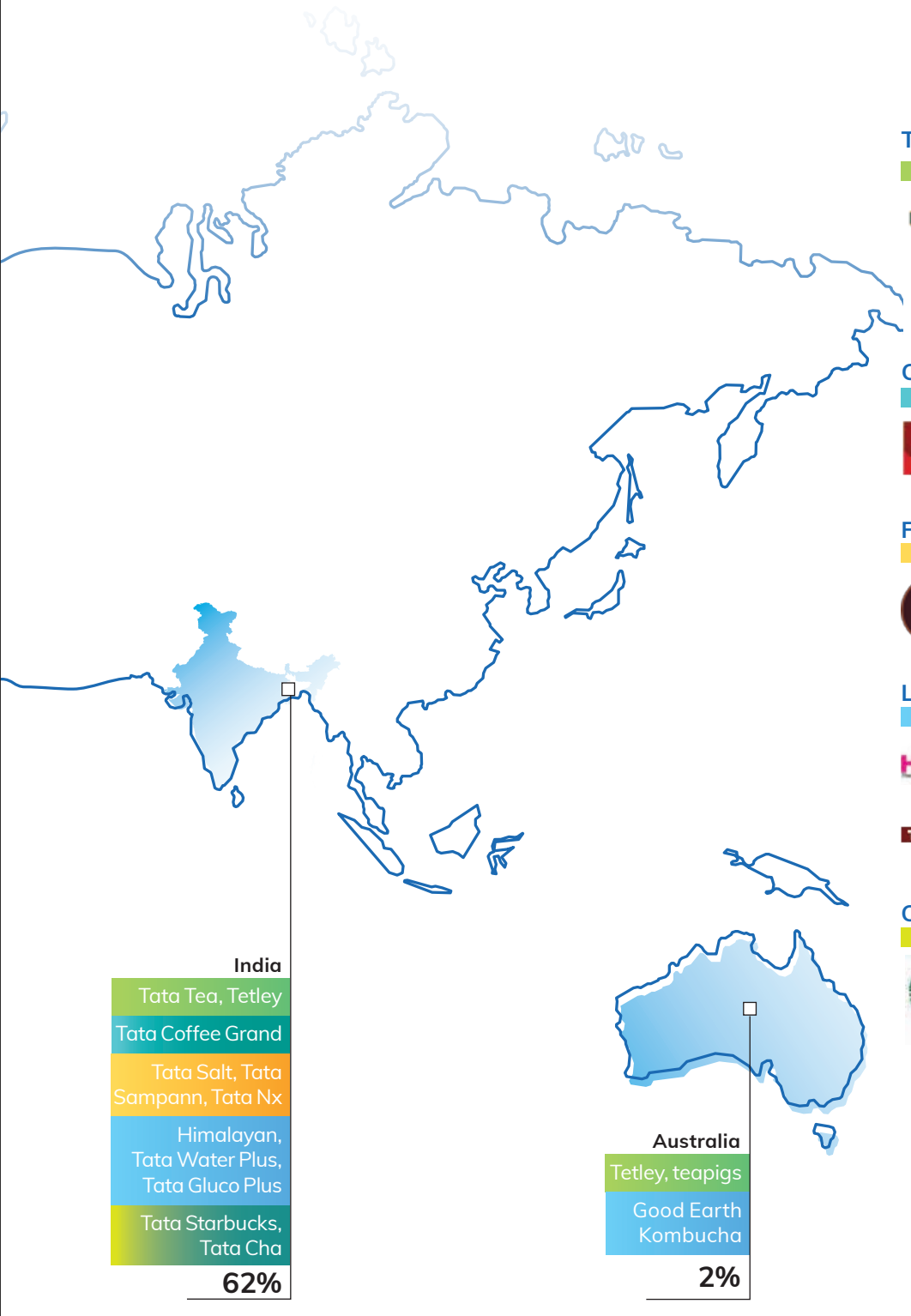
Brands

Geographic Presence

MAKING MOMENTS COUNT AROUND THE WORLD



Note: All figures shown on the map are a % of Consolidated Branded Revenue.



Tea

Coffee

Foods

Liquid Beverages

Out-of-home

Brand Strength

UNIQUE PORTFOLIO OF HOUSEHOLD FAVOURITES

Tata Tea

#1 in the category by volume in India and #2 by value

#2 most trusted brand in hot beverages in India

1 in 3 Indian households consume a Tata Tea brand

30 years of warmth



Premium

- Launched a restage with a state specific marketing mix for Delhi, Uttar Pradesh, Punjab and Haryana, while evoking regional pride for each state, through its hyperlocal packaging and communication
- In a first-of-its-kind activation, the Delhi pack launch took place inside the Delhi Metro, which was wrapped with symbols of Delhi's pride, while the Uttar Pradesh pack was launched at the iconic Gomti Ghats in Lucknow

Gold

- Sponsored IIFA 2019 as Brand Partner
- Relaunched Tata Tea Gold Mixture with a revamped marketing mix including new packaging, improved blend and with the proposition 'Strong Taste, Rich Aroma'

Elaichi

- Fastest-growing brand in the Tata Tea portfolio with significant share gain

Agni

- Continues to drive double digit value growth

Chakra Gold

- Rolled out restage campaign for Tamil Nadu with a region-specific insight based on 'Tamil Pride' supported with on-ground activation *En Vazhi Tamzi Vazhi* (My way, the Tamil way)

Kanan Devan

- Launched a 'Pure & Natural' campaign to highlight risks of adulteration in unbranded tea

Tata Salt

India's first packaged iodised salt

#1 most trusted food brand and undisputed market leader in India

161 million Indian households served



- Robust growth on the back of *Sawaal Kijiye Apne Namak Se* (Question Your Salt) campaign, which consistently outperformed the market norms
- 2 new facilities started in India for production of Tata Salt Lite

Tetley

45 million servings consumed every day in 40 countries

180 years of heritage

#1 in Canada and #3 in the UK



UK

- Re-launched the Tetley brand in the UK with the tagline 'Now We're Talking'; the TV commercial achieved second position for the 'Most Effective UK Ads of 2019', judged by independent measurement firm, System1 – in partnership with ITV
- Launched Cold Infusions summer campaign centred around a partnership with Women's Health Magazine; also became the official sponsor of Women's Health Live – their inaugural health and fitness event
- Introduced Strawberry & Watermelon variant to Cold Infusions range



- Introduced a new 440s decaf pack-count to enable further growth in the out-of-home category

Rest of Europe

- Launched two new Matcha variants in France (Pure & Blueberry), with weighted distribution reaching 51% in modern retail trade[1]
- Introduced UK's Cold Infusions range into Malta and Cyprus

Canada

- Tetley Specialty tea is the #1 specialty tea in Canada by volume
- Launched six new Tetley Super Teas as Canada's first line of teas fortified with vitamins and minerals
- Continues to be the #1 black tea in Canada with double the share of the closest branded competitor[2]

India

- Launched naturally sweet 'Reviving Mango' green tea

USA

- Launched Tetley Flavors of India, a premium black tea inspired by the famous regional flavors and styles of ancient India

Australia

- Launched Tetley Cold Infusions Fruit & Herbal range with four different flavour combinations; a unique TV campaign featured a local comedian highlighting the importance of hydration in a fun way

Middle East

- Launched Kanan Devan Strong variant across the Gulf Cooperation Council (GCC) markets

Poland

- Tetley range packaging changed to new international range with snap-top cap and improved shelf presence

Eight O'Clock Coffee

#4 Roast & Ground coffee brand in USA

160 years of innovation

America's original gourmet and whole bean coffee



- E-commerce revenue grew >60% year over year (pre COVID-19), led by Amazon, Instacart and the corporate direct-to-consumer site
- Won the Walmart and Wakefern private label coffee co-manufacturing business
- Extended the Barista Blends line from ground bags into single serve K-Cups
- Launched Early Riser in the US, a Robusta-Arabica blend to compete in the value segment
- First year revenue for new products Barista Blends and Flavors of America achieved USD 3 million

teapigs



- Maintained #1 super premium brand position in the UK with 67% market share[3]
- Secured B-corp certification which confirms that the brand considers people, environment and profit equally when making business decisions.[4]

Sources:

1. Nielsen Scantrack – HM / SM – MAT P01 2020
2. 12 weeks AC Nielsen; all channels up-to 28th March 2020
3. Nielsen - % share of fuso bag market
4. Note: Certified B-corporations are a new kind of business that balances purpose and profit. They are legally required to consider the impact of their decisions on their workers, customers, suppliers, community and the environment. This is a community of leaders, driving a global movement of people using business as a force for good.

Brand Strength

Himalayan

#1 natural mineral water brand in India

Captive aquifer at the foothills of the Himalayas

- Glass variant performed strongly



Good Earth



USA

- In line with health and wellness, launched Good Earth Ayurveda to create a new sub-segment of Ayurveda in the growing herbal space

Australia

- Launched a larger 750 ml bottle format and released a new Lime & Mint flavour, while gaining ranging in Australia's largest retailer.

Tata Sampann

Only national brand in pulses

Blended spices specially crafted by celebrated chef Sanjeev Kapoor

Trusted for staples and packaged foods



- Pulses and spices became the top brands in most e-commerce players in their respective categories
- Launch of high-fibre white and red poha (beaten rice)
- Largest share of voice on food content reaching 90 million views through association with top YouTube content creators
- Tata NutriKorner emerged as a pioneering content-to-commerce platform reaching 1.3 million+ consumers with 2.6 million+ page views

Laager

- Continues to grow in South Africa, where the overall category is under pressure



Tata Gluco Plus



- Continued expansion with new plants set up in Odisha, West Bengal and Delhi NCR; a new Lychee flavor was also launched

Tata Water Plus

- PET bottles saw strong improvement in profitability

Tata Nx



- Tata Nx Zero Sugar expanded distribution to select modern trade channels in South India
- Tata Nx Zero Sugar collaborated with Amazon in a unique campaign that witnessed 0.62 million consumers participating and sales doubling in that month

Tata Cha

- Celebrated its 2nd anniversary with a successful 'The Big Cha Week' campaign encouraging in-house Cha Sommeliers to conduct tea tasting sessions with consumers; the week-long event culminated with a Master Tea Tasting Ceremony by two of the Company's top tea blenders

Awards

BEVERAGES

- Tata Tea Premium awarded the most promising brand by Economic Times
- Tata Tea Premium featured #10 as Most Trusted Brand in the Hot Beverages category by Brand Equity
- Big Bang Awards – Gold for Branded Content – Tata Tea Premium and Bronze for Integrated Campaign – Tata Tea Chakra Gold
- ABP Brand Excellence (FMCG Category) – Tata Tea Gold, *#DilKiSuno* campaign
- Digital Awards & Summit DOD 2019 Gold award for Best Digital Campaign for a Food and Beverages Enterprise – Tata Tea Kanan Devan for Smart Shelf shopper activation
- ET Now, Stars of the Industry Award for 'Brand Revitalization' category – Tata Tea Chakra Gold (Women's Day, Mother's Day campaigns) and 'Marketing campaign of the year' – Tata Tea Gold *#DilKiSuno* campaign
- Early Riser's 'All Hail the Early Risers' campaign was selected to feature in the prestigious 2020 Hermes Creative Awards Spotlight



- 2020 American Package Design Award by Graphic Design USA for Early Riser Coffee packaging and Good Earth Ayurveda packaging
- Tetley Canada voted Brandspark International Most Trusted Tea Brand after a survey of over 18,000 Canadians



- Tetley Canada won the Readers Digest most trusted tea brand based on a survey of 4,000 Canadians, for the 6th year in a row
- Tetley Super Teas in Canada received a 2019 Family Rated Reviewers Award



- Tata Cha won the prestigious 'Tea Café of the Year' organised by the 4th Annual Restaurant India Awards – South India Edition 2019
- teapigs secured 18 more Great Taste Awards this year, bringing the total number of these awards to 114
- Six blends in Tetley UK picked up Great Taste Awards
- Tetley retained its 'Consumers Choice' Award in Portugal in both the Hot Tea and RTD Tea categories for the 5th consecutive year
- Joekels was awarded Best Own Brand Supplier 2019 by one of South Africa's top retailers, Pick-n-Pay

FOODS

- Received first bronze EFFIE for the effectiveness of the the *Sawaal Kijiye Apne Namak Se* (Question Your Salt) campaign
- Won four EMVIES, of which three were for the 'Missing I' campaign and one for the Pandharpur activation
- Won three ABBYs
- Won the 'Blue Elephant Award' for the 'Salt Art' video campaign – our tribute to the nation



- Tata Nx Zero Sugar was awarded Best of Ayush and Natural Product in the Sweetener category
- Won a Silver for the 'Missing I' campaign at the Maddies
- 'Missing I' also picked up a Gold in the 'Cross Media' category and a Bronze in the 'Cross Mobile Integration' category at the Smarties awards

From the Chairman's Desk

UNLOCKING NEW OPPORTUNITIES



The new name of the Company, 'Tata Consumer Products', signifies its ambition to become a leading force in the consumer products category and marks a new strategic direction for the Company. Its product portfolio currently spans a mix of iconic and emerging brands in tea, coffee, water, salt, pulses, spices and packaged foods.

I am pleased to write to you on the performance of Tata Consumer Products Limited for the financial year 2019-20.

The last few months have seen unprecedented changes in the way we live and work, due to the COVID-19 pandemic. While this is a challenging time for everyone, I believe it is also a learning opportunity and we will emerge stronger from this crisis.

The last year has been an eventful one for the Company. The merger of Tata Chemicals' Consumer Products business with the Company has given Tata Consumer a much wider scope and exciting opportunities for growth in the new decade. The new name of the Company, 'Tata Consumer Products', signifies its ambition to become a leading force in the consumer products category and marks a new strategic direction for the Company. Its product portfolio currently spans a mix of iconic and emerging brands in tea, coffee, water, salt, pulses, spices and packaged foods. This gives us broader exposure to the large and fast growing FMCG market in India as well as the ability to explore options in the international markets where we have an existing strong base.

The integration of the Company's Foods and Beverages businesses in India is well underway. Unlocking the synergies from this process, and using combined scale to achieve rapid growth, will be critical for our future. We expect these revenue and cost synergies to add significant shareholder value. The combined consumer business will also benefit from a reach to over 200 million households in India, a broader portfolio to deepen distribution, enhanced innovation capabilities and a strong product pipeline.

During the COVID-19 pandemic, Tata Consumer has adapted by innovating new delivery models to consumers, launching brand campaigns that are relevant and meaningful in the current context and closely monitoring changes in consumer buying behavior. We have contributed to the community in various ways- financial assistance as well as making our products available to vulnerable sections of the population and frontline workers in essential services. At Tata Consumer, the health and safety of our employees and stakeholders is of prime importance to us. We are doing all we can to provide a safe working environment, with strong processes and protocols in place. While the road ahead is not an easy one, I believe we are well placed to deliver value to our consumers and other stakeholders.

I would like to thank Mr. Ajoy Misra for his contributions as the outgoing Managing Director & CEO of the Company and welcome Mr. Sunil D'Souza, who has taken charge as Managing Director & CEO in April 2020.

I would also like to take this opportunity to welcome the shareholders of Tata Chemicals, who are now the shareholders of Tata Consumer Products as well. On behalf of the Board, I would like to express my gratitude to all our employees for their commitment especially over the last few months and to our shareholders for their support and faith in the Company.

Warm regards,
N. Chandrasekaran

Q&A with the Managing Director & CEO

IN CONVERSATION WITH SUNIL D'SOUZA

Sunil took over as MD & CEO of Tata Consumer Products Limited on April 2020. He has nearly three decades of rich experience in the consumer goods industry as well as in-depth understanding of the food and beverage world.

As Tata Consumer begins its journey to become a leading and differentiated consumer products company, Sunil sets out how we plan to deliver on our strategy and create better value.

You have assumed charge at a very interesting juncture in the Company's growth story. What have been your immediate takeaways?

I joined Tata Consumer with the knowledge that I was joining a highly respected, values-driven Group and a business that is known for innovation, customer centricity and agility.

This has been a big year of change for the Company, both internally and externally, and I have spent the last few months learning as much as I can about the business. In talking to colleagues at all levels and other key industry stakeholders – albeit virtually – I have been struck by several things.

Firstly, that in Tata Consumer's arsenal, we house some of the most loved and iconic, global and regional brands. We have deep penetration in our international markets of the US, UK and Canada. In India, we have a combined reach of almost 200 million households and wide distribution network of 2.5 million retail outlets. We offer consumers a distinctive range of food and beverage options through well-established channels. Our consistent pace of innovation and the depth of our consumer insights keep us ahead in a fast-moving, competitive environment. I have also been impressed by the enthusiasm and commitment of our colleagues and their relentless focus on servicing consumers and communities, especially in the current environment.

How is the Company unlocking synergies and strengthening its value proposition?

Tata Consumer is the flag-bearer for the Tata group's aspirations in the FMCG space. The combination of the Consumer Products business of Tata Chemicals and the Beverages business of Tata Global Beverages allows us to participate in opportunities spread across all three segments of the food and beverage consumer basket – in-the-kitchen, on-the-table and on-the-go.

We are integrating the businesses effectively and unlocking synergies in terms of growth and efficiency. Growth drivers include multiplying distribution, focused and faster innovation and stronger cashflows to invest in growth. Efficiency drivers include superior terms of trade with channel partners, supply chain opportunities and scale efficiencies in areas such as marketing and packaging. Apart from this, we also have access to Tata Chemicals' state-of-the-art innovation centre in Pune, which will fast track new product development for us.

Driving conversion from unbranded to branded products is built into the DNA of this organisation, across food and beverage. We have a proven track record of creating category-defining brands, the likes of Tata Tea and Tata Salt. While there is still a large headroom for growth in our core categories, we see similar opportunities in the staples and packaged foods space too, where Tata Sampann is a mega brand in the making. I think carving a strong brand through sharp consumer insights, products that offer value and brand communication is key to achieving this.

Tata Consumer is the flag-bearer for the Tata group's aspirations in the FMCG space. The combination of the Foods business of Tata Chemicals and the Beverages business of Tata Global Beverages allows us to participate in opportunities spread across all three segments of the food and beverage consumer basket – in-the-kitchen, on-the-table and on-the-go.



Q&A with the Managing Director & CEO

How has the performance of Tata Consumer been in the last year and what has been the progress of the business?

The Company has recorded healthy growth during the year, with most of our businesses performing well. Consolidated revenue for the year grew by 33% and consolidated EBITDA by 56%. On a like-to-like basis (excluding the India Foods business) our topline growth was 4% and our EBIDTA grew by 12%. We are a cash positive company and have net cash of ~Rs. 1,300 Crores on our balance sheet.

Each of our businesses is well aligned to the overarching strategic objectives of the Company. We are improving our regional play, encouraged by country-specific revenue growth strategies, organic and inorganic opportunities, impactful marketing campaigns and promising innovation. Over the last few months, we have moved quickly across geographies, to adapt to changes in consumer trends and buying behaviour through our delivery channels and brand communication.

All our international businesses have shown great resolve during this period. We have witnessed volume growth in all markets and significant increase in our profitability due to the various initiatives that we have taken in the last two to three years.

“ Each of our businesses is well aligned to the overarching strategic objectives of the Company.

We see digital transformation as a key driver for growth and we are strengthening our capability in this area, including a digital platform for commodity buying, enabling the entire supply chain from demand planning to procurement and embedding digital technology and decision-making at the frontline of the sales organisation.

As I said earlier, a key milestone for the year was the merger of Tata Chemicals’ Consumer Products business, with the Beverages business and the integration of the businesses is well underway. Also, in India, we acquired the branded business of Dhunseri Tea Industries to strengthen our market presence in Rajasthan.

In addition, we are focusing on strengthening our ready-to-drink beverages portfolio. We are in the process of acquiring PepsiCo’s stake in NourishCo Beverages Limited, a 50:50 JV between the two companies. We will look to scale up NourishCo’s capabilities and footprint further and build a differentiated portfolio in this segment.

Tata Starbucks, a 50:50 JV between Tata Consumer and Starbucks has been performing well, with 39 new stores opened during the year. There is now a total of 185 stores across 11 cities in India. Our growth in Tata Starbucks was however impacted a bit in Q4, due to the onset of COVID-19, which led to the closure of all our stores for more than two weeks in the month of March. Some of our stores have now opened for delivery and takeaways and will progressively normalise over the next few months.

“ We are proud of our continued leadership position in the most recognised sustainability benchmarks, such as CDP that’s concerned with disclosure of a company’s environmental impact. Beyond what we are trying to achieve with emissions, water use, plastics use and waste management, we aim to support one million community members across our value chain.

Your reflections on the Company’s commitment to sustainability.

We have a strong track record of managing our business responsibly and sustainably. We are proud of our continued leadership position in the most recognised sustainability benchmarks, such as CDP that is concerned with disclosure of a company’s environmental impact. Beyond what we are trying to achieve with emissions, water use, plastics use and waste management, we aim to support one million community members across our value chain. Our initiatives span sustainable agricultural practices, women and children empowerment, affordable healthcare and rural

development. We recognise that, ultimately, our success is linked to our ability to create sustainable value for our stakeholders, from customers and investors to the communities in which we operate.

We are committed to sustainably sourcing all our teas and we encourage our supply chain partners to follow sustainable agricultural practices in the certification of Rainforest Alliance (international markets) and trustea (India). We have also framed Extended Producer Responsibility (EPR) for collection and reprocessing of plastic packaging waste on a brand neutral basis across key markets. In FY 2019-20, the India Beverages business achieved 70% and the India Foods business achieved 98% collection of plastic packaging waste. The target is to secure 100% collection and disposal of plastic packaging by 31st December 2020 in India.

How is the Company adapting to the pandemic and preparing for its long-term ramifications?

Our planning for scenarios beyond the current situation is well underway and we should be well prepared as the future unfolds. Now more than ever, we are collaborating, sharing learnings and supporting each other, right from the senior leadership at the Corporate Office, to the teams at the frontline and every facility.

On the ground, we are innovating with new marketplace models. We have tied up with delivery providers and e-commerce partners to enable direct delivery to consumers. We are also accelerating our digital agenda to take advantage of the new world realities. There have been significant changes in consumer beliefs, habits and buying patterns during the pandemic and the recent lockdowns.

> **The key is to keep close to the consumer and quickly adapt to the changes to make sure we stay in the relevant basket.**

As the consumer emerges from this and adapts to a new normal, some of the changes will stick. The key is to keep close to the consumer and quickly adapt to the changes to make sure we stay in the relevant basket. During the recent events, we are also proud to have played our part in helping the communities around us. We are supporting many programmes to aid frontline workers and the elderly in the US, Canada, the UK and India.

We supported GroceryAid in the UK with a special donation during these challenging times. It is a wonderful charity doing invaluable work to provide practical, emotional and financial help to people who work, or have worked, within the grocery industry either for a retailer, wholesaler or manufacturer. We are also proud to support the Government of India's Suraksha Store initiative to tackle the crisis, by ensuring safe hygiene practices at over 13,700 stores across six districts in Delhi and over 12,800 stores across 10 districts in Haryana.

How do you see the road ahead for Tata Consumer?

The economic environment in the near term will be rough with multiple headwinds around the world. However, we believe that given our heritage, our brands, our portfolio, our strong balance sheet, our people and our connect with communities, we are better placed than most to withstand this crisis, and if anything, I am confident that we will emerge stronger at the end of this.

With the Foods and Beverages businesses coming together to form Tata Consumer, we now have a platform to build on for the future. We will continue strengthening our brands, expanding our portfolio, sharpening our capabilities, building our talent, improving the way we service our customers and working collaboratively with our partners and communities to create shared value over the longer term.

Performance Highlights

CLOSER LOOK AT OUR PERFORMANCE

Operating

BRANDED SALES VOLUME

Tea
(in Mn Kg)



Coffee
(in Mn Kg)



Salt
(in Mn Kg)



Distribution reach

200 Mn
Households in India

185
Tata Starbucks stores

~15%
Contribution of modern trade and e-commerce to revenue in India

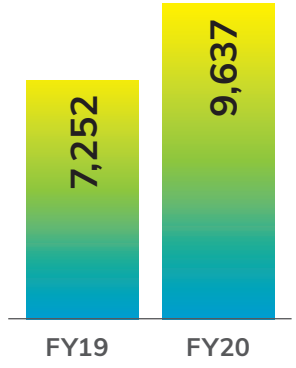
2.5 Mn
Outlets reached

7
Tata Cha stores

Financial

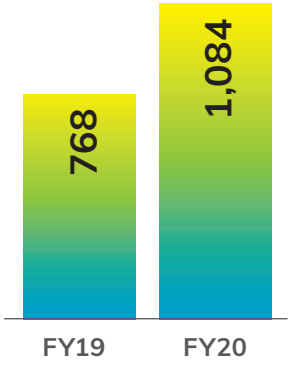
Revenue from Operations
(Rs. Crores)

33% y-o-y growth



Profit before Tax and Exceptional Items
(Rs. Crores)

41% y-o-y growth

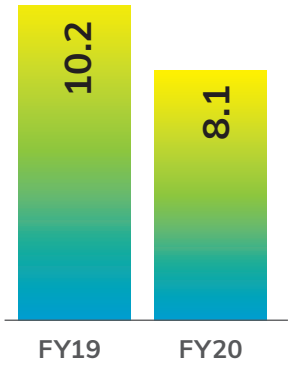


Net Profit
(Rs. Crores)

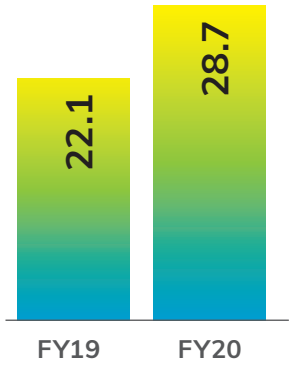
1% y-o-y growth



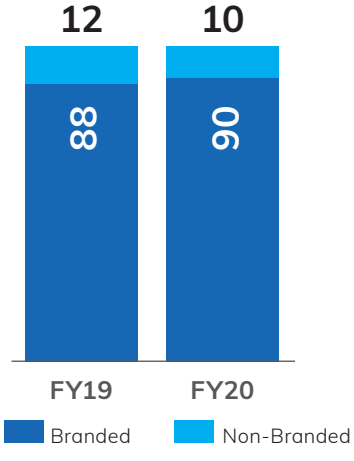
Return on Operating Capital Employed
(%)



Return on Operating Capital Employed excluding Goodwill and Brand (Indefinite Life)
(%)



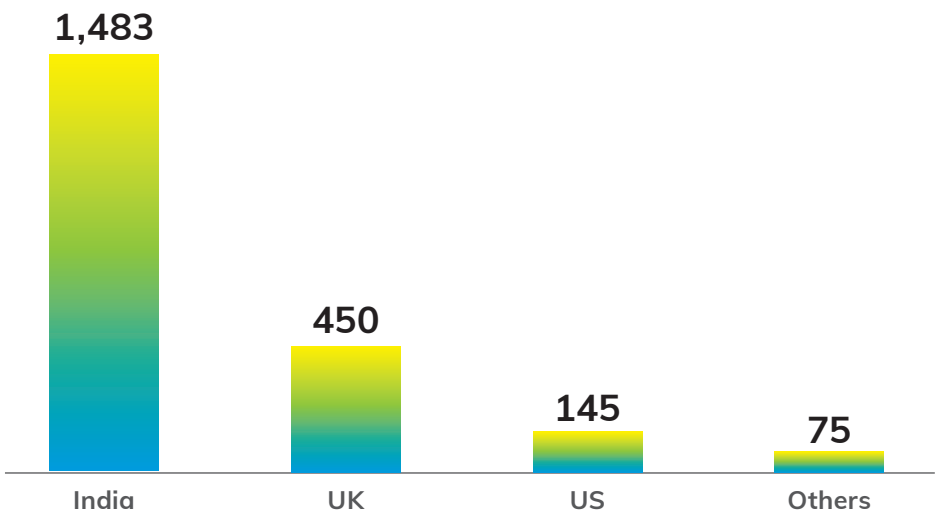
Segmental Revenue
(%)



Performance Highlights

Social

Branded business workforce by region – Total: ~2,200



27.8%
Of women in the workforce

30.1%
Of women in roles as managers, directors and executives

12
Training hours per person

98%
Of procurement from Rainforest Alliance-certified farms (international)

Rs. 10.85 Cr
Invested in CSR programmes

60%
Of procurement from trustea-certified farms (India)

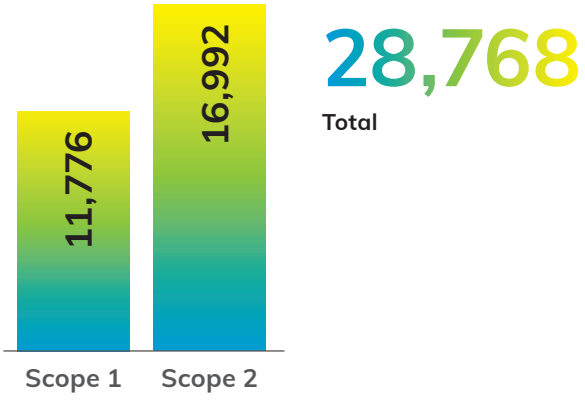
15,821
Hours volunteered at Tata Volunteering Week 12*

7,00,000
Lives benefited through sustainability and CSR programmes

*Note: This is inclusive of JVs, subsidiaries and associate companies.

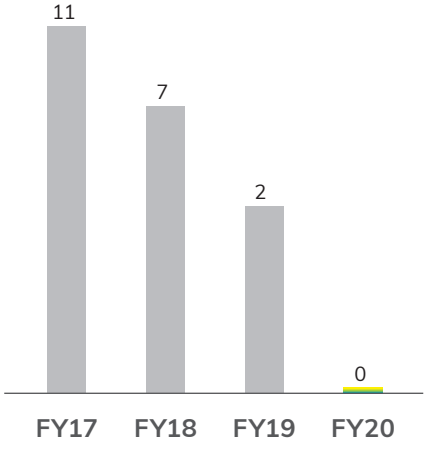
Environmental

GHG emissions
($MTCO_2e$)



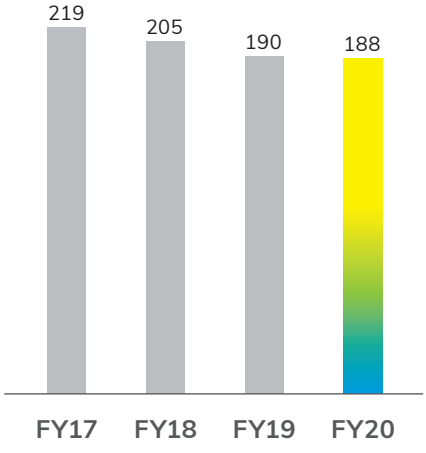
28,768
Total

Waste to landfill
(%)

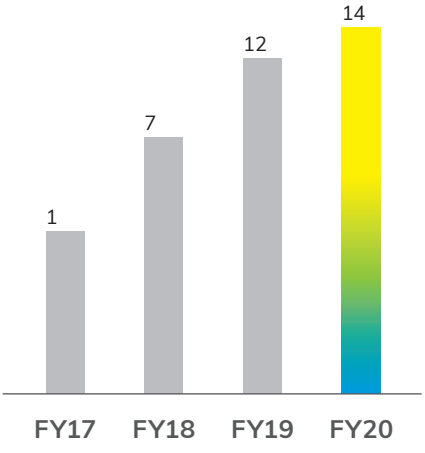


Note: Every year, we conduct third-party audits of our emissions numbers, but this year, due to COVID-19, we could not organise site audits, so these are not independently verified figures. These are only for the Beverages business and do not include emissions in the Foods business.

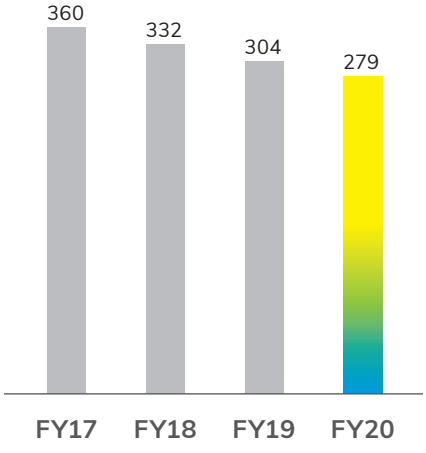
Energy consumption
(kWh/tonne)



Renewable energy
(%)



Water consumption
(l/tonne)



Note: These are only for the Beverages operations and not for the whole business (Foods business, offices, etc.). We have met our FY17 targets for reducing waste to landfill to zero and lowering our per tonne energy consumption by 10%; and are developing new ones.

Market Context

RESPONDING TO EVOLVING TRENDS

Understanding the market trends that shape our industry and our brands is critical to delivering impact that is at the heart of our mission For Better.

CONSUMERS INCREASINGLY WANT PRODUCTS AND SERVICES THAT ARE...



Healthy, seasonal and nutritional

Consumers are becoming more health-conscious, proactively focusing on a balanced nutrition and an active lifestyle.

Fresh, seasonal ingredients; unprocessed, natural and organic foods; foods with favourable nutritional profiles; and plant-based alternatives dominate preferences today.

Households are rediscovering the hidden powers in their kitchen, namely spice mixes that can bring excitement to any dish and provide a boost to health.

Customised, unique and local yet global

Today's palettes are far more flexible and adventurous.

Consumers are keen on experimenting with drinking and snacking options that feature a variety of flavours. There is a growing interest in ethnic mashups, where flavours and techniques are fused to create signature options.

Convenience led, experience driven and personal

Households are gradually becoming smaller and everyday lives are busier than before. As a result, convenience continues to be a key motivator in choosing away-from-home socialising occasions.

Cold refreshments that are consumed away from home are steadily gaining popularity, and not just in the summer months. Herbal flavours and tea based ready-to-drink non-carbonated options that cannot be replicated at home, rank high on satisfying beverage cravings.

At the same time, quality at-home food and drink options are likely to witness greater traction in the near term.





Good for the planet and ethically sourced

As social consciousness grows, today's customers want to know the stories behind where their food and drink come from.

Qualities like local, organic, sustainable sourcing, corporate performance, diversity and environmental impact, among others, are all important to consumer choices in varying degrees.

Social media friendly and sensory thrillers

Technology and smartphones are changing the way consumers interact with brands and the way companies are looking at supply chains.

Over the years, Instagram and other photo-sharing apps have revolutionised the consumer-facing industry. Social media is shaping category and brand perceptions, and micro-influencers are gaining credibility in promoting products and services.

Read more Page 112 in our Management Discussion & Analysis about the detailed industry and business commentary

OUR RESPONSE		WE ARE DELIVERING THROUGH...
Portfolio focus	• The quality of our offering continues to be a strong differentiator and we are reimagining our array of well-loved brands to rejuvenate the base business. • We are introducing our core brands in new markets and re-introducing some old favourites. With every initiative, we are focused on growing the value of the category.	• Tata Tea Premium restage in India • Tetley Ethnic in the UK and Tetley Flavors of India in the US • Branded tea business acquisition in India • Eight O' Clock Coffee (Barista Blends and Flavors of America) and the Great Value private label – in the US • Tata Gluco Plus and Tata Water Plus expansion
Product innovation	• We continued to launch new products in the year, expanding our portfolio to satisfy a broader range of consumer needs. • In established categories, new recipes and new variants had immediate impact, while groundwork around building new categories have been laid for long-term success.	• 10 new products • 2 patents filed • Range of innovation projects which are in advanced stage of product development and would be ready for launch in FY 2020-21
Social hubs for food and beverage	• With more sophisticated, premium products and the implementation of targeted initiatives, we are extracting higher value from out-of-home socialising occasions. • We are also expanding the availability of chilled on-the-go beverages to drive growth in single serves.	• Tata Starbucks • Tata Cha
Sustainability considerations	• We are working with our suppliers, farmers and other stakeholders to achieve positive results for the environment and our communities. • We are lowering our operating costs by reducing energy and water usage and reducing the PET content and weight of packaging.	• 'Climate Change Rising Stars' on the CDP (formerly the Carbon Disclosure Project) India 2019 A-list • Sustainable sourcing – Rainforest Alliance and trustea • Recyclable packaging in Tata Salt • UK Plastics Pact • Extended Producer Responsibility
Accelerating digital	• Through edgy marketing, dedicated promotions and social media-centric campaigns, we are pursuing a multi-channel approach to gain mindshare. • We are utilising data-driven insights to attract consumers for the right occasion and at the right location.	• Outdoor marketing – Tata Salt #BapuReminder, *Shakti ka Samman* (Respect for Strength), Salt Therapy and Missing I in India; and Tetley Supers 2.0 in Canada • Digital campaigns – Tata Sampann Nutrikorner in India • Brand films – Tata Sampann #LautAyiDiwali in-store activations • Sales and distribution transformation

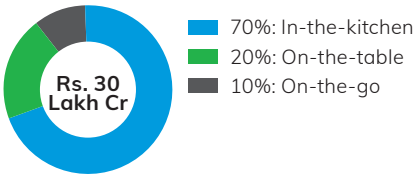
Market Context

India's Consumption Story

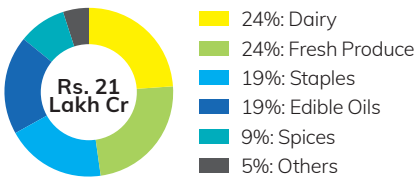
FOOD AND BEVERAGE – A RS. 30 LAKH CRORE OPPORTUNITY

India's food and beverage consumption in 2019 is estimated at ~Rs. 30 Lakh Crores. The 'in-the-kitchen' segment, comprising staples, spices and condiments, dairy and others, accounts for ~70% of the food and beverage basket, or ~Rs. 21 Lakh Crores. However, the share of organised players in this segment is less than 10% and remains largely untapped. The other segments, 'on-the-table' (comprising spreads, sauces and others) and 'on-the-go' (comprising snacks, ready-to-eat options and others) have traditionally seen larger play by organised players, but their offerings are skewed towards indulgent snacking products. The industry is also witnessing a shift in consumer preferences, with demand for healthier, better quality and more affordable food and drink options growing across all the three segments.

Market size 2019



In-the-kitchen



Source: PwC; Edelweiss Report; and Company analysis

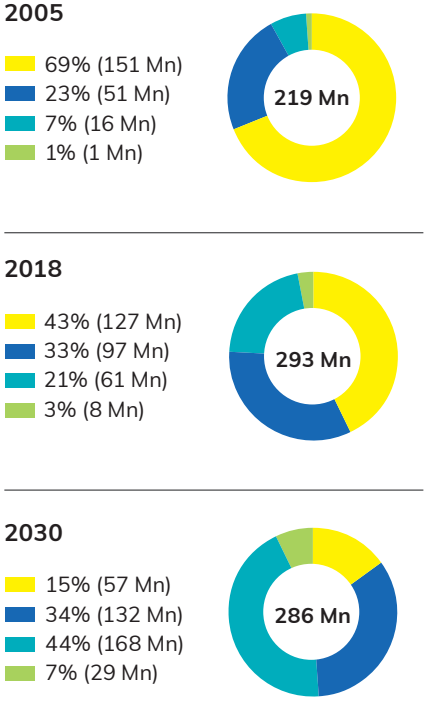
EVOLVING CONSUMER BEHAVIOUR

Rising affluence

Rising affluence of Indian households will lead to premiumisation and higher demand for products that are healthy, provide well-being and are convenient to use.

1 in 2 households in 2030 will belong to the high and upper-middle income segments (compared with 1 in 4 households today).

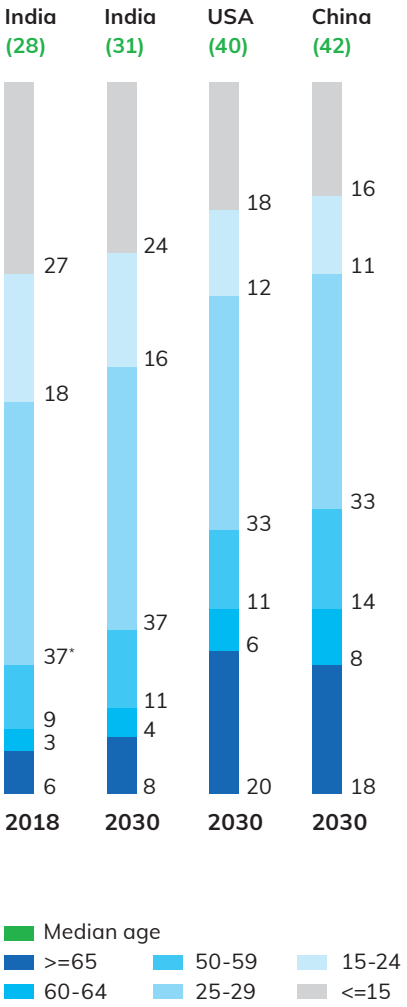
Household mix#



India's young consumer

India will witness the rise of the Gen-Z consumer – tech savvy, aspirational and desirous of engaging with brands across multiple channels.

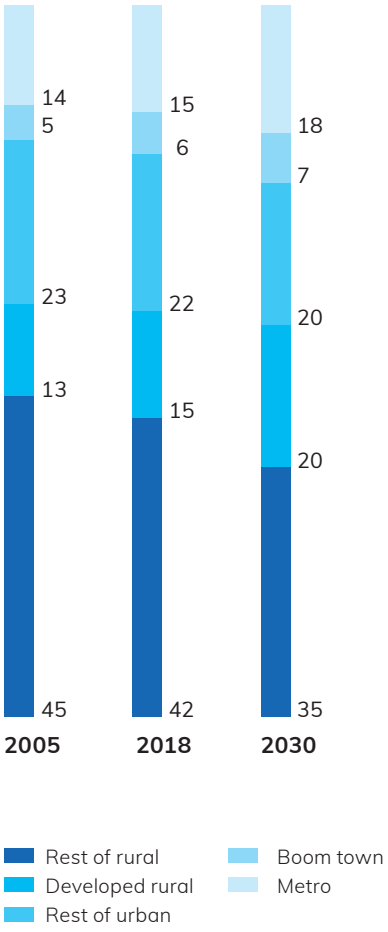
Demographic mix (%)#



*Millennials born during 1981-2005
Gen Z is born post 2005

Consumption gap between rural and urban to narrow

Consumption mix (%)#



#Source: WEF Report

What does this mean for Tata Consumer?

We perceive a large and transformational market opportunity ahead of us and we aim to leverage our strengths to become a formidable player across the three segments of in-the-kitchen, on-the-table and on-the-go, offering products that are high in quality, innovative, delightful and made with goodness and care.

Key value drivers

Portfolio of market leading brands and high growth potential brands

Presence across 200 million households in urban and rural India

Deep understanding of consumers and an omnichannel presence

Innovation-led culture with focus on health and well-being products

Legacy and the trust embodied by the Tata brand

Wide distribution network of ~2.5 million retail outlets across India

With a proven ability to win, Tata Consumer is well positioned to ride the next consumption wave in India.

Business Model

CREATING BETTER VALUE

Our business model supports our growth and defines the activities we engage in, the relationships we depend on and the value we create for each of our stakeholders.

What we depend on

RELATIONSHIPS

People
Our ~**2,200** branded business workforce across the globe give their skills and time across offices, factories, R&D laboratories and plantations to drive growth in all aspects of our business.

Trusted suppliers and distributors
2,700+ supplier partners source raw materials and **4,500+** distributors provide critical services for us.

Committed partners
Our relationships with governments, customers, NGOs and other organisations around the world help us to increase our impact beyond what we could achieve on our own.

RESOURCES

Input materials
We use thousands of tonnes of water and agricultural raw materials for our products. Our operations are closely linked to the natural ecosystems of tea and coffee plantations.

Financial resources
Capital from our financial stakeholders allow us to invest for the long term.

Intangible assets
Our **16** enduring brands, recipes, packaging, R&D capabilities as well as our systems for operational effectiveness set us apart.

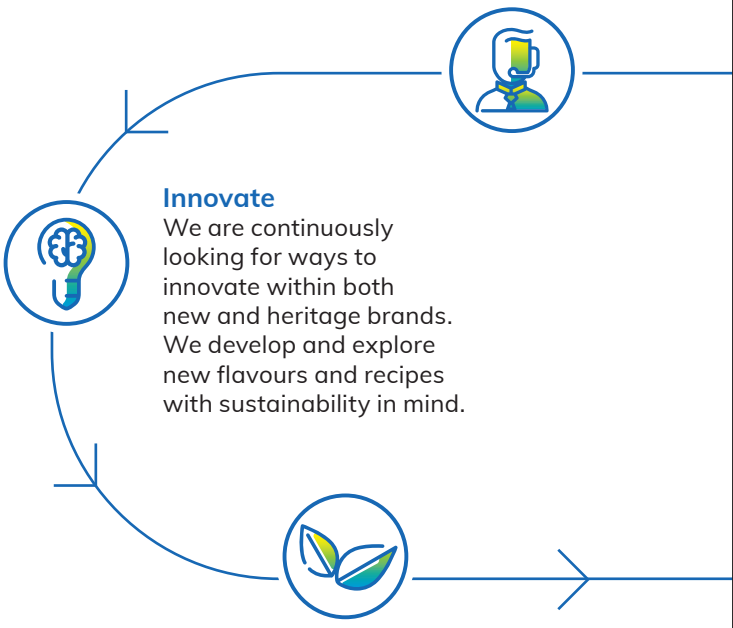
Tangible assets
We have over **50+** own factories, along with offices and logistics warehouses worldwide.

Capitals

Financial · Intellectual · Natural
Manufactured · Social and Relationship · Human

What we do

Listen
We are attuned to the changing consumer sentiment, through a combination of data-driven insights, social listening with traditional consumer research.



Innovate
We are continuously looking for ways to innovate within both new and heritage brands. We develop and explore new flavours and recipes with sustainability in mind.

Source
We carefully source the best materials based on their high quality and impact on the planet.

Market and sell
We create tailored content to improve brand salience and engage with our consumers through the year. We utilise a multi-channel approach to gain mindshare, with an increasing play in modern trade.



Distribute
A global network of logistics warehouses ultimately deliver our products to millions of retail sales outlets.

Manufacture
We turn these materials into products which are packaged and sold every day of the year.

The value we create for

Consumers
We provide food and beverage products that meet the needs of consumers worldwide.

People
We support direct and indirect jobs across our value chain, from sourcing to distribution. We aim to reward people fairly for the work they do and help them become the best they can be at Tata Consumer.

Society
Our business has an impact either directly through our core operating activities or indirectly through the broader value chain. We also contribute by investing in community programmes to address specific environmental and socio-economic challenges.

Planet
We are working with others to make the big changes needed to tackle issues like climate change and plastic waste, while reducing our environmental impact.

Shareholders
Through careful management of all inputs to our business, we create profits that benefit shareholders through dividend payments, and increase the market value of their shares.

Read more Page 30 to understand how we engage with our stakeholders

Strategic Roadmap

STRONG PROGRESS AGAINST OBJECTIVES

Our strategy is designed to achieve responsible, sustainable and profitable growth. We set clear objectives for the business, which we continue to track, to measure our progress.

	REJUVENATING THE BASE BUSINESS	INVESTING FOR GROWTH
What we said we would do	• Continue to strengthen brand health and leverage global synergies and insights	• Expand the current portfolio of products through new launches • Evaluate inorganic opportunities for expansion in core markets • Prioritise entry into high-growth scalable categories
Challenges faced in 2019	• Inadequate presence in some markets • Spread of COVID-19 towards the end of the year	• Softening of rural demand
What we did	• Completed merger of the Consumer Products business of Tata Chemicals with Tata Global Beverages • Kickstarted the integration process between the two businesses • Ramped up play in modern trade and e-commerce • Acquiring Pepsi's stake in the NourishCo JV, to make it Tata Consumer's fully owned subsidiary	• Acquired branded business of Dhunseri Tea & Industries to secure market share in Rajasthan • Test launched a host of new food product categories through e-commerce outlets
What we want to do	• Continue to invest in our core brands in food and beverage for building sustainable profitable growth • Focus on brand building, premiumisation, distribution and alternate channels for growth	• Leverage a differentiated offering and a 'right-to-win' strategy to build larger play across different markets successfully
Capitals impacted	₹ Financial, Intellectual, Social and Relationship, Human	₹ Financial, Manufactured, Intellectual, Social and Relationship, Human
Associated risks	Global events, Consumer demand, Plantation yield, Interest rate and exchange rate, Commodity costs	Consumer demand, Channel mix

Capitals

- ₹ Financial
- Manufactured
- Intellectual
- Social and Relationship
- Natural
- Human

Read more

Page 34 to know about how we mitigate our principal risks

DRIVING INNOVATION	OPERATING EFFECTIVELY	REVIEWING PORTFOLIO OPTIONS
• Continue to develop innovative solutions that target underserved consumer needs	• Launch initiatives for digitisation, sales force automation, distribution optimisation and supply chain efficiencies	• Deliver profitable growth with a balanced portfolio of multi-category brands • Create a pan-India retail experience in partnership with Starbucks
• Decline in everyday black tea category • Higher intensity of competition	• Rise in commodity costs • Depreciation of the Indian rupee	• Slowdown in household spending
• Supported the core business (Tata Tea, Tetley, Tata Salt and Tata Sampann) with new and innovative campaigns • Sustained innovation in the non-black tea category (Tetley Cold Infusions in the UK and Tetley Super Teas in Canada) and the Foods business (Tata Sampann – pulses, spices and ready-to-eat mixes – in India) • Entered adjacencies to address hyperlocal market requirements	• Initiated the digital transformation project of sales and distribution function • Scaled up digital tea buying initiative, DigiTea • Increased automation • Optimised packaging in Himalayan and Tata Salt	• Exited Czech Republic business to focus on core growth markets • Opened 39 new Tata Starbucks stores, including a foray into Gujarat
• Capitalise on industry trends to serve consumer needs specific to markets and geographies	• Realise cross-business synergies • Study alternate business structures to improve profitability • Build capabilities across the value chain and invest in a high-performance high-efficiency work culture	• Realign capital investment to markets/businesses with higher growth potential and ability to generate sustainable returns • Explore additional avenues for growth
Consumer demand, Product safety and integrity	Global events, Product safety and integrity	Consumer demand, Channel mix

Stakeholder Value Creation

BUILDING COLLABORATIVE ECOSYSTEMS

Seven stakeholder groups are critical to our long-term success. Engaging and collaborating with them helps us make informed and meaningful decisions for our business.





COMMUNITIES

The people who we live and work alongside with. The people in the plantations, the farms, the factories and the markets in which we operate

CONSUMERS

People who consume our products across millions of homes every day and visit our out-of-home retail stores







PEOPLE

Employees of the Company



SHAREHOLDERS

Equity investors who provide capital to the business







GOVERNMENTS

Governments (local and national) and regulators (market and international)



SUPPLY CHAIN PARTNERS

Our suppliers, distributors, consultants and counterparts in related industries



NGOS

Non-profit non-governmental organisations with a focus on environmental, economic and social issues

Stakeholder Value Creation

	CONSUMERS	PEOPLE	COMMUNITIES
Key issues and priorities	• As the ultimate user of our products, consumers look for quality, innovation, taste, convenience and transparency	• Ensuring that all key positions are filled with the best person for the job • Maintaining high employee engagement • Nurturing skills and talents • Focusing on employee health and wellness • Championing human rights, safety, inclusion and diversity	• Climate change • Water management • Waste management • Skill development and livelihood enhancement • Affordable healthcare and education • Empowerment of women and girls
Why we engage	• By understanding the changing consumer sentiment, we grow our business for the long term • Brands that demonstrate relevance and awareness can generate engagement and improve loyalty	• Our people are our most important asset and engine of growth. They are both the creators and caretakers of our culture and values	• To build trust by operating responsibly and sustainably and addressing issues that are material for our communities
How we engage	• Collecting consumer insights, through traditional research, surveys and social listening **(e.g. the Tata Salt 'Age of Rage' survey)** • Started digital platform called 'NutriKorner' to engage with our customers on food and health, and establish the brand message	• Through 'FELT leadership' meets, targeted lunch-and-learns, team activities and surveys • By offering competitive employee benefits and policies, in addition to incentive programmes, a well-established rewards and recognition platform, dedicated wellness programmes, flexible work hours, enhanced insurance, volunteering opportunities, etc. • By offering relevant training (both online and offline) and making a vast wealth of knowledge resources available on our HR web portal	• Directly or through partnerships with different organisations (public, private and non-governmental)

SHAREHOLDERS	SUPPLY CHAIN PARTNERS	GOVERNMENTS	NGOs
• Quality and effectiveness of governance • Profitability and growth potential of the business • Capital gain through share price appreciation • Capital return via dividends or the payment of interest • Sustainability	• Cost of ingredients, labour, packaging material, energy and water • Minimising the environmental impact of water and energy resources, and air emissions • Recycling and waste management • Sustainable sourcing	• Industry and/or product-specific policies, such as taxes, restrictions or regulations • Environmental policies • Consumer health and public health policies	• Wide-ranging issues facing our business, from energy and water use, reductions in packaging waste to corporate governance
• To achieve fair value and appropriate ownership of our shares by enabling the full understanding of the strategy, as well as the operational and financial performance of the Company • To benefit from the views of the investment community in decision-making and strategy-setting	• To share knowledge and expertise and find ways of using all our resources as efficiently as possible, reducing costs to the Company • To ensure a healthy, sustainable supply chain	• It is our duty and responsibility to make our views clear to those who have the potential to impact the laws, regulations and policies that can influence our business	• NGOs have a key contributing role to develop and support our community Initiatives
• Through open, transparent communication during our Annual General Meetings, investor roadshows and results briefings, along with ongoing dialogue with analysts and investors	• Through surveys and regular interactions • Digital transformation initiatives were also implemented across the value chain to revamp distribution management and make it more robust • Piloted a Transport Management System software in the Foods business, and will be scaling it up across locations in the next fiscal	• Our advocacy efforts are mainly conducted through trade associations, which represent companies, organisations, causes and industries • We also partner with local governments to tackle challenges faced by the communities	• Through regular interactions on and off the field, and ad hoc meetings

Risks and Mitigation

MANAGING OUR PRINCIPAL RISKS AND UNCERTAINTIES

As we transform our business and expand our product portfolio, understanding and managing our principal risks becomes more important than ever. We set out below the risks that are most material to our business and performance at this time. We also explain some of the mitigating actions that we believe help us to manage these risks.

Key for Risk Trend

↑ Increased

↔ Unchanged

External

NATURE	CONTEXT AND POTENTIAL IMPACT	MITIGATION	CHANGES SINCE 2019
Global events ↑	We are exposed to global market forces; fluctuations in national economies; societal unrest and geopolitical uncertainty; evolving legislation; natural crises and so on Failure to recognise and respond to any of these factors could directly impact the profitability of our operations	We continuously evaluate potential short-term market volatility and longer term socio-economic and political scenarios We engage with governments, local regulators and community organisations to contribute to, and anticipate, important changes in public policy	The most significant emerging risk is the ongoing COVID-19 crisis It has impacted the price and supply of our key raw materials across various markets We are monitoring the situation carefully as it evolves, to understand the potential impact on our people and our business
Consumer demand ↑	Consumer lifestyles and preferences are changing and there is a shift towards non-black, fruit and herbal, ready-to-drink and ready-to-eat options	Consumer preferences and market trends are monitored continually Recipes are regularly reviewed and reformulated to improve the value of our products	Our businesses continue to review their products and to partner with others to enable a swift and innovative response to changing consumer sentiment
Interest rate and exchange rate ↔	We operate in multiple geographies and thus, both interest rates and exchange rates across countries are critical to our business	Establishing currency hedging policies and practices	Indian Rupee has weakened considerably against some of the major trading currencies this year British Pound continued to trade with a weak bias over BREXIT uncertainty, and is expected to remain volatile
Commodity costs ↑	Changes in commodity costs can have a material impact on our operating results, asset values and cash flows	The commercial implications of commodity price movements are continuously assessed and, where appropriate, are reflected in the pricing of our products	Tea prices in India remain benign, while coffee prices continue to decline. The tea raw material prices have seen a volatility in the short term due to the lockdown.
Plantation yield ↔	Plantation vertical of key subsidiaries and associate companies depends on rainfall, ageing of bushes and pest attacks, among others	The companies undertake various initiatives to improve plantation yield and profitability, such as replanting with new varieties, irrigation facilities and pest management	Plantations suffered from adverse weather conditions including floods and pest attacks

Operational

NATURE	CONTEXT AND POTENTIAL IMPACT	MITIGATION	CHANGES SINCE 2019
Environmental	Failure to reduce our environmental footprint and to meet stakeholders' expectations, particularly relating to climate change, water availability, packaging waste and sustainable agriculture, can damage our license to operate, erode consumer trust and increase our cost of doing business	Programmes for energy management, water reduction, wastewater treatment, packaging management, waste reduction Local and international partnerships on common issues Focus on sustainable procurement	Zero waste to landfill and greater share of renewable power in energy consumption, in our Beverages business Read more Page 20
Workplace health and safety	Many of our operations, by their nature, have the potential for loss of life or workplace injuries to employees, contractors and visitors	We have a continuous safety audit programme to verify implementation of safety management and support a culture of continuous improvement Best practice safety and occupational health guidance is shared across the businesses	During the year, we registered a Lost Time Injury Frequency Rate (LTIFR) of 0.88, up from 0.58 in the previous fiscal; this is calculated on the basis of one million hours worked
Product safety and integrity	Poor quality or contamination could result in safety issues, reputational damage, financial losses and product recalls Growing impact of a social media-led scrutiny and tougher legal environment can further magnify the impact	Establishing a company-wide quality assurance programme, along with product testing and traceability programmes Engaging with suppliers to comply with clear and stringent norms for raw material safety and quality Supporting product compliance by seeking relevant external accreditations	We did not have any product recalls
Channel mix	Continued increase in the concentration of retailers and independent wholesalers on whom we depend to distribute our products can lead to reduced availability of our portfolio in unforeseen circumstances	Work closely with existing channel partners to drive incremental transactions Capture opportunities associated with existing and new distribution channels	Stronger play in modern trade We are further strengthening our distribution and sales network using technology to improve our execution skills in the market
Cybersecurity	Our IT infrastructure has been moved completely to the cloud for greater efficiency in our operations, thus exposing us to the breach of information security through cyber attacks	In parallel to developing our technology systems, we invest in developing the IT capabilities of our people across our businesses We have installed a comprehensive information security policy, insurance and monitoring systems to safeguard against any unforeseen events	There is an ongoing programme of investment in both technology and people to enhance our cyber-security capabilities During the year, we have reviewed IT disaster recovery plans across the businesses
Ethics and compliance	As an international business complying with multiple complex regulations, people with whom we deal must live up to our values and standards and share that responsibility Unacceptable behaviour like bribery and corruption pose a threat to our ethical competence	The Tata Code of Conduct is designed to ensure suppliers, representatives and all those we deal with, adhere to our values and standards Drawing assistance for the Company and its subsidiaries from respective legal departments and/or external legal advisors Developing and implementing internal policies and procedures to ensure compliance	We did not have any compliance concerns

COVID-19 Response

LEADING THROUGH THE CRISIS

The COVID-19 pandemic is a crisis unlike any other in modern history and one that is ruled by unfamiliarity and uncertainty.

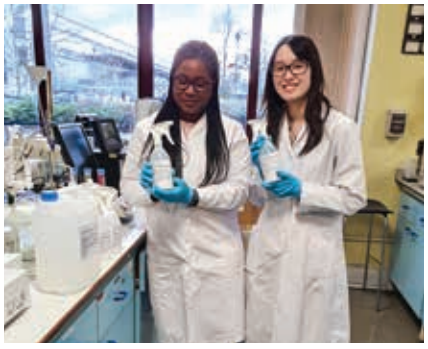
At Tata Consumer, we have outlined five key principles, spanning a wide range of actions that help us respond effectively.

PEOPLE FOCUS

- Ensure both physical and mental wellbeing
- Safety first is the foremost across all fronts
- Flexible working options across the globe

COLLABORATION

- Work with government bodies and hospitals
- Work with stakeholders in our ecosystem
- Work with e-commerce delivery companies







Read more Page 112 in our Management Discussion & Analysis about the impact of COVID-19 and the Company's response to the same

RESILIENCE

- Going the extra mile to actively meet challenges
- Ensure that our factories operate to serve our customer needs

INNOVATION

- New and innovative ways of serving and connecting with customers
- Innovative marketplace models

GIVING BACK TO COMMUNITY

- Supporting essential workers and vulnerable sections of society
- Voluntary contributions











Tea & Coffee

FRESH THINKING FRESHER FLAVOURS

Our marquee tea brands, Tata Tea and Tetley enjoyed considerable success this year, extending their reach into new geographies, while developing newer alternatives outside their core portfolio in their existing markets. Tata Tea Premium in India and Tetley in the UK also underwent a restage this year with campaigns crafted to strengthen their market position and drive brand salience. Our category-defining coffee brand, Eight O' Clock Coffee, in the US, is taking further bold steps to strengthen our competitiveness in a challenging marketplace.

Tata Tea

INSPIRING REGIONAL PRIDE

Tata Tea Premium understands that India is a sum of many behaviours, cultures and idiosyncrasies. The brand's **deep awareness of regional tastes and preferences, and ability to tailor products** is what sets it apart, making it *Desh Ki Chai* (Tea of the Country) in the truest sense. This year, the brand celebrated the diversity of India, shifting the spotlight from national to local.

We drew from our reservoir of regional insights and used unconventional, close-to-the-ground media choices to effectively target the major tea-drinking states of Uttar Pradesh, Delhi, Punjab and Haryana. Right from the product packaging down to the method of communication, we crafted a restage campaign that was tailormade for each state.





We shortlisted the **tea attributes that define the preferences of the consumers in the region and developed blends with a distinct flavour.** We leveraged a 360-degree integrated campaign to unveil the new Tata Tea Premium editions and build excitement around the same.

Delhi ke liye Rich Assam Chai
Haryana ke liye Kadak Assam Chai
Uttar Pradesh ke liye Dumdaar Chai
Punjab ke liye Badi Daanedaar Chai



UNITING TEA LOVERS ACROSS BORDERS

We launched the 'Tata Tea Export Portfolio', comprising two of our iconic Indian brands Tata Tea Gold and Tata Tea Premium, with the hope that they delight the South Asian diaspora living in the UK and Europe just as much as they have done back home.

- **Tata Tea Gold**, preferred for its rich taste and irresistible aroma, is blend of **CTC teas with 15% long leaves**
- **Tata Tea Premium**, preferred for its taste and strength, is a unique **blend of big and small CTC leaves**

Read more Page 112 in our Management Discussion & Analysis about the detailed business commentary



Galloping towards a higher market share in Rajasthan

Our acquisition of the branded tea business of Dhunseri Tea & Industries – encompassing the brands Lal Ghoda and Kala Ghoda – is a landmark step in driving growth in our core tea business in India.

Lal Ghoda and Kala Ghoda are two of the most sought-after brands in Rajasthan, which is counted among the Top-3 tea consuming states in India and one that is largely dominated by local players. We will further expand the reach of these brands within and outside Rajasthan, while drawing synergies from our existing portfolio and translating it into overall growth for the business.





Tea & Coffee

Tetley





SPARKING CONVERSATIONS OVER A CUPPA

The art of conversation has shaped the evolution of the world. Yet, a hyperactive lifestyle and overt reliance on technology as a medium of communication has dealt a blow to relaxed and cosy tête-à-têtes. **We believe that a cup of tea can be an enabler of one of life's greatest pleasures – the power of great conversation.** We wanted to remind people just how good it feels to sit down with someone for a chat and that our perfect blends are enough to get anyone talking. With this in mind, we launched an extensive rebranding campaign in the UK to encourage consumers to pop the kettle on. **'Now We're Talking'** is a celebration of the light-hearted banter between even the most unlikely of friends, such as a cat and a dog, as they relax and enjoy each other's company over a steaming cup of Tetley.

CROSSING SHORES WITH CHAI

UK

In a move to disrupt the mainstream tea category and address a gap in the market for an **authentic Indian chai experience**, Tetley launched the 'Ethnic' range of tea bags in the UK. It comprises three all-time favourite flavours: Tetley Masala, Tetley Elaichi (Cardamom) and Tetley Ginger, providing **British Asian consumers a taste of home in their daily cuppa.**

USA

Tetley is the #2 player in the mainstream black hot tea category in the US. With discerning consumers increasingly leaning towards premium products, Tetley expanded into an adjacent category this year, to launch a top-of-the-line range of refreshing black teas in the American market, known as **Flavors of India.**

These distinct, **full-bodied blends of Delhi Ginger, Mumbai Masala and Kolkata Cardamom, take some of India's oldest spices and flavours across the ocean to the US.**





SMASHING RECORDS AND STEREOTYPES

Supers 2.0 was launched to build on the success of Tetley Super Teas, Canada's first line of teas fortified with vitamins and minerals. The range has now expanded to contain exciting and **on-demand functional ingredients like Turmeric, Dandelion and Matcha** to complement an active and balanced lifestyle. These ingredients are paired with tasty flavours like Apple & Cinnamon and Peach & Ginger.

Achieving a **distribution of 82%** in a country as vast as **Canada** and driving **25% of total category value growth,** the new Tetley Super Teas range emerged as the top performing tea of all new teas launched this year. It was also awarded the **2019 Best New Product Award** by BrandSpark International.









Evolving a holistic go-to-market approach in India

For the first time, Tata Consumer took the top spot for tea sales in modern trade, a rapidly growing channel in the Indian consumer landscape. High value-for-money and in-store shopping experience are two of the main draws for consumers. The channel offers tremendous potential to cater to the burgeoning demand of young India and to connect with them over our brands.

Modern trade contributes ~15% in value to the Company. Armed with a differentiated strategy and a strong focus on execution, we made consistent strides to emerge as leaders in growth in the reporting year.

Key priorities

1. **ENGAGEMENT**
   Support to the retailers and product innovations for the consumer
2. **AVAILABILITY**
   Consistency in availability, accessibility, visibility and marketing hygiene
3. **RELATIONSHIPS**
   Participation in brand activations

Tea & Coffee

Eight O' Clock Coffee

BREWING STRONG AT 160

Eight O' Clock Coffee celebrated its 160th anniversary in 2019, a remarkable milestone in the brand's journey to deliver great tasting brews to Americans.

Originally conceptualised by the Great Atlantic and Pacific (A&P) Tea Company, it was one of the signature products when their first store opened in New York City. Through a consumer survey, A&P learned that **8 am and 8 pm were the most popular times to drink coffee and that is how Eight O' Clock Coffee was born.** It went on to be the very heart of the coffee industry, emerging as the **number one coffee brand, a position it held for 30 years.** Eight O' Clock Coffee joined the Tata family in 2006 to strengthen our global portfolio of leading brands.

Today, Eight O' Clock Coffee continues to be manufactured at our **Landover roastery in Maryland, USA.** The staff at Landover is passionate about brewing the perfect cup, and roasts nearly **400 million coffee beans a day!** In a country that runs on coffee, Eight O' Clock Coffee stands out for its rich heritage and consistent innovation.



UNEARTHING AMERICA'S BEST KEPT COFFEE SECRETS

In the run up to its 160th anniversary, Eight O' Clock Coffee released two new lines: **Barista Blends and Flavors of America.** Both the lines comprise of thoughtfully crafted coffee made with 100% Arabica beans that are uniquely roasted and blended with flavours.

Barista Blends gives consumers the chance to **make their home the coffee house,** while our master blenders literally brought to life the **'Flavors of America'** through six star-spangled creations, offering a new, unique way to **discover the different American states** in a refreshing cup of coffee.





CARVING A NICHE RETAIL POSITION

Beyond large-scale launches, we are incubating new offering in hand-picked retail outlets and introducing or re-introducing premium mixes for specific regions, to build credibility and drive additional sales in the highly competitive segment of private labels.

Eight O' Clock Coffee collaborated with Walmart to provide an exclusive line of coffee blends, known as Great Value. Four seasonal variants were launched in the second quarter of FY 2019-20: Harvest Blend, Winter Blend, Pumpkin Spice and Peppermint Bark. We also successfully secured a portion (14 SKUs) of Wakefern, the largest retailer-owned cooperative in USA.





Packaging that delivers

Eight O' Clock Coffee and Good Earth Tea won packaging design awards, while the former also picked up a creative excellence award for its brand campaign.

For 57 years now, Graphic Design USA's Annual Package Design Awards celebrate well-designed graphics and the power of design to tell the brand story and influence consumer choices. What is exciting is that very rarely a company and its creative agency are honoured for two submissions at the same time. Tata Consumer and its design partner, Barnett is one of these rare cases with two entries awarded for design excellence – Eight O' Clock Coffee's Early Riser packaging and Good Earth's Ayurveda packaging.

Eight O' Clock Coffee and Barnett's 'All Hail the Early Risers' campaign was also selected to feature in the prestigious 2020 Hermes Creative Awards Spotlight! The campaign delves into the minds of those who rise early, and those who aspire to. The creative employs snarky headlines paired with striking, black and white imagery of everyday people and everyday situations to convey what a cup of coffee means to the 'morning challenged'.

Foods

ENRICHING EVERYDAY MEALS

While we continue to build local relevance with our mainstream staples options across regions, we are expanding our product offerings to include specially formulated alternatives to suit diverse palates.

Tata Salt

JOURNEY OF AN UNDISPUTED MARKET LEADER

1983

Launch of Tata Salt
Pioneering the cause of iodisation

1983-2003

Evolution of a national brand
Establishing itself as one of India's most trusted brands with successful campaigns like *Desh Ka Namak* (Salt of the Country)

2007

Introduction of I-Shakti
Taking iodisation to the masses

2008

Launch of Tata Salt Lite
Addressing low sodium requirement

2016

Unveiling of Rock Salt
Providing a premium, gourmet experience with health benefits

2019

Introducion of Herbal Salt
Blending the goodness of herbs with right amount of salt, fortified with wellness benefits

QUICK FACTS

- India's first packaged iodised salt
- Consistently ranked as the most trusted food brand in India
- Undisputed leadership position with market share of 30% in the branded segment
- Reaches over 1.9 million retailers and 161 million households
- Vacuum evaporated and untouched by hand across the value chain
- Manufacturing capacity at Tata Chemicals in Mithapur increased from 1.0 to 1.2 million tonnes

GROWING CLOSER TO TODAY'S CONSUMERS

Committed to understanding what triggers anxiety and tension in the lives of Gen Z and millennials, Tata Salt Lite piloted the 'Age of Rage' survey. The results of the survey identified traffic, technology and work as the primary sources of stress.

STRENGTHENING BRAND EQUITY

To differentiate itself from the competitive foods market and reinforce its brand proposition, Tata Salt has adopted a multi-pronged strategy.

Missing I

We helped raise awareness around the **importance of iodine through media response and digital participation.** We spoke to mothers and pregnant women, emphasising the daily consumption of iodine for the mental and physical development of their children. We also moderated an interesting discussion with a panel of health experts, doctors, celebrity mothers and to-be mothers.

Shakti Ka Samman

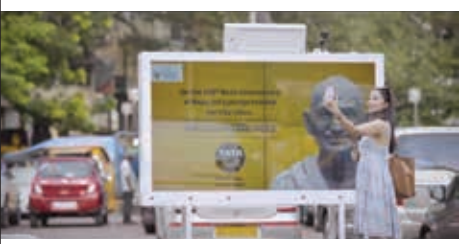
Shakti Ka Samman (Respect for Strength) was an outdoor initiative in Patna that underlined the importance of women's health on the occasion of Chhath Puja. We encouraged male devotees to **reciprocate the sacrifices often made by women and pledged for safeguarding their women's health, symbolised by *Shakti*** (Strength), not only during the festival, but also in everyday life.

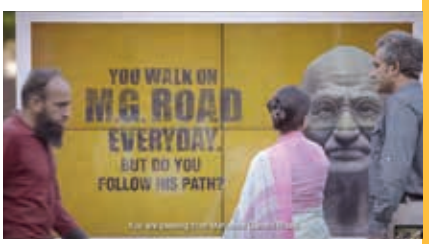
Read more Page 112 in our Management Discussion & Analysis about the detailed business commentary













#BapuReminder

Tata Salt paid tribute to Mahatma Gandhi on his 150th birth anniversary, through the #BapuReminder campaign, on MG Road, Mumbai. Using the brand's position of *Desh Ki Sehat, Desh Ka Namak* (Health of the Country, Salt of the Country), we set up an interactive installation that sounded out the rousing Bapu slogan 'Be the change you wish to see' to passers-by and featured thought-provoking messages.

Salt Therapy

We devised a unique initiative to battle the ill-effects of air pollution in Delhi. Our mobile 'Salt Therapy' (or Halotherapy) had a specially built room, the walls and floors of which were covered with 3-4 tonnes of salt. A session inside the 'Salt Room' lasted about 45 minutes to one hour, where people were required to sit back and relax. The tiny salt molecules in the 'Salt Room' penetrated deep into the lungs and opened up airways for easier breathing. It was a completely natural, non-invasive and drug-free treatment for relieving symptoms caused by congestion, inflammation and allergies of the respiratory system and skin.

Foods

Tata Sampann

EXTENDING THE CONSUMER AFFINITY

We forged ahead with category-building initiatives this year, aligned with the brand promise of *Sarvagunn Sampann* (Wholesome Taste and Nutrition).

Spices & secrets

Our team of renowned nutritionists spoke to the media extensively during the year, to bring to light the superfoods hidden in our kitchen. This was a definitive move to generate interest around Tata Sampann's range of quality spices, which are sourced from the most authentic places. **Their full-bodied flavour and nutrition are boosted by their natural oils, which ordinary spices are devoid of.** Their antimicrobial properties help keep diseases at bay and provide a natural way to maintain healthy body weight and keep us warm during the winters.



Spices boosted by their natural oils





Micro-marketing

We activated a **micro-marketing and trial generation plan** for Delhiites to help combat the harsh winter with Tata Sampann Haldi. We employed full-page print communication and direct sachet sampling of our product, which was supported by a digital campaign that innovatively used real-time pollution and temperature data to bring out superior product proposition of Tata Sampann Haldi.

0.9 Mn+

Households covered via Tata Sampann Haldi awareness building



Tata Nutrikorner

We revealed the **nutritional benefits of traditional Indian food traditions, through the Tata NutriKorner** platform. There's a world of Indian nutritional wisdom we are yet to discover and Tata NutriKorner is all about bringing that back into the conversation. **Health. Nutrition. Wellness – the Indian way!**

Through expert columns, articles, tips and recipes, we present a wide choice of nourishing ingredients from the stable of Tata Consumer's food brands. The platform has seen more than half a million page views monthly. YouTube food creators too have been active participants in creating videos for the portal.

61 Mn

Views on YouTube for Tata NutriKorner

500+

Articles collated by Tata NutriKorner



#LautAayiDiwali

Tata Sampann also welcomed one of the most anticipated festivals of the year with the #LautAayiDiwali campaign.

We activated the campaign with an emotional digital film as an ode to our childhood memories of a perfect Diwali. We also co-created exclusive downloadable easy Diwali recipes with celebrity chef Sanjeev Kapoor, with a chance to meet and greet for winners. Our aim was to make Tata Sampann a mainstay in every Indian kitchen during Diwali.



Liquid Beverages

CAPTURING GREATER VALUE IN EVERY BOTTLE

Our liquid beverages portfolio continues to support the everyday wellbeing of consumers across our markets with value added offerings.

Himalayan

CLEAR IMPROVEMENTS TRANSLATE TO BETTER PROFITS

With rising competition in the packaged natural mineral water category, optimisation of the Himalayan brand became a business imperative. We set out to challenge every cost line and reduce our consumption of plastic and paper, while continuing to exceed the consumer's expectations from the brand.

As a first step, **we standardised the necks of all Himalayan bottles. Lower preform and cap weight, along with altered bottle dimensions helped cut cost as well as plastic use.**





We also narrowed on a cost-effective shipping mechanism that consumed less paper and de-risked the business by roping in multiple vendors that replaced the single-point distribution network.

STAYING AHEAD OF THE GAME

The Himalayan brand picked up a very early trend about two years ago, the shift from PET bottles to glass, prominent among premium hotels and restaurants. With conversations around the ban of plastic taking an upswing in 2019, the demand for glass bottles shot up and the brand was well positioned to capitalise on it.

The development lead times for glass and its complexities are far higher than the common PET bottle, allowing us to race ahead of others easily with the Himalayan glass bottle. Its sophisticated design, unique shape and mountain illustrations sit very elegantly on a dining table and adds value to the ambience of a room. The ahead-of-the-curve innovation played an important role in expanding our presence in the hospitality channel, allowing us to tap into the new generation of consumers with an eye for aesthetics, superior taste and a sense of adventure.



Read more Page 112 in our Management Discussion & Analysis about the detailed business commentary



Healthy beverages for a healthier India

With hydration becoming a complex category, we have developed our product portfolio to meet the full spectrum of hydration needs, ranging from basic thirst quenching to indulgent refreshment with flavoured waters.

Tata Gluco Plus was originally launched in the two southern Indian states of Tamil Nadu and Telangana, and subsequently rolled out to Odisha. During the year, we entered into new co-packing arrangements in West Bengal and NCR, with a focus on gradually enlarging the national reach of the hydration solution.

A **new flavour, Lychee** was also introduced to the existing portfolio and the popular **'Gas Minus Energy Plus' proposition** was brought back in a new TV commercial, building on a successful communication platform of the last few years.





Tata Water Plus delivered stellar results in the year, on account of an aggressive distribution strategy, improved brand salience, reformulated messaging and stringent cost control measures.

Out-of-home

PERFECTING THE ART OF DELIGHT

As a consumer-centric company, we are committed to exploring new products and opportunities to excite our patrons. With more sophisticated food and beverage options and the implementation of targeted initiatives, we are well positioned to cater to every consumption occasion.

Tata Cha

FOR THE LOVE OF TEA!

We conceptualised Tata Cha as a unique social destination that would embody the spirit of serving chai warmth day after day, cup after cup. Today, we have expanded to **7 stores in Bengaluru,** serving up a delightful array of hot and cold beverages, and comfort meals.

Menu innovations

- Spicy festive menu
- Buns, which evoked nostalgia, the likes of bun omelette, bun jam and bun bhujia
- Meal recipes curated from different parts of India, such as Panchmel Dal with Masala Rice, Litti Chokha and Kheema Pav





Pop-up shop

A highlight of the year was **a store Tata Cha put up in less than 36 hours,** at the Tata Sons' #Connect 2020 event, which was attended by the leadership of all Tata Group companies. The experience was very well received; and we ran a packed house throughout the event.

Read more Page 114 in our Management Discussion & Analysis about the detailed business commentary

Tata Cha turns 2 – The Big Cha Week

To mark our 2nd anniversary, 'The Big Cha Week' had in-house tea sommeliers conduct tea tasting sessions through the week. The event concluded with a Master Tea Tasting Ceremony at our new Cunningham Road store and was attended by over 100 patrons.

A resounding endorsement of our efforts in the fledgling out-of-home tea retail segment, Tata Cha was recognised as Tea Café of the Year by Restaurant India Congress (South Edition).



Tata Starbucks

PUTTING PARTNERS FRONT AND CENTRE

Our relationship with our Partners represents one of the key pillars of our business. Tata Starbucks has evolved greatly as a people-centric organisation.

Some of our key initiatives from the year include:

Diversity

We have achieved a **100% pay parity among our employees.** Further, we currently have 29% of our workforce as women and are aiming to push this number to 40% by 2022.

Inclusion

We expanded our processes to support the differently-abled partners, by collaborating with **NGO TRRAIN to build a robust internal culture.**

Benefits and self-development

- **Parental benefits** to all employees, **irrespective of their gender**, if they are the primary caregivers of the child
- First **Quick-Service Retail** brand to deploy a **5-day work week** for employees to use the additional time for their self-development
- **Financial assistance programme** to employees willing to buy a two-wheeler for an easier commute to work
- Sabbaticals to those who wish to spend more time pursuing their passion, caring for their family and/or serving the community

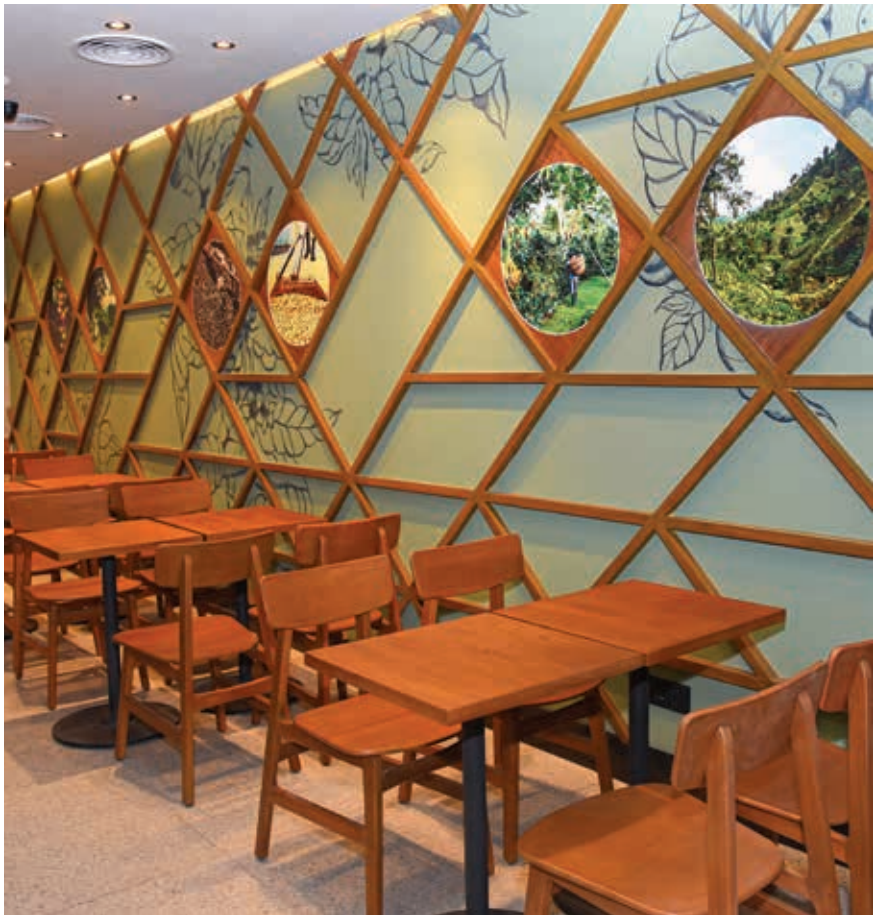
FORAYING INTO GUJARAT

Every Starbucks store is known for the perfect 'third place' experience. This year, we entered Gujarat, opening **seven stores across three cities: Ahmedabad, Vadodara and Surat.** The interiors of all our stores continue to be reflective of the local art and culture.

11
Cities in India

185
Total stores in India

39
New stores opened this year



Out-of-home

A DEEPER COMMITMENT TO GOING GREEN

As Tata Starbucks grows, so does our commitment to be a positive force in India. Sustainability is embedded in the fabric of our mission, as is evident from the first store opening in 2012, which used paper bags, paper sleeves and paper napkins made of recycled fibre.

Key sustainability initiatives

- **100% compostable and recyclable materials** across all our stores in India, eliminating all customer facing single-use plastics
- Introduced **glass serveware for food and beverage** consumed in-store, wooden cutlery and stirrers, compostable bioplastic lids, and straws and splash sticks for takeaway orders
- Launched **reusable hot and cold cups made from polypropylene,** identical to the Starbucks iconic cup – actively encouraging customers to 'Bring Their Own Tumbler' (BYOT), further reducing waste and incentivising customers with a discount





- Association with multiple NGOs listed by Food Safety and Standards Authority of India (FSSAI), under the Extended Producer Responsibility programme, ensures the **recycling of 100% waste generated across our stores**
- Coffee and Farmers Equity (C.A.F.E.) practice ensures that we **source sustainably grown and processed coffee** by evaluating the economic, social and environmental aspects of coffee production
- Achieved a Leader in Energy and Environmental Design (LEED) certification from Starbucks Seattle, for two of our stores – **Select Saket, Delhi and Vittal Mallya Road, Bengaluru**

REAFFIRMING COFFEE AUTHORITY

#Starbucks150

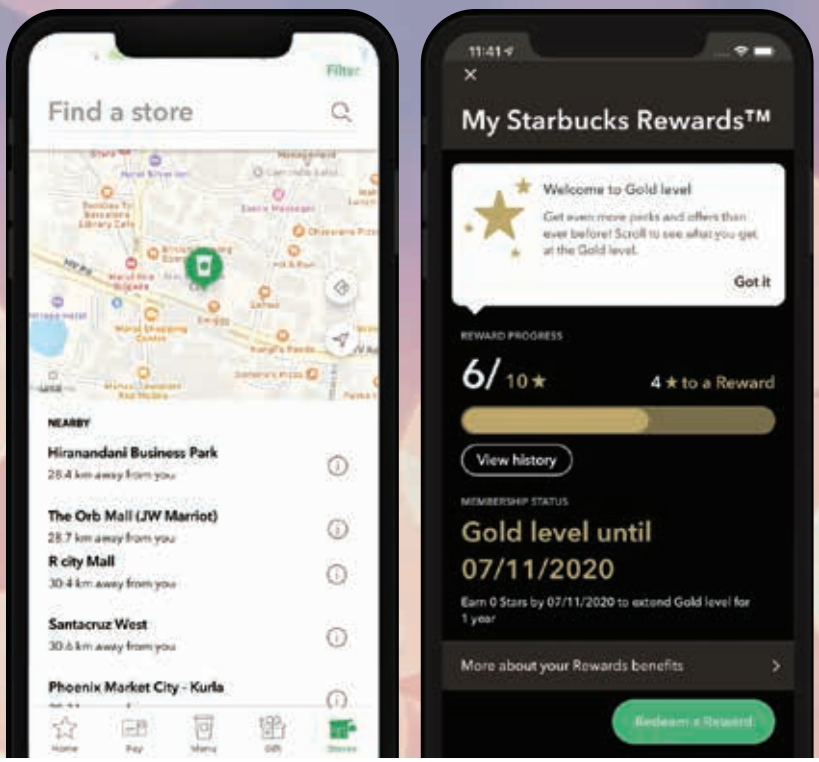
In November 2019, we celebrated surpassing the big milestone of 150 stores in India with all our customers, by offering all short/ tall beverages for Rs. 150 for a day across all stores in the country.



Barista Pride

In January 2020, we offered customers 174 unique handcrafted beverages developed by our partners in 174 stores. Our baristas conceptualised and created an innovative beverage unique to their store.







Shaping coffee-forward experiences

Supporting our constant endeavour to elevate the experience for evolved coffee enthusiasts, we launched two popular international coffee innovations, Cortado and Blonde Espresso Roast (a secondary bean choice).

We celebrated five glorious years of our renowned 'My Starbucks Rewards' programme in August 2019. With a loyalty base of 7,90,000+ (as of March 2020), our customers continue to be our biggest brand evangelists.

Process Advancements

TRANSFORMING WITH AGILITY

We are proactively responding to the need for the business to realign systems and processes to be more agile and increase our effectiveness. We are strengthening our operational infrastructure and risk mitigation, while focusing on greater everyday efficiency and building capabilities for future growth.



ACCELERATING DIGITAL

The scale and complexity of our business has led to scaling up digital capability. In order to optimise costs and scale up for growth, cloud adoption emerged as a business imperative for us.

Today, all our enterprise systems are on a secure, risk-managed, cloud-based digital platform. The shift from legacy architecture to cloud has translated into immediate gains for us, in terms of stability, flexibility, agility and scalability. This has made way for incubating new skills and capabilities, while rationalising costs.

BOLSTERING CYBERSECURITY

A vital element of our migration exercise was our security landscape. Three-tier approach towards better security.

- Implement strong operational safeguards
- Establish and solidify a managed Security Operations Centre (SOC) that provides protective monitoring and speedy response and recovery
- Set out a Security Assessment Framework for Enterprise (SAFE) that provides an enterprise-wide cyber risk quantification (CRQ) platform

TOWARDS BETTER SUPPLY CHAIN MANAGEMENT

As we scale our growth plans across each of our businesses, we are deploying world-class Distributor Management System (DMS) and Sales Force Automation (SFA) tools to ensure real-time visibility of sales, track secondary sales dashboards, analyse sales data and make strategic decisions.

1,400

Distributors covered under the new DMS and SFA tools

ENABLING DATA-DRIVEN DECISION MAKING

The initiatives of the Internal Audit function across people, processes, technology and the organisation at large, has enabled informed business decisions, enhanced process and controls, strengthened compliance and delivered significant business value.

Our innovative enterprise-wide business analytics platform, **Tgo, provides us with insights on internal controls, cost-saving opportunities and statutory non-compliances. It operates in real-time, encompassing 80+ analytics and eight business domains** and facilitating more data-driven decisions. We are now in the process of extending this platform to the Foods and International businesses.

Tgo has been recognised on various internal and external forums and is awaiting copyright and trademark.





Cyber Risk Quantification Champion of the Year

The Data Security Council of India (DSCI) recognised us as the Cyber Risk Quantification Champion of the Year at the Annual Information Security Summit 2019, for demonstrating the largest improvement in a year for the Asia-Pacific (APAC) region.

Sharpening risk oversight

A dedicated risk team maintains oversight of our global risk road map and aligns it with business mission and strategy. The team has conducted extensive workshops across geographies to raise risk awareness, identify key regional and global risks, develop risk registers and document clear mitigation plans for mid- to long-term strategic and operational risks. These initiatives have injected more rigour to the reporting process of the Risk Management Committee. We are now in the process of extending this practice to the Foods business and other associate companies.

Tata Consumer was declared the Winner in the category of Best Risk Management Framework & Systems – FMCG, at The India Risk Management Awards 2020, organised by CNBC TV-18 and ICICI Lombard. Our efforts also gained recognition at the 3rd CRO Leadership Summit and Awards 2020.

Sustainability

FOR PEOPLE AND THE PLANET

Over the years, our community engagement has evolved from standalone philanthropic initiatives to long-term programmes closely linked to business priorities and material issues.

Our aim is to support sustainable livelihood and development programmes for one million people within our supply chain and communities.











RISING TO THE CLIMATE CHALLENGE

We are one of the six Indian companies to be recognised as **'Climate Change Rising Stars'** on the CDP (formerly the Carbon Disclosure Project) India 2019 A- list. The list incorporates strategies, disclosures, performance and action in the areas of carbon emission, to create a comprehensive benchmark that identifies a company's commitment to mitigate risks arising from climate change. CDP ratings have implications for Tata Consumer on the Bombay Stock Exchange Carbonex Index and Bloomberg terminals.

SOURCING WITH PURPOSE

We are committed to **100% sustainable sourcing of all our global tea brands by 2020.** We are the co-founder and an active member of the Rainforest Alliance (RFA) and trustea. We promote sustainable agricultural practices across our supply chain and support our stakeholders in gaining certifications from both RFA and trustea.

Two recent independent studies found that **RFA certification was linked with higher household incomes and lower rates of poverty for coffee-farming households,** compared to non-certified farms.

Through **trustea** in India, we are working with 49,000 smallholder tea growers, 460 tea estates, 0.3 million female workers and 0.25 million male workers, to address pertinent concerns, ranging from bettering working conditions, strengthening health and safety practices and promoting environment-friendly practices.



60%

Of total tea produced in India is trustea verified (640 million kg)

651

Entities verified

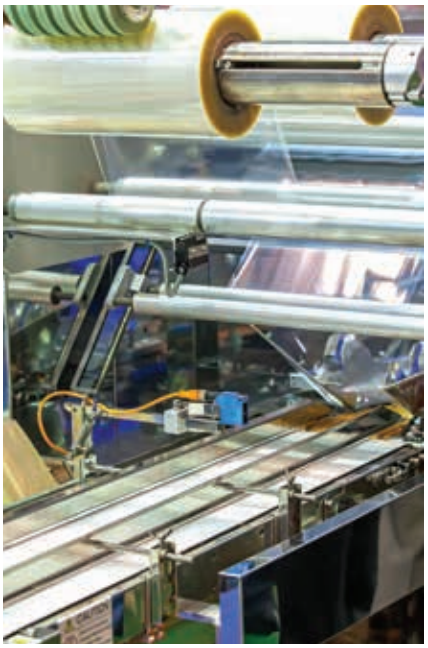
55,826

Small tea growers verified

619,462

Workers reached

Sustainability



LEAVING A MARK. NOT A FOOTPRINT.

Sustainable packaging

With increased awareness among all stakeholders, sustainable packaging technologies and the trend towards recyclable and biodegradable packaging is gaining momentum. As a responsible organisation, we are working towards the development of **recyclable packaging to eliminate the use of multi-laminate packaging** for Tata Salt. We sold 21% of our Tata Salt products in recyclable packaging during the year, and plan to increase this figure substantially in FY 2020-21.

21%

of Tata Salt products sold in recyclable packaging in FY 2019-20



UK Plastics Pact

As part of the UK Plastics Pact, we are working with different agencies to generate structural designs for recyclable/compostable/reusable packaging. We have successfully completed trials for biodegradable fibre mesh, recyclable pouch and envelopes for cold infusions and are evaluating feasibility and timing of market launch. Our on-the-go cup will also be transitioned to recyclable alternatives.

Extended Producer Responsibility (EPR)

In India, large-scale plant trials and transit trials were conducted for recyclable laminates on various SKUs and we are exploring feasibility for market launch. Further, under the guidance of the Plastic Waste Management Rules India, we have framed an ERP Plan for collection and reprocessing of plastic packaging waste on a brand neutral basis across key markets. The target is to secure **100% collection and disposal of plastic packaging by 2020 in India.**







Tata Volunteering Week

As part of the Tata Volunteering Week (TVW) campaign in September 2019, our Chairman Mr. N. Chandrasekaran encouraged Tata employees to take up the Government of India's 2019 *Swachhata Hi Seva* (Service for Cleanliness) initiative. People across our subsidiaries and associate companies, along with our offices and factories, came out in large numbers to volunteer for this cause.



TVW highlights, September 2019

~6,000

Employees volunteered at the drive for Swacchata Hi Seva and TVW*

15,821

Hours volunteered

40,485 Kg

Plastic waste collected

*Note: This is inclusive of JVs, subsidiaries and associate companies.

EMPOWERING COMMUNITIES THROUGH SUSTAINABLE LIVELIHOODS

Aranya Natural

Aranya Natural celebrated the 25th year of its journey with an international conference on 'Natural Dyes' in Munnar in February 2020.

Aranya Natural, a unit of Srishti Trust, is supported by Tata Consumer and works with designers to create natural dyed fabrics. This milestone of 25 years offered an **opportunity to showcase to the world that natural dyes are the way forward towards a sustainable future for fashion**.







Improving Lives

The United Nations Children Fund and Ethical Tea Partnership's 'Improving Lives' programme aims to **tackle the systemic issues affecting women and children in 200+ tea estates in Assam**, spanning over one-fourth of formal tea estates in the region. More than 30,000 adolescent girls have been positively impacted through Adolescent Girls' Groups and life skills training. The quality of education, health and nutrition provided in these tea estates has improved through training and upskilling of all relevant stakeholders.

Board of Directors



Mr. N. Chandrasekaran

1



Mr. Harish Bhat

1 2 3 4 5



Mr. S. Santhanakrishnan

2 4 6



Mr. Siraj Chaudhry

2 3 4 6



Mr. Bharat Puri

1 2 3



Mrs. Shikha Sharma

1 2 3



Mr. Sunil D'Souza

5



Mr. L. KrishnaKumar

5 6

Board Committees

1. Nomination and Remuneration
2. Audit
3. Risk Management
4. Corporate Social Responsibility
5. Executive Committee
6. Stakeholder Relationship

Chairperson **Member**

MR. N. CHANDRASEKARAN

Chairman (Non Executive Director)

Appointment: He is the Chairman of the Board at Tata Sons, the holding company and promoter of all Tata group companies. The Tata group companies, across 10 business verticals, have aggregate annual revenues over USD 110 billion and a market capitalisation of over USD 165 billion.

He joined the Board of Tata Sons in October 2016 and was appointed Chairman in January 2017. He also chairs the Boards of several group operating companies, including Tata Steel, Tata Motors, Tata Power, and Tata Consultancy Services (TCS) – of which he was Chief Executive from 2009-17.

Experience: His appointment as Chairman followed a 30-year business career at TCS, which he joined from university. He rose through the ranks at TCS to become CEO and Managing Director of the leading global IT solution and consulting firm.

Under his leadership, TCS generated total revenues of USD 16.5 billion in 2015-16 and consolidated its position as the largest private sector employer in India and the country's most valuable company. TCS has also been placed among the 'Big 4' most valuable IT services brands worldwide, ranked as one of the World's Most Innovative Companies by Forbes and recognised as a Global Top Employer by the Top Employers Institute across 24 countries.

He is also the author of Bridgital Nation, a groundbreaking book on harnessing technological disruptions to bring Indians closer to their dreams. He has been awarded several honorary doctorates by leading universities in India and internationally, including an honorary Doctor of Letters from Macquarie University, Australia, Doctor of Letters from the Regional Engineering College, Trichy, Tamil Nadu, where he completed a Masters degree in Computer Applications before joining TCS in 1987.

Current external appointments: He is on the International Advisory Council of Singapore's Economic Development Board. He is the Chairman of Indian Institute of Management Lucknow as well as the President of the Court at India Institute of Science Bengaluru. He is the member of Bocconi's International Advisory Council and the Co-Chair India US CEO Forum.

He is an active member of India's bilateral business forums including USA, UK, Australia and Japan. He served as a Director on the Board of India's central bank, the Reserve Bank of India, from 2016 till 2020. He served as the Chairman of NASSCOM, the apex trade body for IT services firms in India in 2012-13.

MR. HARISH BHAT

Non Executive Director

Appointment: 7th July 2012

Experience: He is the Brand Custodian of Tata Sons. He joined the Tata group in 1987 as an officer in the Tata Administrative Service. During his career of over 30 years with the Tata Group, Mr. Bhat has served in several senior roles. These include stints as Managing Director and CEO of Tata Global Beverages, COO of the Watches and Jewellery businesses of Titan Company, and in the telecom business of the Tata group.

Current external appointments: He is the Chairman of Tata Coffee Ltd. and a Director on the Boards of several other Tata companies, including Trent Ltd., Tata Starbucks Pvt. Ltd., Infiniti Retail Ltd., Tata Unistore Ltd., and Tata AIA Life Insurance Company Ltd. He is also a member of the Board of Governors of the Advertising Standards Council of India.

MR. S. SANTHANAKRISHNAN

Independent Director

Appointment: 11th May 2018

Experience: He has specialised knowledge in M&As, valuations, corporate laws and technology. He brings to the Board four decades of rich experience in finance, accounts and international accounting standards, strategy and planning and corporate laws. He has been an Independent Director for over 16 years in banks and been a Chairman of a bank for over 8 years.

He is a fellow member of the Institute of Chartered Accountants of India (ICAI) and a Managing Partner of PKF Sridhar and Santhanam LLP, Chartered Accountants. He was a member in the Central Council of ICAI for 15 years up to 2015, and has served in various committees of the Institute.

Current external appointments: He is a member on the Boards of various Tata companies like Tata Realty and Infrastructure Ltd., Tata Housing Development Company Ltd., Eight O'clock Coffee Company, Consolidated Coffee Inc., Tata Coffee Vietnam Company Ltd. and a Director in ICICI Home Finance Co. Ltd. He is a Designated Partner of PKF Sridhar & Santhanam LLP, a well-known CA firm. He is also actively involved with various

Board of Directors

government and industry bodies. He has been a member of the High-level Committee on Corporate Social Responsibility formed by the Ministry of Corporate Affairs and is also a Government Nominee for Central Council of the Institute of Company Secretaries of India (ICSI). He is a member of various Charitable organisations like Chairman of Coorg Foundation in Coorg, Voluntary Health Services in Chennai and various other Trusts.

MR. SIRAJ CHAUDHRY

Independent Director

Appointment: 3rd July 2017

Experience: His tenure at Cargill spans nearly 24 years out of a career of over 32 years in Agriculture and Food and includes handling the leadership role in India for 12 years, as well as a global commodity trading role in Geneva. Under his leadership since 2007, Cargill India, through a combination of green fields and acquisitions, has successfully built both their consumer FMCG businesses in India and institutional businesses, backed by world-class manufacturing facilities, early technology adoption robust sales and distribution network, and an enviable brand portfolio. Cargill's edible oil fortification plan has been recognised as one of the pioneering efforts in addressing malnutrition.

He is a Co-Chair of Federation of Indian Chambers of Commerce & Industry (FICCI) National Committee on Agriculture. He has, in the past, chaired the FICCI, the Agriculture and Food Committee of USA-India Business Council (USIBC) in India and the Agriculture and Food Committee at American Chambers of Commerce. He has been actively engaged with the World Economic Forum on their agriculture agenda in India. He is a thought leader in the space of Agriculture and Food and is consulted by central and state governments for his views in these fields. He supports and mentors start-ups in the space of Food and Agriculture. He has been closely associated with the cause of food security and nutrition. He has been one of the founders of the United Way Delhi chapter and India Food Banking Network.

Current external appointments: He is presently the Managing Director & CEO of National Collateral Management Services Ltd. (NCML), a Fairfax company. He is also on the Boards of Tata Coffee Ltd. as an Independent Director and as a Director on the Boards of NCML Agribusiness Consultants Private Ltd., NCML Mktyard Private Ltd., NCML Finance Private Ltd. and Arboreal Bioinnovations Private Ltd.

MR. BHARAT PURI

Independent Director

Appointment: 7th May 2019

Experience: He is the Managing Director of Pidilite Industries Ltd. He started his career with Asian Paints in 1982 and rose to head Sales & Marketing. He moved to Cadbury India as Director of Sales & Marketing in 1998 and was appointed its Managing Director in 2002. He has held senior leadership positions in Sales, Marketing and General Management at the regional and global level, culminating in his becoming Global President – Chocolates, Gum and Candy for Mondelez International. He has been a successful global business leader, who has built, energised and led diverse teams across numerous geographies.

Current external appointments: He is the Managing Director of Pidilite Industries Ltd. He is also a Director on the Boards of ICA Pidilite Private Ltd., Tata Consumer Products UK Group Ltd. and Tata Consumer Products GB Ltd.

MRS. SHIKHA SHARMA

Independent Director

Appointment: 7th May 2019

Experience: She was the Managing Director and CEO of Axis Bank, India's third largest private sector bank, from June 2009 up to December 2018. As a leader adept at managing change, she led the Bank on a transformation journey from being primarily a corporate lender to a bank with a strong retail deposit franchise and a balanced lending book. She has more than three decades of experience in the financial sector, having begun her career with ICICI Bank Ltd. in 1980. During her tenure with ICICI Bank, she was instrumental in setting up ICICI Securities. As Managing Director and CEO of ICICI Prudential Life Insurance Company Ltd., she led the company to become the No.1 private sector life insurance company in India.

She was a member of RBI's Technical Advisory Committee, RBI's Panel on Financial Inclusion, the Committee on Comprehensive Financial Services for Small Businesses and Low-Income Households. She has chaired CII's National Committee on Banking 2015-2017. She has a demonstrated track record of building successful

and enduring businesses, deep understanding of business through data and analytics and has built businesses based on consumer insight and technology execution.

Current external appointments: She is also an independent director on the Boards of Ambuja Cements Ltd., Mahindra and Mahindra Ltd, Tech Mahindra Ltd, Dr Reddy's Laboratories Ltd. She is a member of the Board of Governors of IIM Lucknow, a member of the Advisory Board of Bridgespan and an advisor to several companies.

MR. SUNIL D'SOUZA

Managing Director & CEO

Appointment: 4th April 2020

Experience: In his previous role, he served as Managing Director of Whirlpool India Ltd. for over four years. Prior to this, he spent almost 15 years at PepsiCo, where he held several leadership roles. During his stint at PepsiCo, he handled all commercial aspects of the company's food and beverage portfolio and successfully led the business in a large cluster of Asian countries.

He began his career at Hindustan Unilever Ltd. in 1993. With over 26 years of rich experience, he has strong domain knowledge of the consumer products business with distinct focus on strategy, growth and execution.

He is an engineering graduate from the University of Madras and holds a post-graduate diploma in management from the Indian Institute of Management, Calcutta.

Current external appointments: He is also a Director on the Boards of Tata Starbucks Private Ltd. and several other Tata Consumer group companies.

MR. L. KRISHNAKUMAR

Executive Director & Group CFO

Appointment: He joined as the Head of the Finance function of erstwhile Tata Tea in India in 2004 and has handled different roles in the Company in India and the UK.

Experience: He started his career with A. F. Ferguson and Co., where he worked as a Senior Consultant with their management consultancy division. He subsequently worked with Larsen and Toubro Ltd., a diversified conglomerate, in a variety of areas and was lastly in their corporate office as General Manager, Finance, before joining the Tata group.

He is a member of the Institute of Chartered Accountants of India, Institute of Cost Accountants of India and Institute of Company Secretaries of India and has diverse experience in consulting, manufacturing, service and consumer industries.

Current external appointments: He is also a Director on the Boards of Tata Starbucks Ltd., NourishCo Beverages Ltd. and several of the Company's overseas subsidiaries.

Board tenure
(as of 31st March 2020)

3
0-2 years

3
3-5 years

2
6 years and more

Management Team



MR. SUNIL D'SOUZA

Managing Director & CEO

Mr. D'Souza is the Managing Director & CEO of Tata Consumer. In his previous role, he served as the Managing Director of Whirlpool India Ltd. for four years. Prior to that, he spent almost fifteen years at PepsiCo, where he held several leadership roles. During his stint at PepsiCo, he handled all commercial aspects of the company's food and beverage portfolio and successfully led the business in a large cluster of Asian countries.

He began his career at Hindustan Unilever Ltd. in 1993. With over 26 years of rich experience, he has strong domain knowledge of the consumer products business with distinct focus on strategy, growth and execution.

He is an engineering graduate from the University of Madras and holds a post-graduate diploma in management from the Indian Institute of Management, Calcutta.



MR. L. KRISHNAKUMAR

Executive Director & Group CFO

Mr. KrishnaKumar started his career with A. F. Ferguson and Co. and subsequently worked with Larsen and Toubro Ltd. He joined the Tata group in 2000 in the Hotels business and thereafter took over as the erstwhile Tata Tea's Head of Finance in 2004.

Currently, he is the Executive Director and Group CFO. He leads the Global Finance, Strategy and M&A, Investor Relations, Global Legal and Internal Audit functions.

He is a Director on the Boards of Tata Starbucks Ltd., NourishCo Beverages Ltd. and several of the Company's overseas subsidiaries.



MR. AJIT KRISHNAKUMAR

Chief Operating Officer

Mr. Krishnakumar has 20 years of global work experience, which includes responsibilities for strategy, corporate finance and M&A across a number of industries. He joined the Company as Chief Operating Officer in January 2020.

He is responsible for the India Product Supply Organization (procurement, manufacturing, supply chain and logistics), Tea Buying and Blending, Quality Assurance, New Business Ventures and Integration, and Transformation management.

In his previous role, he was Senior Vice President, Tata Sons in the Group Chairman's office, leading strategy for consumer businesses. He has also worked with Bank of America Merrill Lynch and Rothschild & Co., among others.

He holds an MBA from the University of Michigan, Ann Arbor and a BBA from the University of Hartford, Connecticut.



MR. AMIT CHINCHOLIKAR

Global Chief Human Resources Officer

Mr. Chincholikar has been with the Tata group since 2010. Prior to joining Tata Consumer, he was with Tata Sons as Senior Vice President – Group Human Resources. He has also worked in organisations such as Mercer Consulting and Aditya Birla Group in leadership roles in India, USA and Singapore.

In his current role, he leads the people strategy as well as the sustainability strategy, commitment and execution for the global organisation.

He holds a post-graduate degree from the Symbiosis Institute of Business Management, Pune and is a graduate in Statistics and Operations Research from the University of Mumbai.



MR. ADIL AHMAD

President, International Business

Mr. Ahmad joined in 2015 as the Global Chief Marketing Officer. He has played a key role in developing a strong portfolio of global brands with a focus on overall brand health, profitability and premiumisation.

In his current role, he is responsible for driving Tata Consumer's growth in the international markets of Europe, USA and Canada. Prior to joining, he has had a 20-year career with Reckitt Benckiser, holding leadership positions across the UK, India, the Middle East and East Asia, in both strategic and operational roles.

He is a graduate from St Stephens College, Delhi and holds an MBA degree from Case Western University, Cleveland, Ohio, USA.



MR. SUSHANT DASH

President, Packaged Beverages (India, Bangladesh and Middle East)

Mr. Dash is responsible for driving the growth strategy and outcomes including innovations for the Packaged Beverages category in India and for the overall business in Bangladesh and the Middle East. He has successfully handled various strategic and operational roles for the Company. Some of his previous roles include Marketing Head for India, Team Leader of a Venture Team based in the UK and Senior Director – Marketing and Business Development – for Tata Starbucks. He has also worked for ORG Marg in various capacities in Consumer and Market Research. Prior to this, he was the Global Brand Director of Tata Consumer.

Management Team



MS. RICHA ARORA

President, Packaged Foods (India)

Ms. Arora joined the Foods business in 2014 to lead the transformation of this vertical. She will drive the growth strategy and outcomes, including innovations for the Packaged Foods category in India.

She has over 30 years of wide-ranging experience spanning Business Operations, Marketing, Strategic Planning and Communications. In her previous role, she had set up Five by Six Consulting – a boutique strategic marketing consulting firm, advising companies like McCain Foods, Britannia and Wipro (Consumer). Prior to this, she worked as Head of Marketing & Innovation at Britannia and in leadership positions at Balsara and FCB-Ulka.

She has an MBA from IIM Ahmedabad and is a Chevening scholar from the London School of Economics.



MR. VIKRAM GROVER

Managing Director, NourishCo

Mr. Grover leads NourishCo, a wholly-owned subsidiary of Tata Consumer. NourishCo provides meaningful hydration solutions in the non-carbonated, ready-to-drink beverages segment in India and around the world.

He joined Tata Consumer as Marketing Head for South Asia in 2010 and has played a key role in achieving several milestones for the Company's branded tea business in India. Prior to this, he has worked with Unilever, holding significant roles such as Global Strategy and Archetypes Director for Beverages and Country Head for Beverages in India.

He has an MBA degree in Marketing from the Indian Institute of Management, Kolkata, and is an engineering graduate from Punjab Engineering College, Chandigarh.



MR. NAVANEEL KAR

Head, Sales (India)

Mr. Kar is Head, Sales (India) for all channels for the combined Foods and Beverages portfolio. He joined Tata Consumer in August 2019. He has over 20 years of experience in Sales, Marketing & Category Management. He started his career as a graduate engineer with Tata Motors (erstwhile Tata Engineering) and worked in the Automobile and Construction Equipment businesses. After his MBA, he joined ITC Ltd. and worked with them for 16 years in various roles spanning Sales and Marketing. His interest areas include strategy, innovation and sales transformation.

He holds an MBA in Marketing & Finance from XLRI Jamshedpur. He also holds a Bachelor of Engineering degree in Mechanical Engineering, from Delhi College of Engineering.



MR. RAKESH SONY

Global Head- Strategy and M&A

Mr. Sony joined the Company in 2017. He is responsible for the development and deployment of strategies and the delivery of new businesses/acquisitions/alliances to drive the sustainable, profitable growth agenda of the Company. He also oversees the Investor Relations function of the Company.

He has over 22 years of experience and has held key leadership roles in the private equity and investment banking world. He was the Director and India Head of Proterra Investment Partners and Partner at Motilal Oswal PE Fund. Before that, he successfully co-founded an investment bank. He has led multiple M&A deals and successful investments in the food and consumer space in India and has assisted companies in their strategic transformation processes.

He is a Chartered Accountant and a graduate from St. Xavier's College, Kolkata.



MR. VIKAS GUPTA

Global Head, R&D

Mr. Gupta is Global Head of R&D for Tata Consumer and is responsible for leading the R&D function and processes across Packaged Beverages, Packaged Foods and RTD Beverages. He joined Tata Consumer as Head of Product Innovation for India in 2013 and subsequently moved into the role of Head of Global NPD for the Beverages business. During his tenure with the Company, he has played a key role in achieving successful launches of Innovation projects across global markets.

Vikas brings with him the diverse experience of the food and beverage industry with demonstrated leadership capabilities in NPD, cost innovation and supply chain to develop and launch innovation projects. Before joining Tata Consumer, he has worked in GlaxoSmithKline Consumer Healthcare Ltd. and Unilever India Ltd.

He has a Master's degree in Food Technology from the Central Food Technology Research Institute, Mysuru.



MR. CHACKO P. THOMAS

Managing Director & CEO, Tata Coffee

With over 27 years of experience, Mr. Thomas was appointed Managing Director & CEO of Tata Coffee, effective 1st April 2019. Previously, he served as Executive Director and Deputy CEO of Tata Coffee, where he was directly responsible for the overall delivery of the plantation transformation and instant coffee agenda.

In his previous assignment, he was associated with Kanan Devan Hills Plantation Company (KDHP) since its inception. KDHP is South India's largest tea plantation company and an associate company of TGB. He joined the erstwhile Tata Tea in 1992 as Assistant Manager and rose to the position of MD of KDHP in 2012. Under his leadership, KDHP was awarded 'The Best Company for Employee Involvement & Participation' in India for 2015. He remains a Director on the Board of KDHP and serves on various boards of industry associations.

He has a degree in Computer Science from the University of Jodhpur and has completed an Advanced Management Programme from INSEAD France.

10 - Year Financial Highlights

Rs. in Crores

	INDAS					Previous GAAP					
Particulars	**2019-20**	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**	**2010-11**
STANDALONE FINANCIAL HIGHLIGHTS											
Revenue from Operations	5690	3430	3217	3064	2987	3084	2885	2683	2326	2035	1811
EBIDTA	806	464	502	363	360	343	317	284	239	232	147
Operating Profits (EBIT)	692	432	475	339	337	321	297	268	222	220	133
Operating Profits Margin	12.2%	12.6%	14.7%	11.1%	11.3%	10.4%	10.3%	10.0%	9.5%	10.8%	7.4%
Profit before Tax	729	576	723	386	317	661	349	585	321	370	230
Profit after Tax	524	411	534	276	226$	564	289	447	259	303	181
Dividend payout @	186	182	170	168	164	164	162	147	154	154	142
Shareholders' Funds	10850	4444	4213	3785	3437	2896	2502	2573	2318	2210	2056
Total Capital Employed ^	10885	4448	4298	3817	3872	3274	2979	3030	2827	2577	2561
No.of Employees	2689	2409	2565	2555	2552	2552	2549	2466	2489	2218	2373
Book value per Share (Rs.) *	117.50+	70.07+	66.42+	59.62+	54+	45.54 +	39.29 +	41.26 +	37.13 +	35.39 +	32.90 +
Earnings per Share (Rs.)	5.68+	6.51+	8.47+	4.37+	3.59+	8.93+	4.58+	7.23+	4.18+	4.89+	2.92+
Dividend per Share (Rs.)	2.5+	2.5+	2.35+	2.25+	2.25+	2.25+	2.25+	2.25+	2.15+	2.15+	2.00 +
Total Debt to Equity *	0.00	0.00	0.02	0.01	0.13	0.13	0.19	0.18	0.22	0.17	0.25
Return on Operating Capital Employed (%)	9.5%	41.3%	54.7%	43.7%	32.9%	41.4%	38.7%	48.4%	52.2%	81.1%	65.2%
Return on Net Worth (%)	4.9%	9.5%	13.4%	7.6%	6.5%	20.9%	11.4%	18.3%	11.4%	14.2%	8.7%
Market Capitalisation	27173	12871	16330	9501	7652	7652	9202	9279	7906	6948	6045
CONSOLIDATED FINANCIAL HIGHLIGHTS											
Revenue from Operations	9637	7252	6815	6780	6637	8111	7993	7738	7351	6640	6003
EBITDA	1310	837	851	801	666	678	777	753	769	627	608
Operating Profits (EBIT)	1069	715	735	675	549	535	643	624	664	531	509
Operating Profits Margin	11.1%	9.9%	10.8%	10.0%	8.3%	6.6%	8.0%	8.1%	9.0%	8.0%	8.5%
Profit before Tax	809	735	753	662	170	545	500	707	637	574	494
Net Profit after Minority Interest	460	408	496	389	(6)$	326	248	481	373	356	254
Shareholders' Funds	13815	7332	7032	6266	6247	5719	5493	5849	4810	4566	3957
Total Capital Employed ^	16164	9500	9108	7984	8463	7782	7693	8211	7013	6547	6107
Book value per Share (Rs.) *	149.67+	115.82+	111.07+	98.93 +	98.64+	89.96 +	86.38 +	93.90 +	77.08 +	73.15+	63.37 +
Earnings per Share (Rs.)	4.99+	6.47+	7.85 +	6.17+	(0.09)+	5.16+	3.93+	7.77+	6.03+	5.76+	4.11+
Total Debt to Equity *	0.08	0.14	0.13	0.11	0.19	0.18	0.21	0.21	0.25	0.16	0.21
Return on Operating Capital Employed (%)	8.1%	10.2%	12.0%	12.0%	9.0%	8.9%	10.7%	9.9%	12.5%	11.0%	12.6%
Return on Net Worth (%)	3.4%	5.7%	7.5%	6.2%	(0.1)%	5.8%	4.4%	9.0%	8.0%	8.4%	6.6%

@ Includes Tax On Dividend.

^ Includes current maturities of long term debts

* Computation excludes Revaluation Reserves.

+ Computation based on revised face value of shares

$ Exceptional income in the year 2015-16, under previous GAAP, had profit on sale of equity investments of Rs 327.79 Crores which, under Ind AS have been directly recognised in retained earnings.

EBIT - Profit before exceptional items plus finance cost less interest and investment income

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Board's Report

To the Members of Tata Consumer Products Limited

The Directors present the Annual Report of Tata Consumers Products Limited (formerly Tata Global Beverages Limited) along with the audited financial statements for the financial year ended March 31, 2020. The consolidated performance of the Company and its Subsidiaries, Associates and Joint-Venture Companies has been referred to wherever required.

FINANCIAL RESULTS

Rs. in Crore

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	**9,637**	**7,252**	**5,690**	**3,430**
Profit before exceptional items and taxes	**1,084**	768	**781**	576
Exceptional items (net)	**(275)**	(33)	**(52)**	-
Profit before tax	**809**	**735**	**729**	**576**
Provision for tax	**(274)**	(261)	**(206)**	(165)
Profit after tax	**535**	**474**	**524**	**411**
Share of net profit/(loss) in Associates and Joint Ventures	**(75)**	(17)	**-**	-
Profit for the year	**460**	**457**	**524**	**411**
Attributable to:				
Owners of the parent	**460**	408	**524**	411
Retained Earnings - Opening Balance	**5,667**	**5,375**	**2,784**	**2,552**
Add /(Less)				
Profit for the year	**460**	408	**524**	411
Other Comprehensive Income/(Expense)	**23**	66	**(21)**	3
Dividend*	**(190)**	(178)	**(186)**	(183)
Other items	**(58)**	(4)	**35**	1
Retained Earnings - Closing Balance	**5,902**	**5,667**	**3,136**	**2,784**

*This includes Dividend Tax paid on Dividend declared in FY 2018-19. The tax on Dividend proposed for FY 2019-20 is payable by the shareholders.

DIVIDEND

Your Directors are pleased to recommend for the approval of the shareholders a dividend of Rs. 2.70 per equity share of the Company of Re. 1 each (270%) for the year ended March 31, 2020.

The Board recommended dividend based on the parameters laid down in the Dividend Distribution Policy.

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations")**, the dividend distribution policy duly approved by the Board has been put up on the website of the Company and can be accessed at the link: http://www.tataconsumer.com/docs/default-source/default-document-library/tgbl-dividend-policy342ebc881a2368caa65dff02001c5be1.pdf?sfvrsn=0 .

The dividend on Equity Shares fully paid is subject to the approval of the Shareholders at the Annual General Meeting **("AGM")** scheduled to be held on Monday, July 6, 2020. The dividend once approved by the Shareholders will be paid on or after July 8, 2020.

If approved, the dividend would result in a cash outflow of Rs. 248.82 Crore. The total dividend pay-out works out to 47.5% (Previous Year: 45.5%) of the Company's standalone net profit.

The Register of Members and Share Transfer Books of the Company will remain closed from **June 22, 2020 to June 29, 2020 (both days inclusive)** for the purpose of payment of the dividend for the Financial Year ended March 31, 2020 and the AGM. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members

at prescribed rates as per the Income Tax Act, 1961.

TRANSFER TO RESERVES

The Board of Directors have decided to retain the entire amount of profit for FY 2019-20 in the profit and loss account.

COMPANY'S PERFORMANCE

During the year under review, the Company has completed the acquisition of the Consumer Products Business (India Foods business) from Tata Chemicals Limited **("TCL")**. Further details relating to this acquisition are given in a subsequent section of this Board report. The Company also acquired the branded business of Dhunseri Tea and Industries Limited which includes the leading local brands in Rajasthan, India – 'Lal Ghora' and 'Kala Ghora'.

The Consolidated and Standalone numbers, accordingly, includes the impact of these acquisitions.

CONSOLIDATED PERFORMANCE

The Consolidated Revenues at Rs. 9,637 Crore reflect an increase of 33% mainly due to the inclusion of India Foods business. On a like to like basis, Revenue from operations from the beverages business at Rs. 7,573 Crore recorded a growth of 4% mainly due to improvement in branded business and in the Non-Branded business mainly due to commencement of instant coffee sales from Vietnam. Profit before exceptional items at Rs. 1,084 Crore includes the impact of acquisition of the Foods business and improved performance of the branded beverage business arising from gross margin improvements and good control of spends partially offset by higher spends behind brands. The non-Branded business has performed marginally behind previous year, mainly due to underperformance in Coffee plantations partially offset by improvement in pepper plantation and commencement of operations in Vietnam.

The Consolidated Profit after tax at Rs. 535 Crore recorded a growth after absorbing the impact of exceptional items. The Group Net Profit for the year remained flat while Group Net Profits net of minority interest at Rs. 460 Crore recorded a growth of 13% as compared to the previous year. Exceptional items for the year primarily relate to costs arising out of the acquisition of the food business and non-cash impairment loss on goodwill relating to the branded businesses in Australia and tea business in the US. The accounting impairment has been recognised due to a combination of factors like COVID - 19 related impact on specific out of home business segments, changes in discount rates due to market conditions and revision in business plan sensitivities.

STANDALONE PERFORMANCE

The Standalone Revenues at Rs. 5,690 Crore reflect an increase of 66% mainly due to the inclusion of India Foods business. On a like to like basis, the Revenue from the Beverages business at Rs. 3,626 Crore recorded a growth of 6% during the year under review. The growth is mainly attributable to volume and value growth across all major brands in its portfolio coupled with the benefit of completion of acquisition of the local branded business in Rajasthan. However, it is to be noted that the performance in India during March 2020 was impacted by the lockdown declared on account of COVID - 19 pandemic. Profit before exceptional items at Rs. 781 Crore was favorably impacted by the acquisition of the India Foods business and improved performances in branded beverages business arising from gross margin improvements partially offset by higher spends behind brands. Profit after tax at Rs. 524 Crore after absorbing impact of exceptional items reflects a growth of 27%.

IMPACT OF COVID-19 ON THE PERFORMANCE

Commencing from the second half of March 2020, COVID-19 pandemic had an impact on the Indian and International business environment. The Company along with its subsidiaries and affiliates continued to manufacture and supply essential food and beverage items in the relevant markets. The demand for the Group's products for in-home consumption continues with some short term stocking up. However, extended lock down conditions have caused some adverse impact on sales due to disruptions in market openings and supply chain with impact being more pronounced in out-of-home sectors. Impact on future operations would to a large extent depend on how the pandemic develops and the resultant impact on businesses.

SCHEME OF ARRANGEMENT FOR THE DE-MERGER OF CONSUMER PRODUCTS BUSINESS OF TATA CHEMICALS LIMITED INTO THE COMPANY

Pursuant to the Scheme of Arrangement amongst Tata Chemicals Limited **("TCL")** and the Company and their respective shareholders and creditors **("Scheme")** under Sections 230 to 232 and other applicable provisions of

Boards Report (continued)

the Companies Act, 2013 **("ACT")** duly sanctioned by the Hon'ble National Company Law Tribunal, Kolkata and Mumbai Bench vide Orders dated January 8, 2020 and January 10, 2020 respectively, TCL demerged its Consumer Products Business and the same is vested with the Company with effect from Appointed Date i.e. April 1, 2019. The Scheme came into effect on February 7, 2020, i.e. the day on which both the Orders were filed with the respective Registrar of Companies, and pursuant thereto the entire Consumer Products Business and all the assets and liabilities, duties and obligations as mentioned under the Scheme have been transferred to and vested in the Company with effect from April 1, 2019.

As per the provisions of the Scheme of Arrangement, your Company has issued and allotted 29,04,21,986 equity shares of Re. 1 each to the eligible shareholders of TCL who held shares as on Record Date i.e. as on March 5, 2020. The allotment of the said shares were approved by the Scheme Implementation Committee of the Board at their meeting held on March 11, 2020. The Company had received the in-principle listing approval of the aforementioned shares from BSE Limited (BSE), The National Stock Exchange of India Limited (NSE) and The Calcutta Stock Exchange Limited (CSE) vide their respective letters dated March 18, 2020, March 19, 2020 and March 20, 2020.

However, due to the outbreak of COVID-19, and the lock down announced by the State and the Central Governments, the Company could not print and dispatch share certificates to the shareholders holding shares of the Company in Physical form. In the interest of the shareholders, your Company credited the shares held in Dematerialised form. The trading approval in respect of 28,50,25,471 equity shares of Re. 1 each was received from NSE and BSE vide their respective letter dated March 31, 2020 and from CSE vide its letter dated April 30, 2020. The shares were admitted for trading w.e.f. April 1, 2020 on NSE and BSE whereas on CSE the shares were admitted for trading w.e.f. May 4, 2020. The Company will complete the process of printing and dispatch of the physical share certificates (constituting 1.8% of the total newly issued shares pursuant to the Scheme) to the shareholders after the lockdown restrictions are eased and will also seek the permission from the exchanges for the trading of these shares.

Post the above allotment of shares, the paid-up share capital of the Company had increased to Rs. 92.16 Crore comprising of 92,15,51,715 equity shares of Re. 1 each (previously Rs. 63.11 Crore comprising of 63,11,29,729 equity shares of Re. 1 each).

Pursuant to the Scheme of Arrangement, the following key events took place in the Company during Financial Year 2019-20:

(i) Change in Name of the Company

Pursuant to the above Scheme, an application was made to the Office of the Registrar of Companies **("ROC")**, West Bengal for issue of a fresh Certificate of Incorporation for change of name of the Company from Tata Global Beverages Limited to Tata Consumer Products Limited. Accordingly, ROC issued a fresh Certificate of Incorporation which was made effective from February 10, 2020. Accordingly, the name of the Company was changed from Tata Global Beverages Limited to Tata Consumer Products Limited effective February 10, 2020.

(ii) Increase in Authorized Share Capital of the Company

The authorised share capital of the Company increased from Rs. 110,00,00,000 (Rupees One Hundred and Ten Crore) to Rs. 125,00,00,000 (Rupees One Hundred and Twenty-Five Crore) divided into 125,00,00,000 (One Hundred and Twenty-Five Crore) Equity Shares of Re. 1 (Rupee One) each.

(iii) Alteration to Memorandum & Article of Association of the Company

Pursuant to above Scheme, the Memorandum and Articles of Association ('MoA and AoA') of the Company stands amended as follows:-

a) 'Name Clause' due to change in name to Tata Consumer Products Limited from Tata Global Beverages Limited.

b) 'Object Clause' due to additions/alterations in objects of the Company to include the objects for carrying on the business activities of the Consumer Products Business of Tata Chemicals Limited.

c) 'Share Capital Clause' due to increase in the Authorised Share Capital of the Company to Rs. 125 Crore from Rs. 110 Crore.

CHANGES IN SHARE CAPITAL

During the year under review, the authorised share capital of the Company increased to Rs.125,00,00,000 (Rupees One Hundred and Twenty-Five Crore) divided into 125,00,00,000 (Rupees One Hundred and Twenty-Five Crore) Equity Shares of Re. 1 (Rupee One) each and the paid-up Equity Share Capital as at March 31, 2020 is Rs. 92,15,51,715 comprising of 92,15,51,715 equity shares of Re. 1 each. During FY 2019-20, your Company has neither issued any shares with differential voting rights nor has granted any stock options or sweat equity.

As on March 31, 2020, none of the Directors or the Key Managerial Personnel of the Company holds instruments convertible into equity shares of the Company.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

As defined under the Act, the Company has 39 subsidiaries, 3 associates and 5 joint venture companies. There has been no material change in the nature of the business of the subsidiaries.

Pursuant to Section 129(3) of the Act, the consolidated financial statements of the Company and its subsidiaries, associates and joint ventures, prepared in accordance with the relevant Accounting Standard specified under of the Act, and the rules thereunder form part of this Annual Report. A statement containing the salient features of the financial statements of the Company's subsidiaries, associates and joint ventures in Form AOC-1 is given in this Annual Report. Further, pursuant to the provisions of Section 136 of the Companies Act, 2013, the audited financial statements along with other relevant documents, in respect of subsidiaries, are available on the website of the Company, in the link https://www.tataconsumer.com/investors/investor-relations/subsidiaries/subsidiary-financials

The details of the business of some of the subsidiaries, associates and joint ventures during FY 2019-20 are given in the Management Discussion and Analysis **("MD&A")** attached.

The Company has revised the policy for determining material subsidiaries in terms of Regulation 16(1)(c) of the Listing Regulations, as amended from time to time. The policy as approved may be accessed on the Company's website at the link https://www.tataconsumer.com/docs/default-source/default-document-library/policy-on-material-subsidiary.pdf?sfvrsn=0 .

PERFORMANCE HIGHLIGHTS OF KEY OPERATING SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Subsidiaries

Tata Consumer Products UK Group Ltd, UK (TCPG), substantially reflects the financial performance of the Tetley business and a few other international brands. Revenue from operations, in underlying terms and excluding the impact of the Czech Business exit, was flat as compared to the prior year. While decline in everyday black tea category and higher competitive intensity in some markets continue, sales increases were experienced in other markets. In developed markets where TCPG operates, everyday black tea category is in decline with growth in non-black tea categories and our focus is to increase our presence in these growing categories.

UK and Canada, which are large markets for TCPG, recorded a good growth in volumes whereas adverse performances were experienced in markets like US, Australia and Europe (excluding UK). Most of the countries reflected good retail sales in the last month of the fiscal due to short term stocking up resulting from COVID-19 pandemic. However, our Food service and Out-of-Home businesses mainly in US and Australia have been impacted due to the lockdown. Profit before tax and exceptional items reflects a robust increase mainly due to gross margin expansion, lower promotional spends and good control over spends offset partially by higher investment behind brands. Exceptional items include restructuring costs and non-cash impairment loss on goodwill relating to the branded businesses in Australia and tea business in the US. The accounting impairment arose due to a combination of factors like COVID-19 related impact on specific out-of-home business segments, changes to discount rates due to market conditions and revision in business plan sensitivities.

Further, during the year, TCPG has increased its shareholding in Kahutara Holdings Limited from 65% to 100% at a nominal value to rationalize the holding structure earlier created for the Russian business, from which we exited a couple of years back.

Tata Coffee Limited reported marginally improved revenue from operations. The improvement in turnover is

Boards Report (continued)

mainly due to improved volume in coffee plantations and instant coffee. The profit before tax was impacted due to underperformance primarily in coffee plantations, impact of lockdown associated with COVID-19 pandemic and lower realization in Coffee extraction business which were partially offset by increased profitability from pepper crop. Profit after tax, however, is marginally higher as compared to previous year mainly due to reduction of tax rates in India.

Tata Coffee Vietnam Company Limited, 100% subsidiary of Tata Coffee Limited, which has a state-of-the-art freeze-dried instant coffee plant with an annual capacity of 5000MT, has started commercial operations in May'2019. The company has successfully stabilized its operations and has continuously improved its capacity utilization quarter on quarter, throughout the year. Freeze Dried coffee is a growing segment worldwide in the premium Instant Coffee Segment. The business generated revenue of Rs. 126 Crore during the year FY 2019-20.

Eight O'Clock Coffee Limited (EOC), US – Revenue growth was flat as compared to prior year mainly due to improvements in private label sales offset by underperformance in K-Cup sales. However, profits before tax and profit after tax is higher as compared to the previous year mainly due to gross margin expansion coupled with lower weight of promotions and lower advertisement expenditure.

Tata Tea Extractions Inc. US, had a stable performance as compared to the previous year notwithstanding the impact of the COVID 19 pandemic. For the year ended March 31, 2020, sales and operating profits are in line with the previous year. However, Profit After Tax was marginally impacted because of lower dividend income received during the year.

Associates

Amalgamated Plantations Private Limited ("APPL"), India - Revenue for the year is higher by 3% aided by higher orthodox tea sales (volumes and realisation) whereas CTC recorded lower sales. The operating loss in APPL has reduced due to better sales realisations achieved. The company has reported a loss due to the high debt levels and resultant finance costs. Various restructuring options are being evaluated.

Kanan Devan Hills Plantations Company Private Limited ("KDHP"), India - Revenue from operations is flat against previous year, mainly due to lower volumes offset by improved realization. However, Profit before tax has reduced as compared to the previous year primarily due to higher employee costs. The crop production for the year was impacted by extensive frost damage followed by drought conditions earlier during the year.

Tata Starbucks Private Limited – our joint venture with Starbucks Corporation, reflected a growth of 21% for the year due to sales growth in stores coupled with store expansion. The sales growth was however subdued on account of the COVID-19 pandemic which resulted in store close-down across cities. During the year, Tata Starbucks has added 39 stores taking the overall count to 185 stores as at March 31, 2020. Tata Starbucks is now present in 11 cities across India. The business achieved high store growth across formats – airports, highways and smaller footprint stores. Profitability was adversely impacted by reversal of deferred tax assets due to tax rate changes, implementation of the new accounting standard for leases and also to some extent by the impact of lockdown associated with COVID-19 pandemic, whereas previous year had a benefit arising from recognition of deferred tax assets.

After the year end, post the relaxation in the lockdown conditions, more than 30 stores in Mumbai, Delhi, NCR, Bengaluru, Chennai, Pune, Kolkata and Surat have opened for delivery and takeaway.

NourishCo Beverages Limited, our 50:50 Joint Venture with Pepsico in India, reported a lower revenue as compared to the previous year mainly due to the COVID-19 related disruptions and rationalization of product range. However, profitability has been maintained at previous years' levels due to good cost management. The Company has initiated the process for exiting the Joint-Venture arrangement and for the buy-out of the other JV partner stake in this company.

Companies which have become or ceased to be Subsidiaries, Associates and Joint Ventures

During the FY 2019-20, Coffee Trade LLC, the Company's step-down subsidiary, which was incorporated as part of restructuring of operations in Russia, was under liquidation consequent to completion of the restructuring. Tata Consumer Products Overseas Holdings Limited, UK the Company's subsidiary disposed of 100% of the equity shareholding in Tata Global Beverages Czech Republic a.s. No other company became or ceased to be a subsidiary, joint venture or associate during FY 2019-20.

The names of the following subsidiaries were changed during the year 2019-20 and till date of this report:

a) Tata Consumer Products UK Group Limited from Tata Global Beverages Group Limited.

b) Tata Consumer Products GB Limited from Tata Global Beverages GB Limited.

c) Tata Consumer Products Capital Limited from Tata Global Beverages Capital Limited.

d) Tata Consumer Products Overseas Holdings Limited from Tata Global Beverages Overseas Holdings Limited.

e) Tata Consumer Products US Holdings Inc from Tata Global Beverages US Holdings Inc.

f) Tata Consumer Products Canada Inc from Tata Global Beverages Canada Inc.

g) Tata Consumer Products Australia Pty. Limited from Tata Global Beverages Australia Pty. Limited.

For further analysis on the consolidated performance, attention is invited to the section on Management Discussion and Analysis, notes to the consolidated financial statements and Form AOC 1.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION

There are no material changes affecting the financial position of the Company subsequent to the close of the FY 2019-20 till the date of this report.

INTEGRATED REPORT

The Integrated reporting by the Company is in line with the Integrated Reporting framework developed by the International Integrated Reporting Council. The Company aims to enhance its reporting in line with the framework in a phased manner.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external agencies including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the financial year 2019-20.

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that for the financial year ended March 31, 2020:

(i) In the preparation of the accounts, the applicable accounting standards have been followed and that there are no material departures;

(ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are 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) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) They have prepared the accounts on a 'going concern basis;

(v) They have laid down internal financial controls for the Company which are adequate and are operating effectively;

(vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Sunil D'souza was appointed as Additional Director and Managing Director and Chief Executive Officer with effect from April 4, 2020 for 5 years. A resolution seeking shareholders' approval for approving his appointment and terms of appointment including remuneration, forms part of the Notice of the ensuing Annual General Meeting.

Boards Report (continued)

Mr. Harish Bhat (DIN 00478198) retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice of the ensuing Annual General Meeting.

The members in the last Annual General Meeting held on June 11, 2019 have appointed Mr. Bharat Puri (DIN 02173566) and Mrs. Shikha Sharma (DIN 00043265) as Independent Directors for a period of 5 years i.e. from May 07, 2019 to May 06, 2024 The Independent Directors were appointed by the Board, based on recommendation of the Nomination and Remuneration Committee, after duly considering the integrity, experience and expertise of the Directors. The Board has also re-appointed Mr. Ajoy Misra as a Managing Director and Chief Executive Officer for a period of one year i.e. from April 1, 2019 to March 31, 2020.

During the year, under review Mr. V. Leeladhar (DIN 02630276), Mrs. Ranjana Kumar (DIN 02930881) and Mrs. Mallika Srinivasan (DIN 00037022) ceased to be Independent Directors with effect from close of business hours on August 25, 2019 due to completion of their respective terms to the office of directors of the Company. The Board places on record its appreciation for their invaluable contribution and guidance.

Mr. Ajoy Misra has retired as Managing Director and CEO of the Company on March 31, 2020. The Board placed on record its appreciation for the valuable services rendered by Mr. Ajoy Misra during his tenure as Managing Director and CEO of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committee(s) of the Company.

Pursuant to the provisions of Section 203 of the Act, the KMPs of the Company as on March 31, 2020 were; Mr. Ajoy Misra, Managing Director & CEO, Mr. L. Krishnakumar, Executive Director & Group CFO, Mr. John Jacob, Chief Financial officer and Mr. Neelabja Chakrabarty, Company Secretary. However, consequent upon retirement of Mr. Ajoy Misra at the close of business hours on March 31, 2020, and Mr. Sunil D'Souza being inducted as Managing Director & CEO effective April 4, 2020, the KMPs of the Company as on the date of this report are Mr. Sunil D'souza, Managing Director & CEO, Mr. L. Krishnakumar, Executive Director & Group CFO, Mr. John Jacob, Chief Financial Officer and Mr. Neelabja Chakrabarty, Company Secretary.

Apart from the above, no other person was appointed or had ceased to be the Director or key managerial personnel of the Company during FY 2019 - 20.

Brief particulars and expertise of directors seeking appointment/re-appointment together with their other directorships and committee memberships have been given in the annexure to the Notice of the AGM in accordance with the requirements of the Listing Regulations and Secretarial Standards.

BOARD OF DIRECTORS AND MEETINGS

The members of the Company's Board of Directors are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment towards the Company and devote adequate time to the meetings and preparation. In terms of requirement of Listing Regulations, the Board has identified core skills, expertise and competencies of the Directors in the context of the Company's businesses for effective functioning, which are detailed in the Corporate Governance Report.

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board exhibits strong operational oversight with regular presentations in quarterly meetings. The Board / Committee meetings are pre-scheduled and a tentative annual calendar of the Board and Committee meetings is circulated to the Directors well in advance to help them plan their schedule and ensure meaningful participation in the meetings. Only in case of special and urgent business, if the need arises, the Board's/Committee's approval is taken by passing resolutions through circulation or by calling Board/Board Committee meetings at short notice, as permitted by law.

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings.

The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed to enable the Directors to take an informed decision.

The Board of Directors had held 7 (seven) meetings during FY 2019-20. For further details, please refer to the Corporate Governance Report, which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

INDEPENDENT DIRECTORS' DECLARATION

The Independent Directors have submitted a declaration that they meet the criteria of independence and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence, pursuant to Regulation 25 of the Listing Regulations.

Further, declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended by Ministry of Corporate Affairs ("MCA") Notification dated October 22, 2019, regarding the requirement relating to enrollment in the Data Bank created by MCA for Independent Directors, has been received from all the Independent Directors.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Based on the confirmation / disclosures received from the Directors, the following Non-Executive Directors are Independent as on March 31, 2020:

1) Mr. Bharat Puri
2) Mrs. Shikha Sharma
3) Mr. S. Santhanakrishnan
4) Mr. Siraj Azmat Chaudhry

COMMITTEES OF THE BOARD

The Company has seven Board Committees as on March 31, 2020:

1) Audit Committee
2) Nomination and Remuneration Committee
3) Stakeholders Relationship Committee
4) Risk Management Committee
5) Corporate Social Responsibility Committee
6) Executive Committee
7) Scheme Implementation Committee

During FY 2019–20, Ethics & Compliance Committee and Committee for Special Projects were merged with Audit Committee whereas M&A and Divestiture Committee was merged with the Board. The Scheme Implementation Committee, being a Special Committee formed for implementation of the Scheme of Arrangement with Tata Chemicals Limited, has been dissolved after the allotment of shares pursuant to the Scheme in March 2020.

Details of all the Committees along with their main terms, composition and meetings held during the year under review are provided in the Report on Corporate Governance, a part of this Annual Report.

SELECTION AND PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTORS

The Company has a Nomination and Remuneration Committee **("NRC")** which is responsible for developing competency requirements for the Board, based on the industry and strategy of the Company. The Board composition analysis reflects an in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC makes recommendations to the Board in regard to appointment /re-appointment of Directors and Key Managerial Personnel **("KMP").** The role of the NRC encompasses conducting a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. NRC is also responsible for reviewing the profiles of potential candidates vis-à-vis the required competencies, undertake a reference and due diligence and meeting of potential candidates prior to making recommendations of their nomination to the Board. The appointee is also briefed about the specific requirements for the position including expert knowledge expected at the time of appointment. The Nomination & Remuneration policy of the Company is available at: https://www.tataconsumer.com/investors/policies?reload.

Boards Report (continued)

The Company's governance guidelines on Board effectiveness cover aspects relating to composition and role of the Board, Chairman and Directors, Board diversity, term of Directors, retirement age and Committees of the Board. The guidelines also cover key aspects relating to nomination, appointment, induction and development of Directors, Directors remuneration, oversight on subsidiary performances, code of conduct, Board effectiveness reviews and various mandates of Board committees. As per the Governance Guidelines adopted by the Board, the retirement age for Managing/Executive Directors is 65 years, Non-Executive (Non-Independent) Directors is 70 years and Non-Executive, Independent Directors is 75 years.

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

In terms of the provisions of Section 178(3) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

- Qualifications – The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.

- Positive Attributes - Apart from the duties of Directors as prescribed in the Act, the Directors are expected to demonstrate high standards of ethical behavior, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.

- Independence - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations.

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees, and individual directors pursuant to the provisions of the Act and the Listing Regulations.

The Board evaluated its performance after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The Chairman of the Board had one-on-one meetings with the Independent Directors and the Chairman of NRC had one-on-one meetings with the Executive and Non-Executive (Non-Independent) Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/Committee processes.

The Board and the NRC reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated. The Independent Directors in the said meeting also evaluated the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. Additionally, the Chairman of the Board was also evaluated on key aspects of his role, taking into account the views of executive directors and non-executive directors in the aforesaid meeting. The above evaluations were then discussed in the board meeting that followed the meeting of the independent directors and NRC, at which the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

REMUNERATION POLICY

Pursuant to the provisions of Section 178(3) of the Act, and Regulation 19 of the Listing Regulations, the NRC has formulated a policy relating to the remuneration for the Directors, KMP, Senior Management and other employees.

The philosophy for remuneration is based on the commitment of fostering a culture of leadership with trust. While formulating this policy, the NRC has considered the factors laid down in Section 178(4) of the Act which are as under:

- That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The key principles governing the Remuneration Policy are as follows:

- Market competitiveness;
- Role played by the individual;
- Reflective of size of the company, complexity of the sector/ industry / Company's operations and the Company's capacity to pay;
- Consistent with recognised best practices; and
- Aligned to any regulatory requirements.

In accordance with the policy, the Managing Director, Executive Director, KMPs, Senior Management and employees are paid fixed salary which includes basic salary, allowances, perquisites and other benefits and also annual incentive remuneration / performance linked incentive subject to achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the NRC and the Board. The performance linked incentive is driven by the outcome of the performance appraisal process and the performance of the Company.

REMUNERATION FOR INDEPENDENT DIRECTORS AND NON-INDEPENDENT, NON-EXECUTIVE DIRECTORS

The Non-Executive Directors, including Independent Directors, are paid sitting fees for attending the meetings of the Board and Committees of the Board. As per the policy, the overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company including considering the challenges faced by the Company and its future growth imperatives. The remuneration should also be reflective of the size of the Company, complexity of the business and the Company's capacity to pay the remuneration.

The Company pays a sitting fee of Rs. 30,000 per meeting per Director for attending meetings of the Board, Audit, Nomination and Remuneration and Executive Committees (Rs.20,000 in case of Mr. N. Chandrasekaran, Chairman and Mr. Harish Bhat, Non-Executive Director, being the employee of other Tata Companies). For meetings of all other Committees of the Board, a sitting fee of Rs. 15,000 per meeting per Director is paid (Rs.10,000 in case of Mr. Harish Bhat, Non-Executive Director, being the employee of other Tata Companies). Within the ceiling as prescribed under the Act, the Non-Executive Directors including Independent Directors are also paid a commission, the amount whereof is recommended by the NRC and approved by the Board. The basis of determining the specific amount of commission payable to a Non-Executive Director is related to his attendance at meetings, role and responsibility as Chairman or member of the Board / Committees and overall contribution as well as time spent on operational matters other than at the meetings. The shareholders of the Company had approved payment of commission to the Non-Executive Directors at the Fifty – Fifth Annual General Meeting held on July 5, 2018 for each financial year to be distributed among the Directors in such manner as the Board of Directors may, from time to time, determine within the overall maximum limit of 1% (one percent) per annum or such other percentage as may be specified by the Act, from time to time. No Stock option has been granted to any Director.

As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company.

Boards Report (continued)

Further, in line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in employment with any other Tata Company. Accordingly, no commission is paid to Mr. Harish Bhat, Non- Executive (Non-Independent) Director.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

As trustees of shareholders, independent directors play a pivotal role in upholding corporate governance norms and ensuring fairness in decision making. Being experts in various fields, they also bring independent judgement on matters of strategy, risk management, controls and business performance.

At the time of appointing a new Independent Director, a formal letter of appointment is given to the Director, inter alia, explaining the role, duties and responsibilities of the Director. The Director is also explained in detail the compliances required from him / her under the Act, SEBI Regulations and other relevant regulations.

By way of an introduction to the Company, presentations are also made to the newly appointed Independent Director on relevant information like overview of the Company's businesses, market and business environment, growth and performance, organisational set up of the Company, governance and internal control processes.

Ongoing familiarisation aims to provide insights into the Company and the business environment to enable all the Independent Directors to be updated of newer challenges, risks and opportunities relevant in the Company's context and to lend perspective to the strategic direction of the Company.

The details for familiarisation programme of the Independent Directors are put up on the website of the Company. As required under Regulation 46(2)(i) of the Listing Regulations, the details of familiarisation programmes conducted during FY 2019-20 is also put on the Company's website and the same can be accessed at the link : https://www.tataconsumer.com/investors/Board-Of-Directors-List/familiarization-programme?reload

BOARD DIVERSITY

The Company recognizes and embraces the importance of a diverse board in its success. The Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help the Company to retain its competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board has adopted policies and procedures for governance of orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations.

The Company has a strong and independent in-house Internal Audit **("IA")** department that functionally reports to the Chairman of the Audit Committee, thereby maintaining its objectivity. Remediation of deficiencies by the IA department has resulted in a robust framework for internal controls and details of which are provided in the Management Discussion and Analysis Report.

AUDIT COMMITTEE

The details including the composition of the Audit Committee and terms of reference of the Committee are included in the Corporate Governance Report, which is a part of this report.

CORPORATE GOVERNANCE AND MD&A

The Company has complied with the corporate governance requirements under the Companies Act, 2013 and Listing Regulations. A separate section on Corporate Governance along with a certificate from the practicing Company Secretary confirming compliance is annexed and forms part of this report.

A detailed report on Management Discussion and Analysis forms an integral part of this report and also covers the consolidated operations reflecting the global nature of our business.

STATUTORY AUDITORS AND AUDITORS' REPORT

At the 54th Annual General Meeting held on August 18, 2017, the shareholders had approved the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants

(ICAI Firm Registration No.117366W/W-100018) as the Statutory Auditors for a period of 5 years commencing from the conclusion of the 54th Annual General Meeting until the conclusion of the 59th Annual General Meeting to be held in the year 2022, subject to ratification by the shareholders every year, if so required under law. Pursuant to the amendment to Section 139 of the Companies Act, 2013 effective May 7, 2018, ratification by Shareholders every year for the appointment of the Statutory Auditors is no longer required and accordingly the Notice of ensuing Annual General Meeting does not include the proposal for seeking Shareholders' approval for ratification of Statutory Auditors' appointment.

M/s. Deloitte Haskins & Sells LLP has furnished a certificate of their eligibility and consent under section 139 and 141 of the Act and the Companies (Audit and Auditors) Rules 2014 for their continuance as the Auditors of the Company for the FY 2020 - 21. In terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

The Statutory Auditors' Report for FY 2019-20 on the financial statement of the Company forms part of this Annual Report. The report does not contain any qualifications, reservations or adverse remarks or disclaimer.

The Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013 in the year under review.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Dr. Asim Kumar Chattopadhyay, Company Secretary in Practice (FCS No. 2303, Certificate of Practice No. 880), to carry out the Secretarial Audit of the Company. The Report of the Secretarial Auditor for FY 2019-20 is attached herewith as Annexure 4. There are no qualifications, observations or adverse remark or disclaimer in the said report.

COST AUDITORS

Your Board has appointed M/s Shome and Banerjee, Practicing Cost Accountants (Firm Registration Number: 000001) as Cost Auditors of the Company for conducting cost audit for the FY 2020-21. A resolution seeking approval of the members for ratifying the remuneration payable to the Cost Auditors for FY 2020-21 is provided in the Notice of the ensuing Annual General Meeting.

COST RECORDS

The Cost accounts and records as required to be maintained under section 148 (1) of Act are duly made and maintained by the Company.

RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement, and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Committee considers the risks that impact mid-term to long-term objective of the business, including those reputational in nature. The Company has an elaborate Risk Charter and Risk policy defining risk management governance model, risk assessment and prioritization process. The Risk Management Committee reviews and monitors the key risks and their mitigation measures periodically and provides an update to the Board on Company's risks outlined in the risk registers. The Audit Committee has additional oversight in the area of financial risks and controls.

Additionally, a third-party organization has benchmarked the Company's risk management practice with various companies in India and globally and opined it as a leader in risk management practice in the FMCG category. The Company was declared as the winner in the category Best Risk Management Framework & Systems – FMCG, at the 6th edition of The India Risk Management Awards 2020 by CNBC TV-18 and ICICI Lombard. These awards recognize those organizations and teams that have significantly added to the understanding and practice of risk management. It also won the CRO Leadership award 2020 from UBS Forum.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company's vigil mechanism allows the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct /business ethics. The vigil mechanism provides for adequate safeguards against victimisation of the Director(s) and employee(s) who avail this mechanism. No person has been denied access to the Chairman of the Audit Committee.

Boards Report (continued)

The Company has revised the Whistle-Blower policy to insert "reporting of incidents of leak or suspected leak of Unpublished Price Sensitive Information (UPSI)" in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and the revised policy was approved by the Audit Committee and the Board at its respective meetings held on March 19 and March 27, 2019. The policy as approved may be accessed on the Company's website at the link: http://www.tataconsumer.com/docs/default-source/default-document-library/tgbl_-whistle-blower-policy.pdf?sfvrsn=0 .

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY THE COMPANY

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Annexure 3 attached to this report.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2019-20, were on an arm's length basis and in the ordinary course of business. There are no material related party transactions made by the Company during the year under review. Given that the Company does not have anything to report pursuant Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2, therefore the same is not provided. All related party transactions are approved by the Audit Committee and are periodically reported to the Audit Committee. Prior approval of the Audit Committee is obtained on a yearly basis for the transactions which are planned and / or repetitive in nature and omnibus approvals are taken as per the policy laid down for unforeseen transactions.

The policy on Related Party Transactions as approved by the Board of Directors is available on the Company's website and may be accessed at the link: https://www.tataconsumer.com/investors/investor-relations/related_party_disclosure?reload.

The details of the transactions with related parties during FY 2019-20 are provided in the accompanying financial statements.

Transaction with person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the Company have been disclosed in the accompanying financial statements.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY INITIATIVES

In compliance with Section 135 of Companies Act, 2013, the Company has undertaken CSR activities, projects and programs, excluding activities undertaken in pursuance of its normal course of business. The Natural Food & Beverages Policy of Tata Consumer Products is the apex Sustainability Policy that defines the aspiration to be the consumer's first choice in sustainable production and consumption. The sustainability pillars of the Company are Sustainable Sourcing, Climate Change, Water Management, Waste Management and Community Development.

The Company aims to support development programs for 1 million community members by the year 2022. Through Project Jalodari, the Company with Tata Trust, promotes water, sanitation and hygiene (WASH) for the tea communities in Assam and the hill communities in Himachal Pradesh. The Company has provided affordable healthcare to over 100,000 community members annually through High Range Hospital, Munnar and Research & Referral Hospital Chubwa. The Company is proud to collaborate with Tata Chemical Society for Rural Development (TCSRD) with focus on the disadvantaged communities in Mithapur, Gujarat and the Coorg Foundation in Kodagu, Karnataka. The Improving Lives Program with UNICEF-ETP is facilitating better health, nutrition, water & sanitation, education and life skills to adolescent girls and women in over 200 tea estates in Assam. Aranya Naturals celebrated its 25th year of enterprise with an international conference on 'Natural Dyes'. Mr. Amitabh Kant, CEO Niti Ayog, delivered the inaugural address.

Your Company is one of the six companies in India recognized as 'Climate Change Rising Stars' on the CDP India 2019 A-list that was released recently. The carbon footprint or Green House Gas (GHG) emission for the Company, audited by British Standards Institute, was 26,915 tons of CO_2e during 2018-19, showing a decrease of 30% between 2010-19. About 14% of energy utilised in beverages division in 2019-20 came from renewable sources. All tea packeting centres globally have achieved zero waste to landfill target in 2020. Under the Plastic Waste Management Rules in India, EPR (Extended Producer Responsibility) Plan has been framed by your Company for collection and reprocessing of plastic packaging waste on a brand neutral basis across key markets. In line with our aim to integrate circularity in our business, about 21% of all Tata Salt packaging was recyclable in 2019-

20. TCPL UK joined the UK Plastics Pact - a collaborative initiative between UK businesses and stakeholders across the plastics value chain to embed a circular economy for plastics in the UK by 2025.

During the year under review, the Company has spent Rs. 10.85 Crore (2.42% of the average qualifying net profits of last three financial years) on CSR activities on projects qualifying as per Section 135 of the Companies Act, 2013 duly approved by the CSR Committee of the Board. In addition to the projects specified as CSR activities under section 135 of Companies Act 2013, the Company has also carried out several other sustainability / responsible business initiatives and projects on a global scale. Salient features of the CSR Policy and details of activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in Annexure 1 forming part of this Report. The CSR Policy may be accessed on the Company's website at the link: https://www.tataconsumer.com/investors/policies?reload

EXTRACT OF ANNUAL RETURN

As provided under Section 92 of the Act and rules framed thereunder, the extract of annual return in Form MGT-9 is given in Annexure 5 which forms part of this report.

In compliance with section 134(3)(a) of the Act, MGT 9 is uploaded on Companies website and can be accessed at https://www.tataconsumer.com/investors/investor-information/mgt-9?reload .

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure 2 which forms part of this report.

Pursuant to Section 197(14) of the Act, the details of remuneration received by the Managing Director and the Executive Director from the Company's subsidiary company during FY 2019- 20 are also given in Annexure 2 attached to this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

INDUSTRIAL RELATIONS

During the year under review, industrial relations remained harmonious at all our offices and establishments.

DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has adopted zero tolerance for sexual harassment at workplace and has formulated a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. Awareness programs were conducted at various locations of the Company.

The Company has complied with provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, the Company received one complaint of sexual harassment and the same was resolved by taking appropriate action. There was no complaint pending as on March 31, 2020.

DISCLOSURE REQUIREMENTS

a) As per Listing Regulations, the Corporate Governance Report with the Secretarial Auditors' Certificate thereon, and the Management Discussion and Analysis are attached, which forms part of this report.

b) As per Regulation 34 of the Listing Regulations, a Business Responsibility Report is attached and is a part of this Annual Report.

c) As per Regulation 43A of the Listing Regulations, the Dividend Distribution Policy is uploaded on the Company's website. http://www.tataconsumer.com/docs/default-source/default-document-library/tgbl-dividend-policy342ebc881a2368caa65dff02001c5be1.pdf?sfvrsn=0.

d) The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of

Boards Report (continued)

Company Secretaries of India and that such systems are adequate and operating effectively.

DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from the public during the year under review. No amount on account of principal or interest on deposits from public was outstanding as on March 31, 2020.

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO [PURSUANT TO COMPANIES (ACCOUNTS) RULES, 2014]

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in Annexure 6 attached to this report.

ACKNOWLEDGEMENT

The Directors wish to convey their deep appreciation to all the employees, customers, vendors, investors, and consultants/advisors of the Company for their sincere and dedicated services as well as their collective contribution to the Company's performance.

The Directors also thank the Government of India, Governments of various States in India, Governments of various countries and concerned Government departments for their cooperation.

The Directors appreciate and value the contribution made by every member of the TCPL family.

On behalf of the Board of Directors

Sd/-
N Chandrasekaran
Chairman
(DIN 00121863)

Mumbai
May 14, 2020

Annexure 1 to the Board's Report

Annual Report on CSR Activities

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Natural Foods & Beverages Policy

Tata Consumer Products Limited (formerly Tata Global Beverages Limited) is committed to be the most admired natural foods & beverage company in the world by making a big and lasting difference through Sustainability and Corporate Social Responsibility. We shall achieve this by being the consumer's first choice in sustainable foods & beverage production and consumption.

The Company shall focus on Climate Change, Water Management, Sustainable Sourcing, Waste Management and Community Development. Towards community development, we shall undertake programs focused on education and skills, healthcare and women empowerment. We shall actively participate in TATA Group activities and programs for volunteering and affirmative action.

We shall achieve this by being knowledgeable, responsive and trustworthy, and by adopting environmentally and socially-friendly technologies, business practices and innovation, while pursuing long-term growth aspirations and the enhancement of stakeholder value.

The Company aims to support sustainable livelihood and development programs for 1 million people in its supply chain and for the communities.

The Corporate Social Responsibility (CSR) Policy of the Company is available at link https://www.tataconsumer.com/investors/policies?reload

Overview of projects implemented during 2019-20:

Livelihood and Skill Development

The Company provides livelihood and skill development to differently abled youths through TGBL foundation, a separate Trust. TGBL foundation collaborates with Srishti Trust which enables learning and economic opportunities for these youth, through its training and rehabilitation initiatives in Munnar, Kerala. Srishti Trust comprises of 6 units - DARE, Nisarga (strawberry unit), Athulya (manufactures handmade paper and paper products), The Deli (confectionery unit), The Garden Project (fruits, vegetables and flowers cultivation) and Aranya Naturals (natural dye and special effects). Aranya Natural was selected for the Nari Shakti Purashkar – the highest Civilan honour for Indian women in 2018. Aranya Naturals celebrated its 25th year of enterprise with an international conference on 'Natural Dyes' in Munnar in Feb 2020.

The Company also supports Unnati (a Bangalore based NGO) is a vocational training and transformation program which helps the underprivileged youth to secure stable employment. Unnati is a 50-day vocational training program offered at a subsidized cost to the underprivileged less educated, unemployed and economically backward youth with an assured job.

Healthcare

Providing affordable healthcare has always been a key community intervention for TCPL. The Referral Hospital and Research Centre (RHRC) Chubwa in Assam provides free or subsidized medical facilities to general population and the tea communities. The eHub, located at RHRC for the e-Healthcare Project in collaboration with Hewlett Packard, provides video consultation to estate hospitals. The hospital is recognized for safety, ethics, professionalism, and affordability. It has the lowest infant mortality rate (IMR) in the industry and in the state of Assam.

The Company supports the St. Jude's India Child Care Centres in Kolkata to extend help to the cancer affected children. SJICCC provides needy children under treatment for cancer with a clean, safe, hygienic place to stay, nutritional support, transportation to hospital for treatment, as well as recreation, education and counselling.

Women Empowerment

The UNICEF – ETP Improving Lives programme aims to tackle the systemic issues affecting women and children in 206 tea estates of Assam, which is over on-fourth of formal tea estates in the region. Following a successful first phase that strengthened child protection, this phase has expanded to education, health and nutrition, and Water & Sanitation challenges.

Annexure 1 to the Board's Report (continued)

The program is funded by TCPL, Starbucks, Tata Trust, and others. Adolescent girls have the knowledge, skills and confidence to protect themselves, increase the options and enable them to make informed decisions about their future. At the end of the first phase of the programme, we exceeded our initial targets by ensuring that over 33,000 adolescent girls have the knowledge, skills and confidence to protect themselves, increase the options open to them and enable them to make informed decisions about their future. Approximately 30,000 community members are equipped to protect children from violence, abuse and exploitation through meetings and awareness drives within the community. To complement these community-based interventions, UNICEF and ETP have made significant progress by influencing policies and systems at all levels of government and industry to strengthen child protection measures and to ensure that these changes are sustainable and scalable.

Project Jalodari

Project Jalodari is the water management program by Tata Consumer Products that has the aim to create sustainable water sources, raise awareness and build capacities on water and sanitation in the communities in which we operate. It is a multi-sectoral intervention that integrates livelihood with water and food security, sustainable agriculture, sustainable forestry and renewable energy into the developmental paradigm of the community. Tata Consumer Products is partnering with Tata Trust and Tata Water Mission to develop Project Jalodari which is being implemented by Himmotthan Society as a CSR initiative in Paonta Sahib region in Himachal Pradesh and with Centre for Microfinance and Livelihood (CML) in Assam.

Tata Chemicals Society for Rural Development (TCSRD)

The Tata Chemicals Society for Rural Development (TCSRD) was established by Tata Chemicals Limited (TCL) in 1980 to fulfill the social responsibilities of TCL to communities neighboring the company's manufacturing plant in Mithapur (Gujarat). It works to address key concerns of communities and to preserve the environment and bio-diversity. It also works towards fulfillment of various social and environmental initiatives related to UN Sustainable Development Goals (SDG). TCSRD believes in joining hands with the community and for this purpose, it develops and strengthens community-based organisations (CBOs) in the form of self-help groups, user groups, farmers' groups, youth clubs, etc.

Coorg Foundation

The Coorg Foundation was established in the year 1994 with the vision of the late Mr Darbari Seth, Chairman of Tata Coffee. The vision of Coorg Foundation is to promote and secure the upliftment, wellbeing and welfare of the people of Coorg, and the mission is to support the people of Coorg through healthcare , education, sports , culture and ecological interventions. Swastha, the Center for special education is a unit of the Coorg Foundation and it supports the noble cause of developing and educating children with special needs in Kodagu district.

Affirmative Action

TCPL has a clear focus and strategic approach towards driving Affirmative Action (AA). This means that the organization is committed to directly conducting and supporting initiatives for socially and economically disadvantaged sections in the country at large, and in particular the AA initiatives are specifically focused on the Scheduled Caste and Scheduled Tribe communities in India. The Tata Affirmative Action Programme has defined criteria and the processes are driven through 4Es – Employment, Employability, Entrepreneurship and Education.

2. Composition of the CSR Committee

The Company has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013. The CSR governance structure will be headed by the Board CSR Committee. The Board CSR Committee grants auxiliary power to the Working Committee of the company to act on their behalf.

The members of the CSR committee as on March 31, 2020 are:

Board CSR committee
Siraj Chaudhry (Chairperson)
S Santhanakrishnan
Ajoy Misra*

*Mr. Ajoy Misra has retired as Managing Director & CEO and stepped down from the Committee on March 31, 2020 and Mr. Harish Bhat, Non-Executive (Non-Independent) Director is appointed as member of this Committee effective from April 28, 2020.

3. **Average net profit of the company for last three financial years – Rs. 447.92 Crore**

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**

5. **Details of CSR spent during the financial year**

   a. Total amount to be spent for the financial year – Rs. 8.96 Crore

   b. Total amount spent during this year Rs. 10.85 Crore (2.42 % of Average net profit)

   c. Amount unspent, if any – N.A.

   d. Manner in which the amount spent during the financial year is detailed below.

CSR Project or Activity Identified	Relevant Section of Schedule VII in which the project is covered	Project or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise Rs. in Crore	Amount Spent on the projects or program subheads Rs. in Crore	Cumulative Expenditure upto the reporting period Rs. in Crore	Amount Spent: Direct or through Implementing Agency
Employment, skill development trainings to AA youth	(ii)	Bangalore, karnataka	0.20	0.16	1.33	SGBS Trust/ Unnati
Promoting special education, vocational skills for differently abled	(ii)	Kerala	3.14	3.12	12.69	TGBL foundation Trust
Affordable Healthcare for all	(i)	Chubwa, Assam	2.50	2.50	16.51	Associate Company
Livelihood enhancement and STEM education	(iii)	Karnataka	0.08	0.15	0.42	Secure Giving/ Concern India
Promoting gender equality and empowering women & girls	(iii)	Assam	0.50	0.35	2.14	UNICEF and ETP
Livelihood enhancement of women in up cycling of laminates	(ii)	Chennai, Tamil Nadu	0.12	0.12	0.73	Exanora
Supporting Cancer-affected children	(i)	Kolkata, West Bengal	0.20	0.20	1.22	St. Jude's India Child Care Centre
Jaago Re scholarships	(ii)	All India	-	-	0.28	
Project Jalodari – Water and Sanitation	(iv)	Assam	1.00	1.00	1.8	Tata Trust/ CML
Rural Development	(i)(ii)(iii)(iv)	Gujarat	3.00	3.00	3.00	Tata Chemicals Society for Rural Development
Welfare activities	(i)(ii)	Coorg, Karnataka	0.25	0.25	0.25	Coorg Foundation
Swachaya Abiyaan	(iv)	Pune , Maharasthra	-	-	0.21	Arts Alive Foundation
Development of Park	(iv)	Paonta Sahib, Himachal pradesh	-	-	0.05	Deputy Commissioner, Simour
Skill Development Training for QSR industries	(ii)	Chennai, Tamil Nadu	-	-	2.00	Tata Communities Initiatives Trust
Total			**10.99**	**10.85**	**42.63**	

* The CSR projects of Tata Consumer Products are focused on the tea communities of Assam and Munnar (Kerala), coffee communities of Kodagu (Karnataka) and communities of Mithapur (Gujarat) and Paonta Sahib (HP).

Annexure 1 to the Board's Report (continued)

Activities provided in Schedule VII as adopted in CSR Policy of TGB are as below:

(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;

(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.

CSR Committee Responsibility Statement

Through this report, TCPL seeks to communicate its commitment towards CSR to the Ministry of Corporate Affairs. The implementation and monitoring of our CSR Policy is in compliance with the CSR objectives and policies as laid down in this report. The Board of the company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above.

Sunil D'Souza

Sd/-

Managing Director & CEO
(DIN: 07194259)

Siraj Chaudhry

Sd/-
Chaiman
CSR Committee
(DIN 00161853)

Mumbai
May 14, 2020

Annexure 2 to the Board's Report

Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the (Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Non- executive directors	Ratio to median remuneration*
Mr. N. Chandrasekaran$	-
Mr. Harish Bhat #	-
Mrs. Mallika Srinivasan^	-
Mr. V. Leeladhar^	-
Mrs. Ranjana Kumar^	-
Mr. S. Santhanakrishnan	22.18
Mr. Siraj Chaudhry	18.69
Mr. Bharat Puri^	-
Mrs. Shikha Sharma^	-

Executive directors	Ratio to median remuneration*
Mr. Ajoy Misra	159.45
Mr. L KrishnaKumar	143.11

*Median salary computation is based on a total employee head count of 2689, of which approximately 1800 employees are within collective bargaining process

$As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company.

In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in employment with any other Tata Company. Accordingly, no commission is paid to Mr. Harish Bhat, Non-Executive (Non-Independent) Director.

^ Since the remuneration of these Directors is only for part of the year, the ratio of their remuneration to median remuneration is not comparable

b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year #
Mr. N. Chandrasekaran *	-
Mr. Harish Bhat $	-
Mrs. Mallika Srinivasan	@
Mr. V. Leeladhar	@
Mrs. Ranjana Kumar	@
Mr. S. Santhanakrishnan	10.09%
Mr. Siraj Chaudhry	13.60%
Mr. Ajoy Misra, Chief Executive Officer and Managing Director**	10.27%
Mr. L Krishnakumar, Executive Director and Group CFO**	10.22%
Mr. John Jacob, Chief Financial Officer	11.67%
Mr. Neelabja Chakrabarty, Company Secretary	9.98%

#For the purposes of these computations, incentive remuneration has been considered based on accruals and payments relating to earlier years have been excluded.

* As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company.

$ In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in employment with any other Tata Company. Accordingly, no commission is paid to Mr. Harish Bhat, Non-Executive (Non-Independent) Director.

** Compensation paid from a Subsidiary Company in UK has also been considered for computation of increase. Mr. Ajoy Misra has retired as the Managing Director & CEO of the Company w.e.f. March 31, 2020.

@ Percentage increase of remuneration is not applicable as the concerned directors were only for the part of the current or previous year.

c) The percentage increase in median remuneration of employees in the financial year: 57% (Increase in the median remuneration reflects the impact of the employees of the Food business who are on the rolls of the Company with effect from April 1, 2019, consequent to the Scheme of arrangement between the Company and Tata Chemicals Ltd.)

d) The number of permanent employees on the rolls of the Company: 2,689

e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase for other than managerial personnel (excluding unionised staff) works to around 8.9% the percentage increase for all employees was 10.16%. Increase in the managerial remuneration was 10.25% on a like to like basis (including compensation paid from a Subsidiary Company in the UK). Percentage increases for various categories are granted based on market trends and performance criteria.

f) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

g) The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

h) Disclosure under Section 197(14) of the Companies Act, 2013

Mr. Ajoy Misra, Managing Director & CEO, and Mr. L. Krishnakumar, Executive Director & Group CFO,, received remuneration of Rs. 69.26 lakh and Rs.35.35 lakh respectively from the Company's overseas subsidiary, Tata Consumer Products GB Limited during the year 2019-20. (The remuneration drawn in GBP has been converted into INR at average exchange rate).

Annexure 3 to the Board' Report

Requirement pursuant to Section 186 of Companies Act 2013

Particulars of Investment made and Guarantee/Loan given during the year 2019-20:

Particulars of Investment made Guarantee given and loan given	Name of the Entity	Amount (Rs. in Crore)	Purpose for which Loan, Guarantee is proposed to be utilised by the recipient
Investments	Tata Starbucks Private Limited	53.00	Not Applicable
Guarantee	-	-	-
Inter Corporate Deposits	-	-	-

For details of Investments made in Mutual Funds, refer note 6 of the Standalone Financial Statements.

On behalf of the Board of Directors

Sd/-
N Chandrasekaran
Chairman
(DIN 00121863)

Mumbai
May 14, 2020

Annexure 4 to the Board' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
TATA CONSUMER PRODUCTS LIMITED
1, Bishop Lefroy Road
Kolkata – 700 020

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TATA CONSUMER PRODUCTS LIMITED**, **(Formerly Tata Global Beverages Limited)** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **TATA CONSUMER PRODUCTS LIMITED** for the financial year ended on March 31, 2020 according to the provisions **as may be applicable** to the company of:

(i) The Companies Act, 2013 and the Companies Amendment Act, 2017 (hereinafter collectively referred to as the "ACT") and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018 (hereinafter collectively referred to as "Listing Regulations");

d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable during the period under review

e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

f. The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014; Not applicable during the period under review

g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; Not applicable during the period under review as the company is not acting as a Registrar and Share Transfer Agent;

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable during the period under review;

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. Not applicable during the period under review;

j. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018: and

k. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable

Annexure 4 to the Board's Report (continued)

Preferences Shares) Regulation, 2013. – Not applicable to the company during the period under review.

(vi) The Food Safety and Standards Act, 2006 along with Food Safety and Standards Rules 2011;

(vii) The Tea Board Guidelines and Orders;

(viii) Pollution Control Act, Rules and Notification issued thereof;

(ix) Legal Metrology Act, 2009 and Rules made thereunder;

(x) The Tea Act, 1953 and Tea Warehouse (Licensing) Order, 1989;

(xi) The Factories Act, 1948 and Rules made thereunder;

(xii) Shops and Establishment Act, 1953;

(xiii) The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Rules made thereunder;

(xiv) The Maternity Benefits Act, 1961;

(xv) The Minimum Wages Act, 1948;

(xvi) The Payment of Bonus Act, 1965;

(xvii) The Payment of Gratuity Act, 1972;

(xviii) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959;

(xix) The Payment of wages Act, 1936 and other applicable Industrial and Labour Laws.

I have also examined compliance of Secretarial Standards on Board of Directors (SS-1), General Meetings (SS-2) made effective July 1, 2015 and Dividend (SS-3) made effective January 1, 2018 (voluntary adoption by the Companies) issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Changes have taken place in the composition of the Board of Directors during the period under review. Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Video/ Teleconferencing facilities are used as and when required to facilitate the Directors at other locations to participate in the meeting.

The dissenting views of the member(s) of the Board of Directors and Committees thereof were captured and minuted whenever arises. However, no such cases has arisen during the period under review.

I further report that, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I also Report that during the year under review, the Company had entered a Scheme of Arrangement (herein after referred as "**Scheme**") with Tata Chemicals Limited ("TCL") and its respective shareholders and creditors as per the provisions of the Companies Act, 2013 and Amendments thereof in order to recognize and reconstruct the business of the Company and TCL under the said Scheme by demerging the Consumer Products Business from TCL and Vesting the same with the Company as per the Scheme.

Pursuant to the Hon'ble National Company Law Tribunal (NCLT) approved Scheme, the name of the Company has changed to **Tata Consumer Products Limited** effective February 10, 2020 and there was a change in object clause of the Memorandum of Association of the Company by addition / alteration of some objects to cover the Consumer Products Business.

The Equity Shares had been issued and allotted to the shareholders of TCL as per the Hon'ble NCLT approved Scheme and duly been listed with the concerned Stock Exchanges.

Dr. Asim Kumar Chattopadhyay
Practising Company Secretary
FCS No. 2303
Certificate of Practice No. 880
UDIN: F002303B000233655

Date: May 14, 2020
Place: Kolkata

ANNEXURE "A"

(TO THE SECRETARIAL AUDIT REPORT OF TATA CONSUMER PRODUCTS LIMITED (Formerly Tata Global Beverages Limited) FOR THE FINANCIALYEAR ENDED MARCH 31, 2020)

To,
The Members
TATA CONSUMER PRODUCTS LIMITED
1, Bishop Lefroy Road
Kolkata 700 020

My Report for the financial year ended March 31, 2020 of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Dr. Asim Kumar Chattopadhyay
Practising Company Secretary
FCS No. 2303
Certificate of Practice No. 880

Date: May 14, 2020
Place; Kolkata

Annexure 5 to Board's Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L15491WB1962PLC031425
ii)	Registration Date	October 18,1962
iii)	Name of the Company	Tata Consumer Products Limited (formerly Tata Global Beverages Limited)
iv)	Category / Sub Category of the Company	Company Limited by Shares/ Indian Non-Government Company
v)	Address of the Registered office and contact details	Tata Consumer Products Limited 1, Bishop Lefroy Road, Kolkata – 700 020 Tel: 033-22836917 Fax: –033-22833032 Email : investor.relations@TataConsumer.com
vi)	Whether listed company (Yes / No)	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw Consultants Private Limited (formerly TSR Darashaw Limited) 6 Haji Moosa Patrawala Ind. Estate 20 Dr. E Moses Road, Mahalaxmi Mumbai – 400 011 Telephone : 022-66568484 Fax : 022-66568494 Website : www.tsrdarashaw.com E-mail : csg-unit@tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY -

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products /services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Processing and blending of tea including manufacture of Instant tea	10791	62.80%
2	Trading of Salt	46309	31.60%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Applicable Section
1	Tata Consumer Products UK Group Limited (formerly Tata Global Beverages Group Limited) 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	89.10	2 (87)
2	Tata Global Beverages Holdings Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
3	Tata Global Beverages Services Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
4	Tata Consumer Products GB Limited (formerly Tata Global Beverages GB Limited) 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
5	Tata Global Beverages Overseas Holdings Limited 325 Oldfield Lane North, Greenford, Middlesex , UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
6	Tata Consumer Products Overseas Limited (formerly Tata Global Beverages Overseas Limited) 325 Oldfield Lane North, Greenford, Middlesex , UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
7	Lyons Tetley Limited 325 Oldfield Lane North, Greenford, Middlesex , UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
8	Drassington Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
9	Teapigs Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
10	Teapigs US LLC 195 Chrystie Street, #602E, New York, New York 10002	N.A.	Subsidiary	100	2 (87)
11	Stansand Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
12	Stansand (Brokers) Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
13	Stansand (Africa) Limited 3rd Floor Tea House, Nyerere Abenue, P. O. Box 90683-80100 Mombasa, Kenya	N.A.	Subsidiary	100	2 (87)

Annexure 5 to Board's Report (Continued)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Applicable Section
14	Stansand (Central Africa) Limited Along Masauko Chipembere Highway- Maselema Area- Limbe, P. O. Box 546, Blantyre, Malawi	N.A.	Subsidiary	100	2 (87)
15	Joekels Tea Packers (Proprietary) Limited 12 Caversham Road, Pinetown 3610 Kwazulu Natal, South Africa	N.A.	Subsidiary	51.70	2 (87)
16	Tata Global Beverages Polska Sp.zo.o. UL Zolny 33, 02-815 Warszwa, Poland	N.A.	Subsidiary	100	2 (87)
17	Tata Consumer Products US Holdings Inc (formerly Tata Global Beverages US Holdings Inc.) 155 Chestnut Ridge Road Montevale New Jersey 07645, USA	N.A.	Subsidiary	100	2 (87)
18	Tata Waters US LLC 155 Chestnut Ridge Road Montevale New Jersey 07645, USA	N.A.	Subsidiary	100	2 (87)
19	Tetley USA Inc. 155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	N.A.	Subsidiary	100	2 (87)
20	Good Earth Corporation 155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	N.A.	Subsidiary	100	2 (87)
21	Good Earth Teas Inc 155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	N.A.	Subsidiary	100	2 (87)
22	Empirical Group, LLC 155 Chestnut Ridge Road, Montvale, New Jersey 07645	N.A.	Subsidiary	56	2 (87)
23	Tata Consumer Products Canada Inc (formerly Tata Global Beverages Canada Inc.) 10 Carlson street, Etobicoke, Ontario M9W6L2, Canada	N.A.	Subsidiary	100	2 (87)
24	Tata Consumer Products Australia Pty. Limited (formerly Tata Global Beverages Australia Pty. Limited) 620 Church Street, Richmond, Victoria 3121, Australia	N.A.	Subsidiary	100	2 (87)
25	Earth Rules Pty. Limited 620 Church Street, Richmond, Victoria 3121, Australia	N.A.	Subsidiary	100	2 (87)
26	Tata Global Beverages Investments Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Applicable Section
27	Campestres Holdings Limited Capital Center, 9th Floor, 2-4 Makarios Avenue, 1065 Nicosia, Cyprus	N.A.	Subsidiary	100	2 (87)
28	Kahutara Holdings Limited Capital Center, 9th Floor, 2-4 Makarios Avenue, 1065 Nicosia, Cyprus	N.A.	Subsidiary	100	2 (87)
29	Suntyco Holding Limited Capital Center, 9th Floor, 2-4 Makarios Avenue, 1065 Nicosia, Cyprus	N.A.	Subsidiary	100	2 (87)
30	Onomento Co. Limited Capital Center, 9th Floor, 2-4 Makarios Avenue, 1065 Nicosia, Cyprus	N.A.	Subsidiary	100	2 (87)
31	Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited) 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
32	Tata Coffee Ltd Pollibetta, Kodagu,Karnataka, India	L01131KA1943PLC000833	Subsidiary	57.48	2 (87)
33	Tata Coffee Vietnam Company Limited No 12 VSIP II – A Street 32, Vietnam Singapore Industrial Park II-A, Tan Binh Commune, Bac Tan Uyen Town, Binh Doung Province, Vietnam	N.A.	Subsidiary	100	2 (87)
34	Consolidated Coffee Inc. 155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	N.A.	Subsidiary	100	2 (87)
35	Eight 'O Clock Holdings Inc. 155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	N.A.	Subsidiary	100	2 (87)
36	Eight ' O Clock Coffee Company 155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	N.A.	Subsidiary	100	2 (87)
37	Tata Tea Extractions Inc 1001 W Dr M L King Jr Blvd Plant City, FL 33563, USA	N.A.	Subsidiary	100	2 (87)
38	Tata Tea Holdings Private Limited 4th Floor, New Excelsior Building, Amrit Keshav Nayak Marg Fort, Mumbai – 400 001, India	U67190MH2008PTC187767	Subsidiary	100	2 (87)
39	Coffee Trade LLC Prospect Mira Street, 69 Building 1, Moscow,129110, Russian Federation	N.A.	Subsidiary	100	2 (87)
40	TRIL Constructions Limited Elphinstone Building, 2nd Floor, 10 Veer Nariman Road, Mumbai - 400 001, India	U45201MH2007PLC171985	Associate	48.40@	2 (6)

Annexure 5 to Board's Report (Continued)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Applicable Section
41	Amalgamated Plantations Private Ltd Unit NO. 302A, Elgin Chambers A.M. Road Kolkata - 700 020, India	U01132WB2007PTC112852	Associate	41.03	2 (6)
42	Kanan Devan Hills Plantations Private Ltd KDHP House, Munnar, Kerala- 685612, India	U01132KL2005PTC018014	Associate	28.52	2 (6)
43	NourishCo Beverages Limited Lelve-3, Pioneer Square, Sector-62 Near Golf Course Extension Road Gurugram 122101, Haryana, India	U15500HR2010PLC041616	Joint Venture	50	2 (6)
44	Tata Starbucks Private Limited 4th Floor, New Excelsior Building, Amrit Keshav Nayak Marg Fort, Mumbai – 400 001, India	U74900MH2011PTC222589	Joint Venture	50	2 (6)
45	Tetley ACI (Bangladesh) Limited 245 Tejgaon Industrial Area, Dhaka – 1208, Bangladesh	N.A.	Joint Venture	50	2 (6)
46	Southern Tea, LLC 1267 Cobb Industrial Drive, Marietta, Georgia 30066, USA	N.A.	Joint Venture	50	2 (6)
47	Tetley Clover (Private) Limited Lakson Square Building No 2 Sarwar Shaheed Road, Karachi, Pakistan	N.A.	Joint Venture	50	2 (6)

% of shares held shown above is based on the voting power held by the Group (Tata Consumer Products Limited and its subsidiaries together referred as 'the Group').

@ Includes Investments in Preference Shares.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2019				No. of Shares held at the end of the year i.e 31.03.2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
(a)	Individuals / HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	217,445,190	0	217,445,190	34.45	319,389,707	57	319,389,764	34.66	0.20
(e)	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2019				No. of Shares held at the end of the year i.e 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-Total (A) (1)	**217,445,190**	**0**	**217,445,190**	**34.45**	**319,389,707**	**57**	**319,389,764**	**34.66**	**0.20**
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (2)		0	0	0	0.00	0	0	0.00	0.00
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	**217,445,190**	**0**	**217,445,190**	**34.45**	**319,389,707**	**57**	**319,389,764**	**34.66**	**0.20**
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds / UTI	60,193,798	105,415	60,299,213	9.55	136,793,508	107,038	136,900,546	14.86	5.30
(b) Banks / Financial Institutions	24,197,309	38,805	24,236,114	3.84	761,907	76,969	838,876	0.09	-3.75
(c) Central Government /State Government(s)	0	5,850	5,850	0.00	399	87,471	87,870	0.01	0.01
(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e) Insurance Companies	1,574,632	0	1,574,632	0.25	65,719,824	1,683	65,721,507	7.13	6.88
(f Foreign Institutional Investors	2,295,350	6,260	2,301,610	0.36	183,566	8,355	191,921	0.02	-0.34
(g)) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(h) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
(i) Foreign Portfolio Investors (Corporate)	157,799,811	0	157,799,811	25.00	157,155,976	0	157,155,976	17.05	-7.95
(j) Any Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B) (1)	**246,060,900**	**156,330**	**246,217,230**	**39.01**	**360,615,180**	**281,516**	**360,896,696**	**39.16**	**0.15**
(2) Non-Institutions									
(a) Bodies Corporate									
I. Indian	6,657,200	167,815	6,825,015	1.08	11,960,699	224,536	12,185,235	1.32	0.24
ii. Overseas	975	50,100	51,075	0.01	975	50,100	51,075	0.01	0.00
(b) Individuals -									
i Individual shareholders holding nominal share capital upto Rs. 1 lakh	113,770,770	9,537,548	123,308,318	19.54	158,640,753	13,349,491	171,990,244	18.65	-0.89
ii Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	8,278,245	118,450	8,396,695	1.33	15,911,646	0	15,911,646	1.73	0.40
(c) Any Other (specify)									
(i) Trusts	12,192,750	4,000	12,196,750	1.93	7,132,615	4,143	7,136,758	0.77	-1.16
(ii) Directors & their relatives	0	0	0	0	150,641	0	150,641	0.02	0.02

Annexure 5 to Board's Report (Continued)

Category of Shareholders		No. of Shares held at the beginning of the year i.e 01.04.2019				No. of Shares held at the end of the year i.e 31.03.2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(iii)	Non-Resident Individuals	6,188,947	110,727	6,299,674	1.00	9,056,278	218,103	9,274,381	1.01	0.01
(iv)	Foreign Portfolio Investors-Individuals	2,400	0	2,400	0.00	2,487	0	2,487	0.00	0.00
(v)	Foreign Institutional Investors-DR	0	0	0	0.00	0	0	0	0.00	0.00
(vi)	Foreign Nationals-DR	6,000	0	6,000	0.00	1,032		1,032	0.00	0.00
(vii)	HUF	3,824,964	2,825	3,827,789	0.61	5,422,258	376	5,422,634	0.59	-0.02
(viii)	Clearing Members	4,026,806	0	4,026,806	0.64	7,023,350	0	7,023,350	0.76	0.12
(ix)	Bodies Corporate - NBFC	136,811	0	136,811	0.02	130,320	0	130,320	0.01	-0.01
(x)	Limited Liability Partnership-LLP	339,650	0	339,650	0.05	2,345,090	0	2,345,090	0.25	0.20
(xi)	Alternate Investment Funds	1,80,000	0	1,80,000	0.03	6,160,420	0	6,160,420	0.67	0.64
(xii)	IEPF Suspense Account	1,847,433	0	1,847,433	0.29	3,383,629	0	3,383,629	0.37	0.07
Sub-total (B) (2)		**157,452,951**	**9,991,465**	**167,444,416**	**26.53**	**227,322,193**	**13,846,749**	**241,168,942**	**26.16**	**-0.37**
Total Public Shareholding (B) = (B)(1)+(B)(2)		**403,513,851**	**10,147,795**	**413,661,646**	**65.54**	**587,937,373**	**14,128,265**	**602,065,638**	**65.32**	**-0.22**
TOTAL (A)+(B)		**620,959,041**	**10,147,795**	**631,106,836**	**100.00**	**907,327,080**	**14,128,322**	**921,455,402**	**99.98**	**-0.02**
(C)	Shares held by Custodians for GDRs. and ADRs.	22,893	0	22,893	0.00	96,313	0	96,313	0.02	0.01
GRAND TOTAL (A)+(B)+(C)		**620,981,934**	**10,147,795**	**631,129,729**	**100.00**	**907,423,393**	**14,128,322**	**921,551,715**	**100.00**	**0.00**

(ii). Shareholding of Promoters (including promoter group)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e 01.04.2019			Shareholding at the end of the year i.e 31.03.2020			% change in shareholding during the year
		No. of Shares	% of total Shares of the company@	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Tata Sons Private Limited	186,029,710	29.48	1.82	270,557,128	29.36	0.94	-0.12
2	Tata Investment Corporation Limited*	26,945,000	4.27	0.00	44,273,001	4.80	0.00	0.53
3	Ewart Investments Limited*	3,733,360	0.59	0.00	3,733,360	0.41	0.00	-0.19
4	Tata Industries Limited*	7,31,120	0.12	0.00	819,637	0.09	0.00	-0.03
5	Titan Company Limited*	6,000	0.00	0.00	6,638	0.00	0.00	0.00
6	Voltas Limited*	0	0.00	0.00	228,501	0.02	0.00	0.02
7	Tata Motors Finance Limited*	0	0.00	0.00	11,468	0.00	0.00	0.00
	Total	**217,445,190**	**34.45**	**1.82**	**319,629,733**	**34.68**	**0.94**	**0.23**

*part of Promoter Group

@Percentage as on April 1, 2019 is shown on the new and increased capital base to allow comparability.

(iii). Change in Promoters' Shareholding (including promoter group) (please specify, if there is no change)

Sl No	Name of Shareholder	Shareholding at the beginning of the year as on 1.4.2019		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding at the end of the year as on 31.03.2020	
		No. of shares	% of total shares of the company@			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Tata Sons Private Limited	186,029,710	20.19	11.03.2020	Allotment	82,241,927	8.92	268,271,637	29.11
				20.03.2020	Purchase	2,285,491	0.24	270,557,128	29.36
2	Tata Investment Corporation Limited*	26,945,000	2.92	11.03.2020	Allotment	17,328,001	1.88	44,273,001	4.80
3	Ewart Investments Limited*	3,733,360	0.41	No movement during 2019-20				3,733,360	0.41
4	Tata Industries Limited*	7,31,120	0.07	11.03.2020	Allotment	88,517	0.00	819,637	0.09
5	Titan Company Limited*	6,000	0.00	11.03.2020	Allotment	638	0.00	6,638	0.00
6	Voltas Limited*	0	0.00	11.03.2020	Allotment	228,501	0.02	228,501	0.02
7	Tata Motors Finance Limited*	0	0.00	11.03.2020	Allotment	11,468	0.00	11,468	0.00

@Percentage as on April 1, 2019 is shown on the new and increased capital base to allow comparability.

* Part of the Promoter Group

(iv). Shareholding Pattern of top ten Shareholders:
(other than Directors, Promoters and holders of GDRs. and ADRs.):

Sr. No.	Name of Shareholder	shareholding		cumulative	
		No. of Shares	% Total shares of Company@	No. of Shares	% Total shares of Company
1	Life Insurance Corporation of India LIC of India Child Fortune Plus Balanced Fund LIC of India Health Protection Plus Fund LIC of India Health Plus Non Unit Fund LIC of India Child Fortune Plus Secured Fund LIC of India Child Fortune Plus Growth Fund LIC of India Profit Plus Balanced Fund LIC of India Future Plus Growth Fund LIC of India Pension Plus Mixed Fund LIC of India Money Plus Growth Fund LIC of India Market Plus 1 Growth Fund Life Insurance Corporation Of India P&Gs Fund Life Insurance Corporation Of India - Ulif003200910licend+Bal512 Life Insurance Corporation Of India - Ulif002180912licflx+Mix512				
	No. of Shares at the Beginning of the Year	8,651,960	0.94	8,651,960	0.94
	Bought /Allotted during the year	19,247,798	2.09	27,899,758	3.03
	Sold during the year	(8,357,130)	(0.91)	19,542,628	2.12
	At the end of year	19,542,628	2.12	19,542,628	2.12

Annexure 5 to Board's Report (Continued)

Sr. No.	Name of Shareholder	shareholding		cumulative	
		No. of Shares	% Total shares of Company@	No. of Shares	% Total shares of Company
2	ICICI Prudential Value Fund Series 8 ICICI Prudential Value Fund - Series 18 ICICI Prudential Value Fund - Series 19 ICICI Prudential Pharma Healthcare And Diagnostics (P.H.D) Fund ICICI Prudential Manufacture In India Fund ICICI Prudential Bharat Consumption Fund - Series 5 ICICI Prudential India Opportunities Fund ICICI Prudential MNC Fund ICICI Prudential Mutual Fund ICICI Prudential Equity Arbitrage Fund ICICI Prudential Balanced Advantage Fund ICICI Prudential Equity & Debt Fund ICICI Prudential Multi-Asset Fund ICICI Prudential Midcap Select ETF ICICI Prudential Midcap 150 ETF ICICI Prudential Equity Savings Fund ICICI Prudential Dividend Yield Equity Fund ICICI Prudential FMCG Fund ICICI Prudential Large & Mid Cap Fund ICICI Prudential Midcap Fund ICICI Prudential Multi-cap Fund ICICI Prudential Bharat Consumption Fund - Series 2 ICICI Prudential S&P Bse 500 ETF				
	No. of Shares at the Beginning of the Year	3,465,005	0.38	3,465,005	0.38
	Bought /Allotted during the year	20,629,915	2.24	24,094,920	2.61
	Sold during the year	(4,599,769)	(0.50)	19,495,151	2.12
	At the end of year	19,495,151	2.12	19,495,151	2.12
3	Mirae Asset Tax Saver Fund Mirae Asset Healthcare Fund Mirae Asset Midcap Fund Mirae Asset Large Cap Fund Mirae Asset Emerging Bluechip Fund Mirae Asset Great Consumer Fund Mirae Asset Hybrid - Equity Fund Mirae Asset Equity Savings Fund				
	No. of Shares at the Beginning of the Year	16,964,795	1.84	16,964,795	1.84
	Bought /Allotted during the year	13,503,328	1.47	30,468,123	3.31
	Sold during the year	(11,793,063)	(1.28)	18,675,060	2.03
	At the end of year	18,675,060	2.03	18,675,060	2.03

Sr. No.	Name of Shareholder	shareholding		cumulative	
		No. of Shares	% Total shares of Company@	No. of Shares	% Total shares of Company
4	Reliance Emergent India Fund Reliance Capital Trustee Co Ltd-A/C Nippon India ETF Sensex Next 50 Reliance Capital Trustee Co Ltd-A/C Nippon India ETF Nifty Midcap 150 Reliance Capital Trustee Co Ltd-A/C Nippon India Growth Fund Reliance Capital Trustee Co Ltd-A/C Nippon India Vision Fund Reliance Capital Trustee Co Ltd-A/C Nippon India Multi Cap Fund Reliance Capital Trustee Co Ltd-A/C Nippon India Consumption Fund Reliance Capital Trustee Co Ltd-A/C Nippon India Balanced Advantage Fund Reliance Capital Trustee Co Ltd-A/C Nippon India Focused Equity Fund Reliance Capital Trustee Co Ltd-A/C Nippon India Large Cap Fund Reliance Capital Trustee Co Ltd-A/C Nippon India Quant Fund Reliance Capital Trustee Co Ltd-A/C Nippon India Small Cap Fund Reliance Capital Trustee Co Ltd-A/C Nippon India Arbitrage Fund Reliance Capital Trustee Co. Ltd-A/C Reliance Capital Builder Fund 2 Sr B Reliance Capital Trustee Co Ltd-A/C Nippon India Dual Advantage Fixed Tenure Fund XII - Plan A Reliance Capital Trustee Co Ltd-A/C Nippon India - India Opportunities Fund - Series A Reliance Capital Trustee Co Ltd-A/C Reliance ETF Nifty Midcap 150 ETF				
	No. of Shares at the Beginning of the Year	8,495,450	0.92	8,495,450	0.92
	Bought /Allotted during the year	20,438,393	2.22	28,933,843	3.14
	Sold during the year	(10,448,295)	(1.13)	18,485,548	2.01
	At the end of year	18,485,548	2.01	18,485,548	2.01
5	HDFC Trustee Company Ltd. A/C HDFC Top 100 Fund HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund HDFC Trustee Company Ltd. A/C HDFC Growth Opportunities Fund HDFC Trustee Company Ltd- HDFC Equity Saving Fund HDFC Trustee Company Ltd - A/C HDFC Mid – Cap Opportunities Fund HDFC Trustee Company Ltd A/C HDFC Arbitrage Fund HDFC Trustee Co Ltd A/C HDFC Charity Fund For Cancer Cure-Arbitrage Plan				
	No. of Shares at the Beginning of the Year	2,254,250	0.25	2,254,250	0.25
	Bought /Allotted during the year	14,954,631	1.62	17,208,881	1.87
	Sold during the year	(2,218,500)	(0.24)	14,990,381	1.63
	At the end of year	14,990,381	1.63	14,990,381	1.63

Annexure 5 to Board's Report (Continued)

Sr. No.	Name of Shareholder	shareholding		cumulative	
		No. of Shares	% Total shares of Company@	No. of Shares	% Total shares of Company
6	Government Pension Fund Global				
	No. of Shares at the Beginning of the Year	13,571,911	1.47	13,571,911	1.47
	Bought /Allotted during the year	4,772,099	0.52	18,344,010	1.99
	Sold during the year	(5,051,198)	(0.55)	13,292,812	1.44
	At the end of year	13,292,812	1.44	13,292,812	1.44
7	Sundaram Mutual Fund A/C Sundaram Mid Cap Fund Sundaram Mutual Fund A/C Sundaram Equity Hybrid Fund Sundaram Mutual Fund A/C Sundaram Large And Mid-Cap Fund Sundaram Mutual Fund A/C Sundaram Rural And Consumption Fund Sundaram Mutual Fund A/C Sundaram Long Term Tax Advantage Fund Sundaram Mutual Fund A/C Sundaram Value Fund Series - II Sundaram Mutual Fund A/C Sundaram Select Small Cap Series - III Sundaram Mutual Fund A/C Sundaram Select Small Cap Series - IV Sundaram Mutual Fund A/C Sundaram Long Term Tax Advantage Fund-Series-II Sundaram Mutual Fund A/C Sundaram Value Fund - Series - III Sundaram Mutual Fund A/C Sundaram Value Fund - Series VII Sundaram Mutual Fund A/C Sundaram Select Small Cap - Series - V Sundaram Mutual Fund A/C Sundaram Select Small Cap - Series - VI Sundaram Mutual Fund A/C Sundaram Equity Savings Fund Sundaram Mutual Fund A/C Sundaram Equity Fund Sundaram Mutual Fund A/C Sundaram Arbitrage Fund Sundaram Mutual Fund A/C Sundaram Balanced Advantage Fund				
	No. of Shares at the Beginning of the Year	6,937,787	0.75	6,937,787	0.75
	Bought /Allotted during the year	5,196,060	0.56	12,133,847	1.32
	Sold during the year	(214,997)	(0.03)	11,918,850	1.29
	At the end of year	11,918,850	1.29	11,918,850	1.29
8	Franklin Templeton Investment Funds				
	No. of Shares at the Beginning of the Year	2,375,202	0.26	2,375,202	0.26
	Bought /Allotted during the year	6,543,743	0.71	8,918,945	0.97
	Sold during the year	(58,178)	(0.01)	8,860,767	0.96
	At the end of year	8,860,767	0.96	8,860,767	0.96

Sr. No.	Name of Shareholder	shareholding		cumulative	
		No. of Shares	% Total shares of Company@	No. of Shares	% Total shares of Company
9	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Arbitrage Fund Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Fund Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life India Gen-next Fund Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Midcap Fund Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Manufacturing Equity Fund Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Resurgent India Fund - Series 1 Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Resurgent India Fund - Series 2 Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Resurgent India Fund - Series 3 Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Resurgent India Fund - Series 4 Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Resurgent India Fund - Series 5				
	No. of Shares at the Beginning of the Year	3,859,000	0.61	3,859,000	0.61
	Bought /Allotted during the year	7,200,994	0.59	11,059,994	1.20
	Sold during the year	(3,196,364)	(0.35)	7,863,630	0.85
	At the end of year	7,863,630	0.85	7,863,630	0.85
10	First State Investments ICVC- Stewart Investors Global Emerging Markets Leaders Fund				
	No. of Shares at the Beginning of the Year	17,526,894	1.90	17,526,894	1.90
	Bought /Allotted during the year	0	0.00	17,526,894	1.90
	Sold during the year	(9,904,670)	(1.07)	7,622,224	0.83
	At the end of year	7,622,224	0.83	7,622,224	0.83
11	L&T Mutual Fund Trustee Ltd-L&T Mid Cap Fund L& T Mutual Fund Trustee Ltd- L&T Equity Savings Fund L&T Mutual Fund Trustee Limited – L&T Hybrid Equity Fund L&T Mutual Fund Trustee Ltd-L&T Balanced Advantage Fund L&T Mutual Fund Trustee Ltd-L&T India Value Fund L&T Mutual Fund Trustee Ltd-L&T India Large Cap Fund L&T Mutual Fund Trustee Limited-L&T Arbitrage Opportunities Fund				
	No. of Shares at the Beginning of the Year	1,764,700	0.19	1,764,700	0.19
	Bought /Allotted during the year	7,326,800	0.80	9,091,500	0.99
	Sold during the year	(1,484,100)	(0.16)	7,607,400	0.83
	At the end of year	7,607,400	0.83	7,607,400	0.83

Annexure 5 to Board's Report (Continued)

Sr. No.	Name of Shareholder	shareholding		cumulative	
		No. of Shares	% Total shares of Company@	No. of Shares	% Total shares of Company
12	Baron Emerging Markets Fund				
	No. of Shares at the Beginning of the Year	7,946,370	0.86	7,946,370	0.86
	Bought /Allotted during the year	3,923,711	0.43	11,870,081	1.29
	Sold during the year	(4,335,264)	(0.47)	7,534,817	0.82
	At the end of year	7,534,817	0.82	7,534,817	0.82
13	Bajaj Allianz Life Insurance Company Ltd.				
	No. of Shares at the Beginning of the Year	648,000	0.07	648,000	0.07
	Bought /Allotted during the year	7,743,317	0.84	8,391,317	0.91
	Sold during the year	(949,000)	(0.10)	7,442,317	0.81
	At the end of year	7,442,317	0.81	7,442,317	0.81
14	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Long Term Equity Fund Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Midcap Fund Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Arbitrage Fund Axis Dynamic Equity Fund Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Growth Opportunities Fund				
	No. of Shares at the Beginning of the Year	591,750	0.06	591,750	0.06
	Bought /Allotted during the year	7,527,501	0.82	8,119,251	0.88
	Sold during the year	(759,600)	(0.08)	7,359,651	0.80
	At the end of year	7,359,651	0.80	7,359,651	0.80
15	First State Investments ICVC- Stewart Investors Asia Pacific Fund				
	No. of Shares at the Beginning of the Year	12,211,511	1.33	12,211,511	1.33
	Bought /Allotted during the year	0	0.00	12,211,511	1.33
	Sold during the year	(5,042,795)	(0.55)	7,168,716	0.78
	At the end of year	7,168,716	0.78	7,168,716	0.78
16	MFS International New Discovery Fund				
	No. of Shares at the Beginning of the Year	4,258,744	0.46	4,258,744	0.46
	Bought /Allotted during the year	4,286,572	0.47	8,545,316	0.93
	Sold during the year	(1,598,558)	(0.18)	6,946,758	0.75
	At the end of year	6,946,758	0.75	6,946,758	0.75
17	Kotak Bluechip Fund Kotak Emerging Equity Scheme Kotak Equity Arbitrage Fund Kotak Equity Savings Fund Kotak Balanced Advantage Fund Kotak Pioneer Fund				
	No. of Shares at the Beginning of the Year	4,380,151	0.48	4,380,151	0.48
	Bought /Allotted during the year	11,376,206	1.23	15,756,357	1.71
	Sold during the year	(9,093,150)	(0.99)	6,663,207	0.72
	At the end of year	6,663,207	0.72	6,663,207	0.72

Paid-Up Capital of the Company as on 31.03.2020 921,551,715

Note:
@Percentage as on April 1, 2019 is shown on the new and increased capital base to allow comparability.
1. The above information is based on the weekly beneficiary position received from the depositories
2. The date wise increase/decrease in shareholding of the top 10 shareholders is available on the website of the

Company www.tataconsumer.com

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No	Name of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year as on 1.4.2019		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding at the end of the year as on 31.03.2020	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Director**								
	Mr. N. Chandrasekaran	0	0.00	20.03.2020	Purchase	100,000	0.01	100,000	0.01
	Mrs. Shikha Sharma	50,000	0.00	No movement during 2019-20				50,000	0.00
	Mr. Harish Bhat	0	0.00	11.03.2020	Allotment	413	0.00	413	0.00
	Mr. L Krishnakumar	0	0.00	11.03.2020	Allotment	228	0.00	228	0.00

Apart from above no other Director and Key Managerial Personnel's of the Company hold shares in the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4.53	-	-	4.53
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
Total (i+ii+iii)	**4.53**	**-**	**-**	**4.53**
Change in Indebtedness during the financial year				
· Addition	70.11	-	-	70.11
· Reduction	39.53	-	-	39.53
Net Change	**30.58**	**-**	**-**	**30.58**
Indebtedness at the end of the financial year				
i) Principal Amount *	35.00	-	-	35.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.11	-	-	0.11
Total (i+ii+iii)	**35.11**	**-**	**-**	**35.11**

* Represents Bank overdraft

Annexure 5 to Board's Report (Continued)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Rs. In lakh

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Ajoy Misra (Managing Director)*	L. Krishnakumar (Executive Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	295.61	267.13	562.74
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	97.53	88.57	186.10
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission - as % of profit - others, specify.....	-	-	
5	Others (contribution to PF, Gratuity and superannuation)	38.16	31.42	69.58
	Total (A)	**431.30**	**387.12**	**818.42**
	Ceiling as per the Act			7,508.23
	Payment from overseas subsidiary	69.26	35.35	104.61

* Mr. Ajoy Misra ceased to be the Managing Director & CEO of the w.e.f 01.04.2020 consequent upon his retirement.

Remuneration to other Directors: Rs. in Lakh

SN.	Particulars of Remuneration	Name of Directors									Total Amount
		Mr. N. Chandrasekaran	Mrs. M. Srinivasan#	Mr. V. Leeladhar#	Mrs. Ranjana Kumar#	Mr. Siraz Azmat Chaudhry	Mr. S. Santhanakrishnan	Mr. Harish Bhat	Mr. Bharat Puri	Mrs. Shikha Sharma	
1	**Independent Directors**										
	Fee for attending board/ committee meetings	-	-	3.15	2.10	5.55	6.00	-	3.75	3.45	24.00
	Commission	-	15.00	30.00	16.00	45.00	54.00	-	50.00	50.00	260.00
	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (1)	**-**	**15.00**	**33.15**	**18.10**	**50.55**	**60.00**	**-**	**53.75**	**53.45**	**284.00**
2	**Other Non-Executive Directors**										
	Fee for attending board/ committee meetings	1.80	-	-	-	-	-	4.80	-	-	6.60
	Commission	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (2)	**1.80**	-	-	-	-	-	**4.80**	**-**	**-**	**6.60**
	Total (B)=(1+2)	**1.80**	**15.00**	**33.15**	**18.10**	**50.55**	**60.00**	**4.80**	**53.75**	**53.45**	**290.60**
	Total Managerial Remuneration										
	Overall Ceiling as per the Act										**750.82**

#Mrs. M. Srinivasan, Mr. V. Leeladhar and Mrs. Ranjana Kumar ceased to be the Board of Directors of the Company w.e.f. August 26, 2019.

- As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company. Further, in line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in employment with any other Tata Company. Accordingly, no commission is paid to Mr. Harish Bhat, Non-Executive (Non-Independent) Director

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs. In Lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		John Jacob Chief Financial Officer	Neelabja Chakrabarty Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	156.32	74.51	230.83
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	35.07	13.99	49.06
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others	-	-	-
5	Others (contribution to PF, Gratuity and superannuation)	17.20	3.80	21.00
	Total	**208.59**	**92.30**	**300.89**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for the breach of any sections of Companies Act, 2013 against the Company or its Directors or other officers in default, if any, during FY 2019- 2020.

On behalf of the Board of Directors

N. Chandrasekaran
Chairman
(DIN 00121863)

May 14, 2020
Mumbai

Annexure 6 to Board's Report

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A. Conservation of Energy

Energy conservation measures taken during financial year 2019-20

1. Steps taken or impact on conservation of energy:

Packing Centres and at other third-party manufacturing units.

- Installation of IE-3 standard motors for higher efficiency.
- Installation of Air compressor modulation for variable load.
- Installation of Auto Power factor controller (APFC).

Pullivasal Plant and Periakanal Estates, Munnar

- Installation of Tuflite sheets (translucent fiber-glass sheets) in 96% of labour quarter units
- Replacement of fluorescent tubes with LED Lights

Tetley Division, Cochin

- Replacement of all conventional light fixtures with energy efficient LED fixtures.
- Energy saving devices like VFDs has been installed for all high capacity equipment to minimize energy consumption.

Instant Tea Division, Munnar

- Installation of three phase UPS Stations with associated accessories for process Sustenance.
- Installation of energy efficient Gentle Extractor and Evaporator

2. Steps taken by the Company for utilising alternate sources of energy

Packing Centres and at other third-party manufacturing units

- Solar power plants commissioned at third party manufacturing units (Kellyden and Nonoi Packeting centre). For Financial year 19/20, total capacity added is 315 Kw.

3. Capital investment on Energy Conservation Equipment

Energy savings initiatives at various packing centers for solar power plants and other initiatives involved a total cost outlay of around Rs. 9 Crore.

B. TECHNOLOGY ABSORPTION

(i) **Efforts made towards technology absorption:**

The Company has been engaging with various Suppliers, Research Institutes, Analytical Service providers and Technology providers for technical collaborations for product and process development, new packaging development and analytical service support. Technical discussions were held to identify the appropriate technologies, solutions and development and process improvement support. TGBL has entered into MOU with many external Companies and Institutes under Confidentiality agreements to work further on various collaborative projects and assignments.

(ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:**

During the year, the Company launched number of new products –Tata Tea Quick chai, Chakra Gold Elaichi, Chakra Gold Acti+, Kanan Devan Duet, Re-formulated Tata Fruski in new bottle design, Tata Coffee Grand in new jar design. This has been achieved through the efforts taken on technology and product development and collaborations with different business partners.

a) The Company has collaborated with various external partners to support the development work:

Collaboration with major flavor houses like Givaudan, IFF, Firmenich and Synthite continued during the year for the development newer flavor formulations. Collaborated with Zeon Life Sciences and Imperial Malt for the development and launch of newer product formats and with GAT Foods and Sunsip for development of fruit-based beverages. Collaborated with Lanxess

for the development and adoption of cold fill technology for beverages.

Projects were taken up with Central Food Technological Institute (CFTRI), Mysore for studying shelf life characteristics of Coffee in new packaging. Collaboration with M/s Anthem Cellutions and Otsil, Chennai continued during the year for providing inputs for tea quality improvement and functional ingredients.

Service agreements were entered between Analytical labs – Eurofins, Bangalore, TUV-SUD, Bangalore, TUV- Nord, Pune, ITC, Labs Gurgaon, Vimta Labs, Hyderabad, Intertek, Hyderabad and Neogen, Cochin for analytical support.

b) Active engagement with different companies were taken up during the year for packaging development:

Engagement with Dow Chemicals continued for options on sustainable packaging. Continued engagement has happened with various vendors on recyclable & compostable packaging. Initiatives on cost saving options and re-structuring have been undertaken with vendors and industry experts. For development of rigid packaging we have engaged with Tata Elxsi.

For developing printing options, designing and developments involving re-engineering of packing material, we have engaged with ITC, Uflex, Paharpur, Creative Polypack, Amcor and GLS (for Flexible Packaging) and with ITC and IPP, Sidel, Manjushree Technopack Limited, Hitesh Plastics, Piramal Glass, Hindustan National Glass, Beri Cap, Arol India (for Rigid Packaging).

For designing Pack artwork, we have engaged with ICARUS, Bangalore and ENCEPT, Mumbai. During the year online artwork approval system from Alia Premedia Services has been deployed.

(iii) **In case of imported Technology (imported during the last three years reckoned from the beginning of the financial year):**

a) The details of technology imported: The Company has not imported any technology during the last three financial years.

b) The year of import: Not Applicable

c) Whether the technology has been fully absorbed: Not Applicable

d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof: Not Applicable.

(iv) Expenditure incurred on Research & Development:

	Rs. In Crore
Capital Expenditure	0.09
Revenue Expenditure	17.84
Total R&D expenditure as a % of Net Sales is	0.32%

(v) Foreign Exchange earnings and outgo:

	Rs. In Crore
Foreign Exchange earned	287.37
Outgo of foreign Exchange	86.11

On behalf of the Board of Directors

N Chandrasekaran
Chairman
(DIN 00121863)

Mumbai
May 14, 2020

Management Discussion and Analysis

ECONOMIC REVIEW

Global

The world economy grew by 2.9% in 2019 compared with the 3.6% in the previous year, the lowest since the global financial crisis, as per the International Monetary Fund (IMF). The US economy grew by 2.3%, while China and India grew by 6.1% and 4.2%, respectively. The slowdown has been more pronounced in emerging economies like China, India and Brazil, among others. Weak business confidence due to rising trade barriers between the US and China, geopolitical tensions in other regions and fears of a no-deal Brexit, have been key factors leading to the slow growth in 2019. Accommodative easing of monetary policy by central banks of several countries and reform initiatives by governments arrested the slowdown to an extent. There has also been increasing concerns over climate change, and governments and businesses are being called to act more responsibly. In response to these factors, organisations globally are focusing on being more agile, being closer to consumers and conducting business in a more sustainable and responsible manner.

Outlook

The initial outlook for the ensuing year was for stronger growth, especially over the subdued 2019 economic performance, buoyed by favourable news on US-China trade negotiations, the UK transitioning to a new economic relationship with Europe by December 2020 and a healthy performance of emerging markets. However, 2020 saw a significantly changed scenario with the outbreak of the COVID-19 pandemic.

This was followed by strong actions by the governments across the world in the form of a global lockdown to stem the rate of spread of the disease. Despite relief measures provided in the form of easing of monetary policy by central banks and fiscal packages announced by some governments, we are expected to see a contraction in global economy. Currently, the analyst consensus is a degrowth this year and then a gradual recovery next year – however, it is marked with uncertainty depending on the ground situation, that is, the duration of lockdown, growth in infection rate with the opening up of economies, timeline for development of vaccine and others.

India

According to the IMF, the Indian economy grew by 4.2% in FY 2019-20 due to sharper than expected slowdown in domestic demand and lingering stress in the Non-Banking Financial Company (NBFC) sector. The sluggish demand is attributed to the decline in consumption growth (tightening of credit terms and poor consumer sentiment), investment and exports. The Government of India also announced a number of policy measures to boost investment, such as reduction in corporate tax rate from 30% to 22%, which was complemented by the easing of repo rates by the Reserve Bank of India. India's rank in the World Bank's Ease of Doing Business index has improved from 77 last year to 63 this year.

Outlook

Similar to the global outlook, the Indian economy was projected to grow at a stronger pace in FY 2020-21 than the previous year, supported by monetary and fiscal stimulus and lower oil prices. However, the unprecedented COVID-19 pandemic, and the subsequent nationwide lockdown by the Government, along with other necessary measures to contain the pandemic, have made experts revise their forecasts significantly, with possible contraction of the Indian GDP in Q1 FY 2020-21. In the short term, the lockdown could also potentially lead to a financial distress, both for consumers and companies, including disruptions in money supply and general liquidity.

COVID-19 Impact on the Indian FMCG Industry

In the initial days post the lockdown, there were instances of panic buying (though at lower levels as compared to international markets), supply shocks in the system with unavailability of labour (impacting all areas of value chain – manufacturing, logistics and delivery) and streamlining of retail operations including e-commerce. The situation on the ground has however been steadily improving.

The pandemic has caused disruption in the industry and we will see long term shifts in consumer behaviour. The digital disruption can be seen across segments – whether it is in terms of increase in consumption of online content (news, entertainment, games and learning) or stronger demand for online delivery (where it is relatively easier to maintain social distancing). There is also an upswing in sales of general trade or 'kirana' outlets with the restriction on travel and closing of shopping malls or complexes during the lockdown.

In the short term, there will be higher growth and demand of Staple products (such as Salt, Pulses, Tea and Coffee – also part of essential commodities) for in-home consumption, in comparison to discretionary items.

In the short term, we expect increased at-home consumption with a reduction in orders for take-outs or deliveries. Potentially, there will be a stronger focus on quality and hygiene – resulting in consumer preference shifting from unbranded to branded options. Consumers will proactively look at health & wellness options in their purchases, including traditional and preventive measures. There will be higher growth and demand of Staple products (such as Salt, Pulses, Tea and Coffee – also part of essential commodities) for in-home consumption, in comparison with discretionary items – which is in direct contradiction to the trend witnessed in the last few years. We will also see the rise of consumers who are more price and value conscious in their choices, given the uncertainty of the COVID-19 pandemic.

COMPANY OVERVIEW

Creation of Tata Consumer Products Limited

In May 2019, we announced the scheme of arrangement, according to which the Consumer Products Business of Tata Chemicals would be merged with Tata Global Beverages Limited, and the new combined entity would be renamed as Tata Consumer Products Limited (Tata Consumer) to reflect the larger portfolio of the Company and its vision to expand into multiple categories beyond just Food & Beverage (F&B). Post the transaction, Tata Consumer is among the Top 5 listed FMCG players basis revenues in F&B and among the Top 10 basis F&B revenues in India.

This marked a new strategic direction for the Company with accelerated expansion into the ~Rs. 6,00,000 Crores Indian FMCG industry. The combination of the two consumer-focused businesses will benefit both sets of shareholders, who will be able to participate in a larger business poised to grow its share of the Food & Beverages market, with a broader exposure to the attractive and fast growing FMCG sector.

The merged consumer business will also benefit from a combined reach of over 200 Million households, a broader portfolio, deeper distribution, enhanced innovation capabilities, as well as a strong product pipeline. In addition, the new consumer entity expects to achieve substantial revenue and cost synergies, which will add value to its shareholders.

The final approval on the merger came through in February 2020 and Tata Consumer was formed. The appointed date of the merger is 1st April 2019.

We are among the Top 5 listed FMCG players basis revenues in F&B and among the Top 10 basis F&B revenues in India.

Strategic Priorities

Tata Consumer is a fast-growing F&B company – with the second largest presence in Tea globally, a leadership position in the Salt category in India and a growing portfolio of other products (India – Pulses, Liquid Beverages, Coffee, Spices and Ready-to-Eat; International – Coffee). We are committed towards delivering high-quality, innovative, tasty and convenient products with goodness and care at their core.

Post the merger, we have leapfrogged in our journey to gain scale in the FMCG space with a larger portfolio of F&B products. We remain aligned to our five stated strategic pillars:

- **Improving Execution and Operational Effectiveness**
  We are focused on realising synergies through effective integration between two businesses. We are exploring alternate business structures to improve profitability. We are efficiently managing spends, including commodity costs and building efficiencies across the value chain.

- **Rejuvenating the Base Business**
  We continue to invest in our core brands in F&B for building sustainable and profitable growth. We are focusing on brand building, premiumisation, distribution and developing alternate channels for growth.

- **Investing for Growth**
  We are piloting new launches and categories by leveraging a differentiated offering and a 'right-to-win' strategy to build a larger play across different markets successfully.

- **Driving Innovation**
  We are capitalising on industry trends to serve consumer needs specific to markets and geographies.

- **Reviewing Portfolio Options**
  We are realigning capital investments to markets/businesses with higher growth potential and ability to generate sustainable returns. We are exploring additional avenues for growth.

Management Discussion and Analysis (continued)

- **Investing in People**
  We remain committed to investing in building people capabilities and creating a sustainable high-performance work culture.

Key Strategic Developments

During the year under review, we continued to invest in our core businesses, both in India and across various international markets. We acquired a branded tea business in the state of Rajasthan, India, to expand our distribution and offering. We supported our new innovations for growth through Cold Infusions in the UK, Australia and Canada, Supers 2.0 in Canada (after the successful stint of Supers 1.0), new line of Coffee blends in USA (Barista and Flavors of America) – to name a few.

As part of our portfolio review, we exited our Czech business to focus on core growth markets. We also initiated the process to acquire a 50% stake of our JV partner PepsiCo in NourishCo Beverages, which is in line with our ambition to create a larger portfolio in the F&B industry in India. On the completion of this acquisition, NourishCo Beverages will become a fully owned subsidiary of Tata Consumer.

We are focused on realising synergies through effective integration between two businesses.

COVID-19 Impact on Tata Consumer

In the last month of FY 2019-20, our business was impacted by the lockdown issued by the various governments across the globe to arrest the growth of COVID-19 cases. We saw a mixed response across our different businesses – panic buying and closure of restaurants led to a spike in retail and online sales for both our Indian and International branded businesses, while food service sales were impacted significantly.

While we managed production and supply chain operations internationally; we faced logistical challenges in the Indian market with limited availability of workers (including due to large scale migration to home states), restriction in movement of transport and time taken to streamline operations of retail stores, including modern trade and e-commerce. The situation has however progressively improved with measures taken by the Government of India leading to higher market openings and easing of supply constraints. We have also partnered with e-commerce and delivery players in India to ensure direct reach to our customers wherever possible.

Tata Starbucks saw the closure of stores from mid-March. Some of the stores opened for deliveries only from the last week of April 2020 onwards. The Plantations operations (subsidiary Tata Coffee and associate companies APPL and KDHP) were also shut down, but have resumed operations in April, albeit with a lower number of workers to start with, and are now fully operational.

SCOT Analysis

Strengths & Challenges

We have leading positions in the Tea and Salt segments in India and these businesses will continue to contribute to a significant share of our revenue growth in the next few years. We are leveraging our distribution strength, operational excellence and brand loyalty to build future businesses, which have the potential to become large platform plays in their specific market categories (including Packaged Foods, Liquid Beverages, Out-of-Home, as well as newer categories under exploration). We are further strengthening our sales network and using technology to improve our execution capabilities. The integration of the Beverages and Foods businesses in India has the potential to realise both revenue and cost synergies, while providing a platform for accelerated growth in the future.

We are leveraging our sales and distribution strength, operational excellence and brand loyalty to build future businesses, which have the potential to become large platform plays in their specific market categories.

Our leading International plays – Tetley and Eight O' Clock – are heritage brands and have built a loyal customer base. These brands operate primarily in developed markets with lower growth rates and a declining black tea category. Our last few innovations (Supers, Cold Infusions, Barista Blends) have met with good consumer response and we are fast-tracking the process to launch in different markets (to gain a head-start against competition) and actively building innovation pipeline. At the same time, we are also investing in the brands to ensure long term health of the business. We are also intensifying efforts on restructuring our cost base to ensure improvement in operational efficiency.

Among our B2B businesses, our extraction business (both Tea and Coffee) have performed well and enjoys healthy margins. In Tata Coffee, our freeze-dried plant in

Vietnam performed well and has already reached over 80% capacity utilisation by the end of the first year of operation. However, our plantations business has suffered in the last few years due to adverse weather conditions, including floods, pest attack and lower commodity prices. Going forward, we believe that the long-term fundamentals of the business would remain strong and we will continue to evaluate various options to improve efficiency.

Opportunities & Threats

All our businesses have vast opportunities, both in India and International markets as existing trends in health & wellness and convenience create new consumer needs and market opportunities. We are preparing to leverage this through focused expansion of the sales and distribution systems in India and scale up and improve our robust supply chain. Premium product offerings and new market models are also being developed. We are also looking at opportunities to expand our India products in the international markets, where we have a presence to cater to both the ethnic food aisles and the needs of the Indian diaspora.

The key threats for our businesses include changing preference of consumers, commodity prices and currency volatility as well as concentration of retailers in developed markets. The current COVID-19 crisis provides opportunities with likely increase in the in-home consumption. However, parts of our business, which cater to out-of-home consumption, have been adversely impacted. We run multiple factories and operations across the world and engage with workers daily. Employee and support systems safety is a key focus in this environment. Though we have plans to ensure business continuity at every level, the continuation of the crisis can have long term demand and supply implications, which is difficult to predict at this point in time.

Growth Drivers

India

Beverages

The year 2019-20 saw the India Beverages business deliver strong volume and revenue growth of ~7% despite slowdown in category growth. During the year, we completed the acquisition of the branded tea business of Dhunseri Tea Ltd. ('Lal Ghoda' and 'Kala Ghoda'). Lal Ghoda is the leading premium tea brand in Rajasthan (market dominated by local players and where Tata Consumer had a very small presence). On the organic front, we continued to invest behind our premium brands portfolio – Tata Gold, Chakra Gold and the re-stage of Tata Tea Premium. Building on the health & wellness and convenience trends, we pilot launched two new products – Tata Tea Tulsi Green Tea and Tata Tea Quick Chai Lite (3 in 1 tea mix with 'low sugar' variant to make boiled tea). During the year, we also opened the seventh store of Tata Cha in Cunningham Road, Bangalore.

Foods

The India Foods business (erstwhile Consumer Products Business of Tata Chemicals/CPB) delivered a revenue growth of 12%, in the year, led by the Salt and the Pulses portfolio. We supported the core Salt business with differentiated campaigns. Pulses delivered good growth and Spices is now finding the ground. We also test launched a host of new food product categories in the e-commerce outlets, including Nutrimixes (Chilla), Poha, Chutney, Organic Pulses and Sattu.

We test launched a host of new food product categories in the e-commerce outlets, including Nutrimixes (Chilla), Poha, Chutney, Organic Pulses and Sattu.

Joint Ventures

NourishCo

NourishCo Beverages, our water and other liquid beverage business in India, performed below expectation, led by muted growth of Tata Gluco Plus, mainly due to temporary supply challenges. While it was resolved in May, we however ended up missing a part of the peak summer season.

Our Himalayan Glass Bottle (launched to capitalise on the trend of increasing consumer concern for plastic bottles, especially in fine dining restaurants and hotels) continues to perform well.

Our Tata Water Plus PET bottle delivered strong profitable growth, as we expanded distribution by leveraging our Tata Gluco Plus footprint in the markets of Andhra Pradesh, Telangana Tamil Nadu and Odisha.

The overall business of Nourishco was impacted due to COVID-19, as a significant portion of our March sales did not happen due to the lockdown. The situation is gradually coming back to normal, as the lockdown is easing across the country.

Both our Himalayan Glass Bottle and Tata Water Plus PET bottle performed well during the year.

Management Discussion and Analysis (continued)

Tata Starbucks JV

Tata Starbucks, our 50:50 JV with Starbucks, improved sales by 21% in FY 2019-20 with robust in-store performance and new store openings (opened 39 new stores in the current fiscal versus 30 stores in FY 2018-19). We are now present in 11 cities in India (with expansion to Ahmedabad, Surat and Vadodara this year). The total store count is 185, as on 31st March 2020. The business was impacted in the last quarter due COVID-19 and a number of store openings that were scheduled in March 2020, had to be postponed. By the end of May 2020, we had ~60 stores opened for takeaway and deliveries in 10 out of the 11 cities we are present in.

International

During the year, the International Beverages business grew by 0.4% on constant currency basis (excluding the Czech Republic, which we exited during the year) amidst a declining tea industry. We achieved a volume growth of ~1% and ~4% in the International branded Tea and Coffee businesses, respectively. We made concerted efforts to drive product innovation and attract new consumers to the Tetley and Eight O' Clock brand umbrella.

USA

In USA, the Eight O' Clock brand completed 160 years of existence and to mark the occasion, we launched a new line of products under the Brand with a differentiated packaging – Barista Blends and Flavors of America – as compared to our base portfolio. We also introduced a new value coffee brand (Early Riser) to compete in a different part of the coffee shelf in the West Coast – the Can segment, where we are currently absent. During the year, we also launched the Indulgence Blends (a delectable blend of four chocolate flavoured coffees) to celebrate holidays and special occasions.

UK

In the UK, we continued to support our new product launch – Cold Infusions – during the summer season. The Cold Infusions category continues to grow despite increased competition and is now ~1% of the overall category and growing by ~25%. During the year, we also launched the new marketing campaign #NowWereTalking, to strengthen our brand position in Tea.

Product innovations, along with differentiated marketing campaigns, are helping bring new customers to our brand and improving brand salience in our international markets.

Canada

In Canada, we launched the next line of Supers (our range of teas fortified with vitamins and minerals) – Supers 2.0 – supported by a media campaign. Supers continues to drive growth, both for us and the overall non-black tea category. By the end of the financial year, it had a monthly share of ~3.9% in the non-black category.

Other markets

We also launched Cold Infusions in Australia under the Tetley brand with a new campaign 'Thirst Tea?' featuring popular comedian and actor Celia Pacquola. The Cold Infusions segment is one of the fastest growing segments in the tea category, representing 7% of the total tea category in just one year.

As mentioned earlier, we exited our 100% stake in TGB Czech.

This year, we also focused on launching and expanding our ethnic brands aimed at the South Asian diaspora across different markets under different brands like the Tata Tea Export portfolio (Tata Tea Gold and Tata Tea Premium), Tetley Ethnic range in the UK and Flavors of India in USA (Masala, Ginger and Cardamom flavours) and Good Earth Ayurveda Teas in USA.

Tata Coffee (including Vietnam business)

Tata Coffee's revenues in FY 2019-20 grew by 19% owing to the commercialisation of the freeze-dried plant in Vietnam (reaching over ~80% of capacity utilisation by the end of the fiscal) and the improved performance from its coffee and pepper plantations.

Sustainability

Sustainability remains key to the Company's Vision and Purpose.

- We are committed to sustainably sourcing all our teas and encourage our supply chain partners to follow sustainable agricultural practices to earn the certification of the Rainforest Alliance (international markets) and trustea programmes (India). All the Tetley tea is 100% Rainforest Alliance certified in the international markets since 2016.
- Tata Consumer supports affordable healthcare to over 1,00,000 tea community members annually through its hospitals in Munnar (Kerala) and Chubwa (Assam). These hospitals have treated over five Lakh patients in the past five years. We are now initiating partnership with Tata Chemicals to improve the lives of the communities in Gujarat.

- One of our other flagship projects is 'Project Jalodari'. It is a water management programme that aims to create sustainable water sources, raise awareness and build capacities on water and sanitation in the communities of Himachal Pradesh and Assam.
- In line with regulations, we are committed to reducing the impact of plastic packaging on the environment by managing the plastic waste we generate through packing of tea, and also by shifting towards sustainable packaging for our products. During the year, we scaled up the recyclable packaging of Tata Salt products to cross 21%. We also conducted pilot tests for recyclable packaging for the India Tea business in Goa and received encouraging results.

21%

Of Tata Salt products use recyclable packaging

- We have framed the Extended Producer Responsibility (EPR) for collection and reprocessing of plastic packaging waste on a brand neutral basis across key markets. In FY 2019-20, the India Beverages business achieved 70% collection of plastic packaging waste and the India Food business achieved 98%. The target is to secure 100% collection and disposal of plastic packaging in India by 31st December 2020.
- We joined the UK Plastics Pact in October 2018, which is a collaborative initiative between UK businesses across the plastics value chain, the government and NGOs, to create a circular economy for plastics.
- Tata Starbucks eliminated 100% of its single-use customer-facing plastics, which includes straws, stirrers, cups and lids into compostable poly lactic acid and wood (which is more environment friendly). PET bottles for the water and juices category have been eliminated and moved to recyclable glass packaging across all stores in India.

In FY 2019-20, the India Beverages business achieved 70% collection of plastic packaging waste and the India Food business achieved 98%. Tata Starbucks eliminated 100% of its single-use customer-facing plastics.

Road Ahead

In the short term, we visualise disruption caused by the lockdown, both in India and international markets (the initial panic buying would also normalise). However, over the medium term, with the gradual recovery in economy, we are hopeful that growth will revert to normal levels. As the underlying dynamics change, we will continue to closely monitor the position on ground and prepare ourselves for future trends.

We are at a pivotal stage in our India journey to leverage the combined platform of the Foods and Beverages businesses to drive incremental growth and deliver cost efficiencies. This year, our teams focused on ensuring smooth Day One transition after we received formal approvals in February 2020. In the upcoming financial year, we will focus on successfully integrating the two businesses and driving efficiencies and synergies, both, on the top-line and costs, within the Tata Consumer system. The key objectives of the exercise will be: (i) to create a common integrated organisation structure; (ii) to combine and upgrade our Sales & Distribution network; and (iii) to maximise synergies and growth opportunities in our existing and new categories.

In the upcoming financial year, we will focus on successfully integrating the two businesses.

We are in the process of acquiring the 50% shareholding of PepsiCo in the JV NourishCo Beverages. We are confident about the growth potential of the business and believe it can contribute meaningfully to the Company's financials in the next few years.

In the international market, we will continue to focus on innovation to build our non-black tea portfolio and coffee. We are also closely monitoring costs across the supply chain, to further build efficiencies, which could then be invested back in the business to build growth.

The next year will be important for our non-branded/B2B business as it will be the first full year of operations for our Vietnam plant and will add incrementally to both top-line and bottom-line. However, we will have to watch out for the commodity prices that might see some swings due to the impending COVID-19 crisis the world over.

INDUSTRY AND BUSINESS OVERVIEW

India

The total organised Indian F&B industry is expected to be ~Rs. 4,00,000 Crores market as on 2019 and projected to grow by 2.5x to ~Rs. 10,00,000 Crores by 2025 (CAGR of 16%) – leveraging India's favourable demographic (1.4 Billion strong population, rising income levels and higher urbanisation). The F&B segment constitutes ~30% of household spending and is expected to sustain the wallet share, going forward.

Beverages

We operate in the sub-categories of Tea (Tata Tea, Tetley, Gemini, Lal Ghoda, Kala Ghoda and Teaveda), Coffee (Tata Coffee Grand) and Water (Himalayan, Tata Gluco Plus, and Tata Water Plus).

Industry Overview

Tea

The Indian tea market is estimated to be ~Rs. 26,000 Crores, with unbranded being 30-35% of the overall market (by value). Tea is the favourite Indian beverage and we continue to see growth across all tiers through upgradation from loose to economy branded tea and movement up the chain to premium and super premium teas. Black tea is the predominant sub-category, with high customer preference for the taste of boiled milk tea. Green tea is estimated to be ~3% of the branded category and is growing at 12.5%. Health & wellness continues to be a strong trend and consumers are also looking at functional benefits from their cup of chai (such as Ayurveda Tea and Tulsi Tea).

There is a re-emergence of tea cafés in urban centres in the last few years, which is helping reinvent the tea culture, provide a comfortable venue compared to tea stalls and serve as an alternative to coffee chains. Tea cafés like Chaayos, Chaipoint and our own Tata Cha are becoming prominent. There is an increasing potential base of consumers, who see tea as fashionable and are getting familiar with different varieties of tea.

Coffee

The branded retail coffee market in India is estimated at ~Rs. 2,750 Crores in 2019. Instant coffee is the largest sub-segment and is ~80-85% of the category and growing as consumers look at convenience. We are also witnessing the emergence of artisanal and gourmet premium coffees – estimated to be ~5% of the organised market. In terms of at-home consumption, we see different consumer behaviours in the South and Rest of India segments. In the Rest of India, coffee is an aspirational product and there is preference for instant coffee, especially during winters. On the other hand, in the South, we see regular consumption of both instant and Roasted & Ground (filter coffee).

Water

Water is the second largest beverage sub-category after Tea in India (globally it is the largest sub-category in the Beverages market). The current size of the packaged water market in India is ~Rs. 17,000 Crores, growing at a CAGR of 12%. Fruit-based beverages is a ~Rs. 8,250 Crores category, growing at a CAGR of 10%.

Within the packaged drinking water category, we were one of the first players to launch naturally sourced mineral water in India through our brand Himalayan, and continue to enjoy a leadership position. We also entered the functional and fortified water space with Tata Gluco Plus and Tata Water Plus.

Industry Outlook

The COVID-19 pandemic has resulted in short-term disruptions in the industry, especially for out-of-home consumption. Even for essential products like Tea and Coffee, there will be supply challenges before things get normalised. In the short term, we will also see consumers getting more value conscious and hence, the growth dynamics will change across the different tiers (economy/premium).

However, long-term drivers remain robust and expect continued expansion of the categories. There is an opportunity to grow, driven primarily by distribution expansion (including into white space geographies like Rajasthan, with the acquisition of Lal Ghoda and Kala Ghoda) as well as through new product innovation.

NO. 1

Tea company in the Indian market by volume and No. 2 by value.

Business Performance

Tea

We are the market leader by volume (~19.7%) and the second largest player in value terms (20.0%) in India (Source: Nielsen). We maintained the pace of volume and revenue growth in the financial year despite the slowdown in category growth rate. Tata Consumer also

took the top spot as the fastest-growing tea company in modern trade (growing channel in the Indian Consumer landscape) backed by differentiated strategy and strong team execution.

This year, we continued to invest in our portfolio of premium brands – Tata Tea Gold, Chakra Gold and Tata Tea Premium.

The year also marked inorganic acquisition of the branded tea business of Dhunseri Tea – Lal Ghoda and Kala Ghoda. The acquisition is in line with our strategy to explore additional avenues for growth – especially in markets like Rajasthan, where Tata Consumer has a minor presence. The integration of the business with systems and processes of Tata Consumer is on track and the business delivered is as per expectations.

Tata Tea Gold partnered with IIFA 2019 as the Official Brand Partner, to launch #DilKiSuno stories as part of the brand's 'Dil ki Suno' campaign, which attempts to bring alive the inspiring stories of consumers, who have listened to their hearts and paved their own path.

We did hyperlocal campaigns for Tata Tea Premium and Tata Tea Chakra Gold. The intent was to disrupt the category by celebrating regional pride and creating a State specific communication plan including media choices. We did a restage for Tata Tea Premium with an integrated campaign, including the creation of a region-specific pack, trade message and marketing campaign by tapping into local/regional-level insight for the states of Delhi, UP, Punjab and Haryana.

In the South, our regional brand Kanan Devan ran the 'Pure & Natural' campaign to build awareness against adulterated teas and its harmful impacts by TVC and press articles across publications.

The Spice Mix portfolio (Tata Tea Elaichi and Masala) continues to perform well in the market and has already exceeded gross sales of Rs. 200 Crores in the current financial year.

We test launched Tata Tea Tulsi Green in Q2 FY20 in Delhi NCR to check consumer response and acceptance of the product. We intend to do a larger rollout in the next financial year.

For our 3-in-1 tea mix product, Tata Tea Quick Chai, which addresses the market for convenience in tea drinking by addressing the taste barrier of boilable tea, we worked on the product formulation in this financial year to create the low sugar variant as well as extended the range to Masala and Cardamom.

We also kick-started the process of sales transformation to create a modernised system that can handle multiple product categories. We have rolled out our Distributor Management and Sales Force Automation software across our distributors, stockists and sales teams. We are happy to report that we are close to completing the rollout across our 1,400 distributors and have noticed good adoption levels.

We have almost completed the fastest rollout of our Distributor Management and Sales Force Automation software across our 1,400 distributors and noticed good adoption levels.

To support our growth, we have also looked at driving cost efficiencies across our supply chain, which is enabled by digitisation. Our digital initiative in blending called 'DigiTea' has contributed significantly to our profitability by providing real-time data of auctions, enabling centralised data on buying across centres and creation of daily buying tracker, as opposed to the previous fortnightly tracker. Similarly, in operations, measures like increase in automation, optimisation of packaging specifications and business waste reduction among others, have contributed to the bottom-line.

NourishCo Beverages, our Liquid Beverages in India, delivered mixed results. Our star performer Tata Gluco Plus had muted results in FY 2019-20 as we suffered from labour related temporary disruption in our Andhra Pradesh factory. This happened during the period of March to May – which unfortunately impacted sales during the peak summer season. Tata Gluco Plus continued its geographical expansion with new plants commissioned in Odisha, West Bengal and Delhi NCR. We also launched a lychee flavoured beverage, which received good customer response.

Himalayan Glass Bottle continues to perform well. However, the overall Himalayan brand underperformed against expectations as the change in distribution system from PepsiCo to Varun Beverages did not yield results as planned.

Tata Cha, our foray in the Out-of-Home beverage space, has increased presence to seven stores in Bangalore. We have been doing menu interventions to drive the number of transactions in the store (for instance, the new monsoon menu). However, given the lockdown situation, we had to delay opening of four of our stores to the next financial year.

Management Discussion and Analysis (continued)

Foods

Industry Overview

The organised Indian Staples industry is ~Rs. 88,000 Crores in 2019. It is largely unorganised, with the share of branded players at less than 10%.

Salt

Within the Staples category, the Indian Salt market is estimated to be ~Rs. 7,000 Crores with unorganised players forming ~12% of the category by volume (a stark difference to the rest of the category). The growth drivers for branded play remains the increasing awareness of better product quality, visible purity and iodine content. We compete in the category with Tata Salt (vacuum evaporated salt sold nationally) and I-Shakti salt (lower priced solar evaporated salt normally sold in South). Our supply partners, Tata Chemicals have the largest manufacturing facility for producing vacuum evaporated salt in India. We are seeing a growing trend of health & wellness with consumers making conscious choices by selecting better-for-you options (such as lower sodium content in Tata Salt Lite, Iron and iodine fortification in Tata Salt Plus). Specialty salts like rock salt and black salt have increased presence in modern format stores.

Pulses

India is the largest producer, consumer and importer of pulses. The total Pulses and Derivatives industry is estimated to be ~Rs. 1,50,000 Crores in FY 2018-19 with only 1% of the segment being branded. The low penetration is primarily led by a host of factors including low perceived value addition by packaged players (leading to consumers unwilling to pay price premium) and low consumer concern regarding adulteration in unbranded. However, the trend has been changing in the last few years with consumers preference for better quality packaged products, launch of differentiated products (such as Tata Sampann Unpolished dals, Tata Sampann Low Oil Absorb Besan, an organic range of pulses) and growth in the number of organised players entering the category (and thereby, expanding the base). Tata Sampann is the first national branded player in this category.

Spices

India is the world's largest producer, consumer and exporter of spices and accounts for almost half of the global spice trade. The total Spices industry is worth ~Rs. 60,000 Crores, with the branded Spices industry, estimated to be ~Rs. 18,000 Crores in FY 2018-19, is highly fragmented with the presence of many regional players. The branded segment is growing at a CAGR of ~15%. Straight/Pure Spices form ~80% of the segment (with a high-competitive intensity from unorganised players), while blended spices are mainly branded with consumers choosing to be brand loyal. However, there is an increasing demand for branded products, with consumers looking at improved quality products in straight/pure spices (with better quality of raw materials used) and increasing adoption of blended spices in the kitchen (higher convenience and consistency of taste).

Snacks/Ready-to-Cook

Snacks/Ready-to-Cook is an Rs. 40,000 Crores segment with a high share of branded play (Ready-to-Cook is all-branded in comparison to Snacks). The growth is being driven by more players entering the segment and offering consumer different taste choices including healthier food and convenience (such as Tata Sampann Chilla Mix).

Industry Outlook

We expect the current trends to continue and the demand for the branded products in the staples category to grow at a strong pace. The disruption caused due to COVID-19 is likely to further accelerate the adoption of branded products across the Staples and Spices category as customers are now preferring more branded products than loose and local options.

Business Performance

The Foods Business witnessed robust growth of 12%, in FY 2019-20, led by the flagship brand Tata Salt and Pulses and Spices through the Tata Sampann brand.

Tata Salt is the market leader in the branded salt category with significant share of ~30% of the entire category (as per Nielsen). During the year, Tata Chemicals also increased the Salt manufacturing capacity in its Mithapur plant from 1 Million tonnes to 1.2 Million tonnes – which will provide support to Tata Consumer's ambition in growing the business. Tata Salt won its first ever metal (Bronze) at The EFFIES 2020 Awards for the campaign 'Sawal Kijiye Apne Namak Se' (Question your salt), which was launched to educate consumers about the quality of their salt.

12%

Growth in Foods business in FY 2019-20

The year saw good performance by Tata Sampann Pulses and Besan, as we strengthened the sourcing, packing and supply chain model to improve our efficiencies. The Tata Sampann Spices segment witnessed marginal revenue growth led by muted performance by pure spices (which contributes significantly to the topline) and a below par performance by blended spices. A variety of campaigns and activations were carried out this year, to seed in the brand message and generate trials. We collaborated with several content creators on digital platforms to expand our digital reach and presence. Radio led activation for spices under Sampann Superchef was conducted in eight major cities reaching out to more than a lakh consumers and actively engaging with more than 60,000 consumers. We also undertook multiple initiatives to communicate our superior proposition on Haldi/Turmeric across various channels.

During the festive season of Diwali, Tata Sampann launched its new digital campaign #LautAayiDiwali, which brings out nostalgic memories of Diwali, celebrating the true taste and essence of the festival.

We are also doing a number of pilots in the new Foods category, such as Nutrimixes/Chilla, Poha (High Fibre White Rice and Red Rice), pulse based snacks and low sugar Tata Nx, to name a few. The aim is to do a limited launch in select channels (across e-commerce/ modern trade format outlets) or select geographies with some awareness drive to get customer feedback on the product and gauge levels of customer acceptance (repeat buy) before a larger national roll out.

Digital transformation initiatives were also implemented across the value chain including revamping our Distribution Management software to make it more robust, and installing it across our 600 stockists. We also initiated pilot of Transport Management System software and will be scaling it up across locations in the next financial year. We have also started digital platform NutriKorner, to engage with our customers on food and health along with the establishment of the brand message.

We are piloting new products in the Foods category, such as Nutrimixes/Chilla, Poha (High Fibre White Rice and Red Rice), pulse-based snacks and sugar replacements like Tata Nx.

International

Beverages

Industry Overview

Tea

As per Euromonitor estimates, global hot tea category is a ~USD 45 Billion industry. Black/Everyday black tea forms the largest category sub-segment globally – but is declining across different international markets. Non-black tea (Green, Fruit & Herbal, Decaf, Specialty, Cold Infusions etc.) is growing and in some markets like Canada, has become larger than black tea. However, a similar growth profile may not be seen across the different non-black segments. For instance, green tea has started witnessing softening of growth/decline in some markets.

Health & wellness is one of the key focus areas of the industry. There is an increasing number of new launches with active health claims, such as Gut Health and Sports & Recovery (Tetley Super Teas also leverage on this trend). Consumer perception with respect to macronutrients in relation to health are evolving as media/science dictates what is good for body like no sugar, good carbs, low sodium (Tetley Cold Infusions was launched with an alternative offer of low sugar hydration).

Coffee

Retail hot coffee is ~2x the size of Tea at USD 88 Billion. USA is the largest coffee market – estimated at ~USD 12 Billion – and has also been leading growth in the category.

Coffee has four sub-segments: Roast & Ground, Beans, Pods and Instant Coffee. Affordable ground and instant formats are more prevalent in early stage markets like Asia, Africa and the Middle East (where Tea is the primary beverage of choice) while Roast & Ground and Pods are more prevalent in countries with an evolved café culture. Our largest play in coffee is in USA with the Eight O' Clock coffee brand.

The USA market has been witnessing a slowdown of growth and an increase in competitive intensity. The growth is either being driven by: (i) premium/food service brands (such as Starbucks and Dunkin Donut) that are over-investing in promotions/discounts; (ii) small niche brands that are capitalising on trend of artisanal, single-origin coffees; and (iii) private label (retailers look at SKU rationalisation and restrict shelf choice to a few select brands).

Consumers are looking at authentic and premium choices in coffee, and there have been several new launches targeting the trend (like we launched Barista Blend and

Management Discussion and Analysis (continued)

Flavors of America). Consumers are also more conscious about their choices and want to select healthier options.

Industry Outlook

With the increase of COVID-19 cases and closing of bars and restaurants, consumers have started stockpiling on tea and coffee in their pantries, which led to overall growth in category (including declining segments like everyday black in the UK). However, this growth is expected to decline in the next few weeks, as countries look to lift the lockdown and the situation returns to normalcy.

The international markets are seeing an upsurge in the in-home consumption and will positively impact our businesses, if sustained. We will continue to focus on innovation led growth.

We launched two unique lines of coffee blends under Eight O'Clock, with a new packaging – Barista Blends and Flavors of America.

Business Performance

USA

On the eve of the 160th anniversary of our Eight O' Clock coffee brand in USA, we extended the brand with two new unique lines supported by new packaging – Barista Blends and Flavors of America. While Barista Blends allows consumers to make their home the coffee house, the seven new star-spangled creations of Flavors of America celebrate the great flavours associated with various states in the US. Both new Eight O' Clock lines were crafted coffees made with 100% Arabica beans that are uniquely roasted and blended with flavours to deliver an enhanced coffee drinking experience.

We launched the ethnic range of Tetley in three flavours – Masala, Elaichi (Cardamom) and Ginger in USA. This is the first time a mainstream tea brand is disrupting the tea category by offering an authentic chai experience in a tea bag format. In the US, we also launched a range of Ayurveda inspired Teas under our Good Earth brand in three flavours – Calm (peppermint tea with floral notes from hibiscus and beautifully balanced with zesty lemon balm), Peace (chamomile tea blended with sweet cinnamon and a touch of zesty orange peel) and Warmth (lively kick of ginger and sweet earthy notes from holy basil and spearmint).

We launched the ethnic range of Tetley in three flavours in USA. This is the first time a mainstream tea brand is disrupting the tea category by offering an authentic chai experience in a tea bag format.

UK

In the UK, the focus was to scale up the new product launch – Cold Infusions (with four new blends) – as well as to strengthen our core business with a new marketing advertisement. Cold Infusions is the fastest growing category within the Tea segment (though on a smaller base) in the UK, and has been doing very well (has already reached ~1% of overall category). We brought four fruit and herbal infusions (Raspberry & Cranberry, Peach & Orange, Mango & Passion Fruit and Mint, Lemon & Cucumber), which were complemented by high impact consumer campaigns (Shake up Water, Wake up Flavour), encouraging consumers to shake up the ordinary. It ran throughout summer with live events, sampling, print, outdoor and social campaigns.

We also launched a new campaign for Tetley – 'Now We're Talking'. The campaign kicked off with a witty and heart-warming TV commercial featuring the antics of a cat with attitude and a lovable dog. The advertisement mirrored the everyday conversations people have on their sofas at home – proving that Tetley can get anyone talking.

Six of our Tetley products in the UK have also won the coveted Gold Stars at the Great Taste Awards. The Great Taste Awards, known as the 'Oscars' of the fine Food & Beverages world, is organised by the Guild of Fine Food. Five of our products received one Gold Star each for fantastic flavour (Tetley Green Tea Mint, Super Fruit Boost Blueberry & Raspberry, Extra Strong, Super Herbals Multi Turmeric & Chamomile and Super Herbals Detox Mint Infusion), while Redbush received two Gold Stars ('above and beyond delicious').

This year, we also launched Indian flavours for the South Asian diaspora in different geographies through our flagship brand, Tata Tea. 'Tata Tea Export Portfolio' consisting of Tata Tea Gold and Tata Tea Premium was launched in UK and Europe.

Canada

We extended the Super Teas range in Canada (Supers 2.0) with three new flavours – two in Herbals and one in Green/Matcha. This was integrated with a marketing

campaign run across Canada TV, social media together with in-store shelf advertisement and promoted with a 'Wellness Contest'. Like Supers 1.0, the products line was well received by our customers and drove growth for us as well as the overall Non-Black Tea category in Canada. For the month of March, our share in the Non-Black category moved to ~3.9%. Tetley Super Tea Antiox won the ChickAdvisor 2019 Reviewers' Choice Award.

Australia

We extended the launch of Cold Infusions in Australia with four exciting flavours designed to give water a refreshing twist. The launch was supported by an integrated campaign featuring popular Australian comedian and actor Celia Pacquola ('Thirst Tea?'). Like UK, the Cold Infusions segment is witnessing incredible growth in Australia and is one of the fastest growing in the tea category, representing ~7% of the total tea category in just one year.

This year, we launched our Cold Infusions range in three of our markets (UK, Australia and Canada). It is a fast-growing segment and in some markets like Australia, has already occupied 7% of the total tea segment. We also expanded our Supers range in Canada.

Non-Branded business/B2B

The year saw good performance for the B2B coffee business and showed a growth of ~16%, led by commercialisation of Vietnam Freeze Dried plant and favourable performance by the Tata Coffee Plantation business (higher sales of Robusta coffee). At the 4th Ernesto Illy International Coffee Awards in New York by Illy Caffé, a global leader in Coffee, Tata Coffee's Suntikoppa estate in Coorg won the Best Indian Coffee and was amongst the finalists for global recognition for producing the finest coffee through sustainable means.

Tata Coffee's state-of-the-art freeze-dried coffee plant in Vietnam is operational and has reached over ~80% capacity utilisation. Freeze-dried coffee is a growing segment worldwide in the premium Instant Coffee space. Tata Coffee also launched its e-commerce platform www. coffeesonnets.com that sells three unique variants of luxury single origin specialty coffee named 'The Sonnets –Voice of our estates.' The coffees are directly sourced from two of Tata Coffee's 19 estates located in the Coorg region of Karnataka (Goorghuly and Woshully) and are recognised for growing some of the best Arabica Coffees in the country.

Road Ahead

In the short-term, performance will be impacted by demand from export markets outside India and supply constraints arising out of the COVID-19 crisis. The business outlook is expected to improve gradually as markets normalise.

Others – Tata Starbucks

During the year, we grew the revenues by ~21%. Tata Starbucks kept up the momentum on expanding the store base, and added 39 new stores to reach 185 stores by the end of FY 2019-20 (compared with the 30 new stores opened FY 2018-19). We unfortunately had to phase the opening of some stores to the next financial year, due to the COVID-19 situation in the month of March 2020.

This year, we entered three new cities of Gujarat: Ahmedabad, Surat and Vadodara. All the stores have been very well received by the customers and performance is as per expectations.

In an industry first, Starbucks completed the transition to compostable and recyclable packaging solutions across its stores in India by World Environment Day (5th June 2019) and on-boarded hearing and speech impaired barista partners with a customised learning tool and sensitisation workshops.

Tata Starbucks was recognised as one of the top 100 Best Companies to Work For and top 75 Best Workplaces for Women in India by the Great Place to Work® Institute in 2019. We have achieved 100% pay equity for women and men, a landmark accomplishment that demonstrates Starbucks' commitment to gender equality globally. Tata Starbucks continues to create opportunities for female partners, boosting the share of female partners from 14% in FY 2013-14 to 29% in FY 2018-19 and plans to increase the share to 40% by FY 2021-22.

We also witnessed a very healthy jump in the usage of our loyalty programme, which now forms ~31% of our revenues, out of which 10% is through mobile tender.

Tata Starbucks was recognised as one of the top 100 Best Companies to Work. It also achieved 100% pay equity for women and men.

Management Discussion and Analysis (continued)

Road Ahead

In the short term, store reopening and ramp up will be impacted by the pace at which normalcy is restored in the economy and the return of consumer confidence. We are exploring additional revenue models including delivery and open pick up systems. There will be renewed focus on delivery and expanding the loyalty programme and usage of mobile tender as we prepare ourselves for the post COVID-19 world.

FINANCIAL REVIEW

The Consumer Products Business of Tata Chemicals comprising of the business under the brands; Tata Salt and Tata Sampann merged with Tata Consumer w.e.f. 1st April 2019. The aforesaid SBU is being referred to as 'India Foods' in this segment.

Pursuant to the merger, we have acquired Net assets of Rs. 6,099 Crores as at 1st April, 2019, which includes Goodwill of Rs. 3,563 Crores, Intangible assets (including Indefinite Brands) of Rs. 2,459 Crores and other assets (net of liabilities) of Rs. 77 Crores. Consolidated Financials for the year include the full year impact of India Foods business performance including the addition of net assets as at 1st April 2019 mentioned above.

Consolidated Business

Key Financials

- **Revenue from operations** at Rs. 9,637 Crores, higher than the previous year by 33% (including the impact of merger of India Foods business). On a like to like basis, the Group revenues have grown by 4% with volume growth in both India and International branded beverages businesses.
  - India Beverages business grew by ~7% both in volume and value terms.
  - India Food business grew by ~12% with all business segments growing led by Salt and Pulses.
  - International business, excluding Czech business (exited during the year), grew by modest 0.4% with a volume growth of ~1% and ~4% in the International Branded Tea and Coffee businesses, respectively.
- **Earnings before interest, taxes and Depreciation & Amortisation** (EBITDA) at Rs. 1,310 Crores, higher than the previous year by 56%. On a like to like basis, EBITDA excluding India Foods business and impact for revised lease accounting, increased by ~12%.
- **Profit before exceptional items and taxes** (PBIT) at Rs. 1,084 Crores, higher than the previous year by 41%. On a like to like basis, PBIT increased by 6.5%.
  - Profits from the India beverage business increased, excluding non-recurring gains in previous year, with higher spends on brand building
  - Profits from India Foods, excluding amortisation charge on intangible assets of ~Rs. 43 Crores (arising out of merger), marginally declined with higher investments behind brands for long term health of business
  - Significant improvement in profits in the international business with gross margin expansion, due to better management of commodity costs, and cost reduction initiatives across businesses (including overheads), which was partly offset by higher advertisement spend to support brands
- **Exceptional items** mainly include costs related to merger of India Foods business and non-cash impairment loss on goodwill relating to businesses in Australia and the US. The accounting impairment has been recognised due to a combination of factors like COVID-19 related impact on specific out-of-home business segments, changes to discount rates due to market conditions and revision in business plan sensitivities.
- **Group net profit** for the year at Rs. 460 Crores, is marginally higher by ~1% than that of the previous year, with higher exceptional items and higher losses from Associates and Joint Ventures due to impact of deferred tax/lease accounting and business disruptions caused by the COVID-19 outbreak in India.
- **Earnings per share** is Rs. 4.99 for the year as compared to Rs. 6.47 in the previous year. EPS for the year is mainly impacted due to higher exceptional items and higher losses from Associates and Joint Ventures despite higher operational profits generated during the year. The Cash EPS for the year is Rs. 11.02 as compared to Rs. 8.07 in the previous year.

Performance Snapshot

The consolidated financial highlights for FY 2019-20 are as follows:

Rs. in Crores

	2020	2019	Change
Revenue from operations	**9,637**	**7,252**	**33%**
Operating profit before depreciation and amortisation (EBITDA)	1,310	837	56%
EBITDA %	13.6%	11.5%	2.1%
Operating profit (EBIT)	**1,069**	**715**	**49%**
EBIT %	11.1%	9.9%	1.2%
Profit before exceptional items and taxes (PBEIT)	1,084	768	41%
PBEIT %	11.2%	10.6%	0.6%
Exceptional items (net)	(275)	(33)	725%
Profit before tax	809	735	10%
Profit after tax	**535**	**474**	**13%**
Share of JVs and Associates	(75)	(17)	346%
Group net profit	**460**	**457**	**1%**
Net Profit Margin %	4.7%	6.2%	1.5%

	2020	2019	Change
Net Worth (excluding Minority Interest)	14,907	8,359	78%
Operating Capital Employed	13,145	7,019	87%
Goodwill	7,334	3,785	94%
Brand (Indefinite life)	2,093	-	
Borrowings	1,256	1,141	10%
Cash and Cash equivalents including current investments and ICDs	2,578	1,862	38%
Net Cash/(Debt)	**1,321**	**721**	**83%**

Key Financial Ratios	2020	2019	Change
Return on Operating Capital Employed (RoCE)	8.1%	10.2%	(2.1%)
Return on Operating Capital Employed excluding Goodwill and Brand (Indefinite life)	28.7%	22.1%	6.6%
Return on Net Worth (RoNW) %	3.4%	5.7%	(2.3%)
Basic EPS (Rs./Share)	4.99	6.47	(23%)
Cash EPS (Rs./Share)	11.02	8.07	37%
Debtors Turnover (Days)	32	33	3%
Inventory Turnover (Days)	117	139	16%
Interest Coverage Ratio	14.92	15.64	(5%)
Current Ratio	2.60	2.93	(11%)
Debt Equity Ratio	0.08	0.14	(38%)

Note

Change in Return on Operating Capital Employed (RoCE) and Net Worth (RoNW) is mainly on account of higher Goodwill and Brands (Indefinite life) consequent to merger of India Foods business during the year. However, excluding Goodwill and Brands (Indefinite life), RoCE has considerably improved with higher operating profits.

Management Discussion and Analysis (continued)

Additional Information:

Rs. in Crores

	2020	2019	Change %
SEGMENT REVENUE			
India branded business:			
India Beverages	3,377	3,168	7%
India Foods	2,064	-	-
International branded business	3,226	3,238	0%
Total branded business	**8,667**	**6,406**	**35%**
Non branded business	975	842	16%
Others/Unallocated items	(4)	4	
Total Group Revenue	**9,637**	**7,252**	**33%**
SEGMENT RESULTS			
India branded business:			
India Beverages	465	457	2%
India Foods	266	-	-
International branded business	361	361	361
Total branded business	**1,092**	**734**	**49%**
Non branded business	56	67	(17%)
Others/Unallocated items	(339)	(66)	(1.8%)
Total Group PBT	809	735	10%

Standalone India Business

Key Financials

- **Revenue from operations** at Rs. 5,690 Crores, higher than that of the previous year by 66%. On a like to like basis, the revenue from operations grew by 6%. This was driven by volume growth of ~7% in the Indian branded tea portfolio, which was seen across different type of brands i.e. Economy and Premium. The Food Business grew at ~12% and ~3% in value and volume terms respectively, with all business segments growth led by Salt and Pulses. This year also saw the partial benefit of acquisition of the branded tea business of Dhunseri Tea Limited.
- **Earnings before interest, taxes, depreciation and amortisation** (EBITDA) at Rs. 806 Crores, higher than that of the previous year by 74%. On a like to like basis, EBITDA excluding impact for revised lease accounting and the India Foods business increased by 4%, with a higher brand investment.
- **Profit before exceptional items and taxes** (PBIT) at Rs. 781 Crores, higher than that of the previous year by 36%.
  - On a like to like basis, Profit before exceptional items and taxes declined by 10%. This is lower than that of the previous year mainly on account of higher advertisement spends on brands (especially the premium brands – Tata Tea Gold, Tata Tea Premium and Chakra Gold) to ensure long term health of the business, lower dividend income from overseas subsidiaries and absence of non-recurring gains.
  - The India Foods business delivered a PBIT of Rs. 266 Crores. PBIT, excluding brand amortisation charge of ~Rs. 43 Crores (arising out of the merger), marginally declined with higher investments behind brands for long term health of the business.
- **Exceptional items** of Rs. 52 Crores mainly consists of costs related to the merger.
- **Profit after tax** at Rs. 524 Crores, higher than that of the previous year by 27% mainly due to addition of the India Foods business, lower taxation rate adopted for the year, partly offset by higher exceptional items.

Performance Snapshot

The standalone financial highlights for FY 2019-20 are as follows:

Rs. in Crores

	2020	2019	Change
Revenue from Operations	**5,690**	**3430**	**66%**
Operating profit before depreciation and amortisation (EBITDA)	806	464	74%
EBITDA %	14.2%	13.5%	0.7%
Operating profit (EBIT)	**692**	**432**	**60%**
EBIT %	12.2%	12.6%	(0.4%)
Profit before exceptional items and taxes	781	576	36%
Exceptional items (net)	(52)	-	-
Profit before tax	729	576	27%
Profit after tax	**524**	**411**	**27%**
Net Profit Margin %	9.0%	11.4%	(2.4%)

	2020	2019	Change
Net Worth	10,850	4,444	144%
Operating Capital Employed	7,249	1,047	592%
Goodwill	3,579	-	
Brand (Indefinite life)	2,093	-	
Borrowings	35	5	673%
Cash and Cash equivalents including current investments and ICDs	1475	985	50%
Net Cash/(Debt)	**1440**	**980**	**47%**

Key Financial Ratios

	2020	2019	Change
Return on Operating Capital Employed (RoCE)	9.5%	41.3%	(31.8%)
Return on Operating Capital Employed excluding Goodwill and Brand (Indefinite life)	43.8%	41.3%	2.5%
Return on Net Worth (RoNW) %	4.9%	9.5%	(4.6%)
Basic EPS (Rs./Share)	5.68	6.51	(13%)
Cash EPS (Rs./Share)	9.17	7.08	30%
Debtors Turnover (Days)	19	17	(12%)
Inventory Turnover (Days)	101	140	28%
Interest Coverage Ratio	31.36	44.70	(30%)
Current Ratio	2.97	3.92	(23%)
Debt Equity Ratio	0.00	0.00	-

Note

Change in Return on Operating Capital Employed and Net Worth is mainly on account of higher goodwill and indefinite brands consequent to merger of the India Foods business during the year. However, excluding goodwill and brands (Indefinite life), RoCE has considerably improved with higher profits.

Management Discussion and Analysis (continued)

RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Committee considers the risks that impact mid- to long-term objectives of the business, including those reputational in nature.

The Company has an elaborate risk charter and risk policy defining risk management governance model, risk assessment and prioritisation process. The Risk Management Committee reviews and monitors the key risks and their mitigation measures periodically and provides an update to the Board on Company's risks outlined in the risk registers. The Audit Committee has additional oversight in the area of financial risks and controls.

Additionally, a third-party organisation has benchmarked the Company's risk management practice with various companies in India and globally and pronounced it as a leader in FMCG category. The Company was declared as the winner in the category Best Risk Management Framework & Systems – FMCG, at the sixth edition of The India Risk Management Awards 2020 by CNBC TV-18 and ICICI Lombard. These awards recognise those organisations and teams that have significantly added to the understanding and practice of risk management. It also won the CRO Leadership award 2020 from the UBS Forum.

Tata Consumer won the 'Best Risk Management Framework & Systems – FMCG' at the India Risk Management Awards 2020.

CYBERSECURITY

We devised a three-pronged approach to cybersecurity.

- Ensured strong safeguards that included antivirus and malware detection and prevention, laptop hard-disk encryption, virtual private network to access our applications, and web security to block malicious sites
- Established and solidified, our managed Security Operations Centre (SOC), which provides protective monitoring and speedy response and recovery to any cybersecurity incidents that might happen
- Ensured strong operational safeguards that included end point security, disk encryption, multi-factor authentication (MFA), secure internet access, virtual private network, and strengthened user access management. We have also established and solidified our managed Security Operations Centre (SOC) that provides threat intelligence, protective monitoring and speedy response and recovery to any incidents that might happen by utilising the Security Incident and Event Management (SIEM) tools.
- Implemented a proactive security assessment tool, Security Assessment Framework for Enterprise (SAFE), which provides Enterprise Wide, Objective, Unified, Real Time Cyber Risk Quantification (CRQ) platform. This helps us to assess, analyse and give a score to every IT asset (including, but not restricted to laptops, servers, network connectivity devices) and gives advance visibility of assets at risk and allows us to proactively take actions to eliminate/mitigate it.
- Received a national level award by Data Security Council of India (a not-for-profit, industry body on data protection in India, setup by NASSCOM®) – Cyber Risk Quantification Champion of the Year for demonstrating the largest improvement in a year for the APAC region (~112 companies had participated from the region).

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

We currently have over 2,200 full time employees across all our branded businesses. As we embark on our growth journey with entry into a larger portfolio of the Food & Beverages segment, we improved our people strategy and processes across the following areas to propel this growth.

High Performance Culture

To strengthen the culture of high performance, we enhanced our performance management system to reward employees on performance achievement as well as showcasing behaviours aligned to our values. We ensured stronger cascade of goals and communicated the performance expectations to better align employees to the organisation's goals. We also introduced the concept of 'One Significant Thing', wherein employees get an opportunity to take on a personal goal. This builds a culture wherein the employees as well as the organisation support each other.

Additionally, we rolled out the sales incentive programme in India to enable sales growth by encouraging and rewarding sales employees for their high performance.

Managing Talent

We strive to nurture and develop our employees' skills and capabilities. This is achieved through multiple platforms (internal and external) including academy-based development opportunities, group learning programmes, e-learning platforms, mentoring programmes to name a few.

In line with our objective to develop talent and provide them with opportunities, internal movements were planned across functions and geographies. We held 'FELT Leadership' sessions across all our geographies, to create a workplace that cares for employees as well as builds a deeper understanding of health and safety guidelines. The Management Trainee programme 'Emerging Leaders Plus', is now established as a key programme to build our pipeline for future leaders.

Energising Employees

We continue to leverage employee engagement surveys to gather employee feedback. We also established a stronger, more regular and visible internal communication mechanism with employees across the organisation.

In our last (dipstick) survey, we witnessed a noteworthy progress in three areas – leadership connect, communication of survey results, elements of managing talent, which were identified as global engagement drivers. We continued to action plan and introduce new initiatives to further strengthen employee engagement globally.

Health & Wellness

We actively focused on bringing a shift from reactive healthcare to proactive wellbeing. Globally, our health & wellness focus includes a wellness app, options to savings programme, flexible work hours, employee assistance programmes, mediation/fitness classes, conversation with coaches on mental fitness, enhanced insurance and volunteering activities across all geographies.

Rewards & Recognition

We have a well-established rewards and recognition platform, 'Brewing Brilliance', wherein 4,000+ monetary and non-monetary peer-to-peer rewards were shared globally. We also concluded the 'Perfect Cup' celebrations (our annual awards programme) that recognises individuals and teams, who have contributed significantly across functional areas.

Employer Branding

We actively leverage technology and social media including LinkedIn, Twitter, Glassdoor to strengthen the overall approach and brand presence to deepen our engagement and brand image with potential talent and stakeholders.

The Industrial Relations environment across the organisation has been stable, barring a few negotiations and settlements.

INTERNAL CONTROLS AND GOVERNANCE

Our internal financial control framework is commensurate with the size and operations of the business and is in line with requirements of the regulations. We have laid down adequate procedures and policies to guide the operations of our business. Unit/functional heads are responsible for ensuring compliance with the policies and procedures laid down by the management. Our internal control systems are routinely tested by the Management, Statutory Auditors and Internal Auditors.

The Tata Code of Conduct has prescribed guidelines outlining the key disclosure and governance requirements besides mandating the observance of applicable statutory requirements by us. We cascade these guidelines across all levels in the organisation and observe the same in our stakeholder relationships.

INTERNAL AUDIT

Internal Audit at Tata Consumer is an independent, objective, assurance and consulting activity designed to add value and improve the organisation's internal controls. It helps the Company to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of process, controls and governance.

The Internal Audit function carries out a focused and risk-based annual internal audit plan approved by the Audit Committee, using a 10-factor risk approach. The internal audit primarily focuses on the adequacy of process and controls. The internal audit reports are reviewed by the Audit Committee periodically.

The Internal Audit function at Tata Consumer is differentiated by utilising homegrown data analytics platform Tgo and a mix of various in-house domain specialists in the execution of the annual audit plan.

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2019-2020

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The corporate governance philosophy of your Company ensures transparency in all dealings and in the functioning of the management and the Board. The Company's policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its stakeholders. It has set up a system which enables all its employees to voice their concerns openly and without any fear or inhibition. The corporate governance philosophy of the Company has been further strengthened through the Tata Code of Conduct, Tata Business Excellence Model, Tata Code for Prevention of Insider Trading and Code of Corporate Disclosure Policies.

As a global organisation, the corporate governance practices followed by your Company are comparable with international standards and best practices. As a responsible corporate citizen, your Company had established systems to encourage and recognise employee participation and volunteering in environmental and social initiatives that contribute to organisational sustainability, systematic training, learning and personal growth, conservation of energy and other scarce resources, promoting safety and health of its employees and of the neighboring community etc. These actions have become an integral part of your Company's operating plans and are not meant for building of image or publicity.

2. BOARD OF DIRECTORS AND GOVERNANCE FRAMEWORK

a. Composition & Category of Directors

The Company has an optimum combination of executive and non-executive directors. As on March 31, 2020, the Company has 8 directors and the composition of the Board of Directors is as provided herein. The Chairman of the Board is a non-executive director. 75% of the Board comprises of non-executive directors. In terms of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations")**, at least 50% of the Board should comprise of non-executive independent directors with at least one woman director. The non-executive independent directors constitute 50% of the Board as at March 31, 2020. As on March 31, 2020 the Company has a woman director on the Board who is holding her office as Non-Executive, Independent Director.

During the year FY 2019-20, the following changes in the composition of the Board of Directors have taken place:

- Mr. Bharat Puri and Mrs. Shikha Sharma have been appointed as Non-Executive, Independent Directors with effect from May 07, 2019.
- Mr. Ajoy Misra has retired as Managing Director & CEO of the Company effective close of business hours of March 31, 2020. Mr. Sunil D'souza (DIN: 07194259) has been appointed as the Managing Director & CEO of the Company effective April 4, 2020.
- Mrs. Mallika Srinivasan, Mr. V. Leeladhar and Mrs. Ranjana Kumar ceased to be the Directors w.e.f close of business hours of August 25, 2019, due to completion of their respective terms as Independent Director.

The composition of the Board as on March 31, 2020 is as below:-

Category	Names of Directors	No. of Directors in this category	% of total strength of the Board
Non-Executive, Non-Independent Directors	1) Mr. N. Chandrasekaran, Chairman DIN: 00121863 2) Mr. Harish Bhat DIN: 00478198	2	25
Non-Executive, Independent Directors	1) Mr. S. Santhanakrishnan DIN: 00032049 2) Mr. Bharat Puri DIN: 02173566 3) Mrs. Shikha Sharma DIN: 00043265 4) Mr. Siraj Azmat Chaudhry DIN: 00161853	4	50
Managing & Executive Directors	1) Mr. Ajoy Misra (Managing Director & CEO) DIN: 00050557 2) Mr. L. Krishnakumar (Executive Director & Group CFO) DIN: 00423616	2	25
Total		**8**	**100**

b. Number of Board Meetings and dates on which held

During FY 2019-2020, seven Board Meetings were held. The said meetings were held on April 23, 2019, May 15, 2019, July 31, 2019, August 29, 2019, October 30, 2019, December 20, 2019, and February 04, 2020. The maximum time gap between two board meetings was less than 120 days. Minutes of the meetings of all the Board and Committees are circulated to all the Directors.

c. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting **("AGM")**, name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2020 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 **("Act")**. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

Report on Corporate Governance for the Financial Year 2019-2020 (Continued)

Name of the Director	Number of Board meetings attended during FY 2019-20	Whether attended last AGM held on June 11, 2019	Number of Directorships held in other Public companies		Number of Committee positions held in other Public companies		Directorship in other Listed Companies (category of directorship)
			Chairman	Member	Chairman	Member	
Mr. N. Chandrasekaran	7	Yes	5	-	-	-	• Tata Consultancy Services Limited (Non-Executive, Non-Independent) • Tata Steel Limited (Non-Executive, Non-Independent) • Tata Motors Limited (Non-Executive, Non-Independent) • The Indian Hotels Company Limited (Non-Executive, Non-Independent) • The Tata Power Company Limited (Non-Executive, Non-Independent)
Mr. S. Santhanakrishnan	7	Yes	-	3	1	2	• ICICI Home Finance Co. Ltd. (Debt Listed) (Non-Executive Independent)
Mr. Siraj Azmat Chaudhry	7	Yes	-	2	-	1	• Tata Coffee Limited (Non-Executive Independent)
Mr. Bharat Puri	6	No	-	1	-	-	• Pidilite Industries Limited (Managing Director)
Mrs. Shikha Sharma	5	No	-	4	-	4	• Ambuja Cements Limited (Non-Executive Independent) • Dr. Reddy's Laboratories Limited (Non-Executive Independent) • Mahindra and Mahindra Limited (Non-Executive Independent) • Tech Mahindra Limited (Non-Executive Independent)
Mr. Harish Bhat	7	Yes	1	4	1	-	• Tata Coffee Limited (Non-Executive Non-Independent & Chairman) • Trent Limited (Non-Executive Non-Independent)

Name of the Director	Number of Board meetings attended during FY 2019-20	Whether attended last AGM held on June 11, 2019	Number of Directorships held in other Public companies		Number of Committee positions held in other Public companies		Directorship in other Listed Companies (category of directorship)
			Chairman	Member	Chairman	Member	
Mr. Ajoy Misra*	7	Yes	-	-	-	-	-
Mr. L. Krishnakumar	7	Yes	-	2	-	1	• Tata Coffee Limited (Non-Executive Non-Independent)

* Mr. Ajoy Misra has retired as Managing Director & CEO of the Company effective close of business hours of March 31, 2020 and Mr. Sunil D'souza has been appointed as the Managing Director & CEO of the Company effective April 4, 2020.

Video-conferencing facilities are also used to facilitate Directors travelling / residing at other locations to participate in the meetings.

As required under Regulation 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings, particulars of Directors seeking appointment / re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

The Company has received declarations on criteria of independence as prescribed in Section 149(6) of the Act and Regulation 16 (1) (b) and Regulation 25 (8) of the Listing Regulations from the Directors of the Company who have been classified as Independent Directors as on March 31, 2020.

A Declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, along with a declaration as provided in the Notification dated October 22, 2019, issued by the Ministry of Corporate Affairs **("MCA")**, regarding the requirement relating to enrollment in the Data Bank for Independent Directors, has been received from all the Independent Directors, along with declaration made under Section 149(6) of the Act.

As may be noted from the table, no Independent Director serves as Independent Director in more than 7 listed companies.

Details of equity shares of the Company held by the Directors as on March 31, 2020 are given below:

Name	Category	Number of Equity Shares
Mr. N. Chandrasekaran	Non-Executive Director & Chairman	100,000
Mrs. Shikha Sharma	Independent Director	50,000
Mr. Harish Bhat	Non-Executive Non-Independent Director	413
Mr. L. Krishnakumar	Executive Director & Group CFO	228

Report on Corporate Governance for the Financial Year 2019-2020 (Continued)

e. No director of the Company is related to any other director of the Company.

f. During the FY 2019-2020, Mr. Bharat Puri and Mrs. Shikha Sharma were appointed as Independent Director from May 7, 2019. Mrs. Mallika Srinivasan, Mr. V. Leeladhar & Mrs. Ranjana Kumar ceased to be the Directors w.e.f close of business hours of August 25, 2019, due to completion of their respective terms as Independent Director of the Company.

g. The Board confirms that the Independent Directors fulfill the conditions specified in Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

h. During the FY 2019-20, there was no Director who resigned from the Board of Directors.

i. Familiarisation programme for Independent Directors

The Independent Directors have been familiarized with the Company, their roles and responsibilities in the Company, nature of the Industry in which the Company operates, business model of the Company etc. During FY 2019-2020, Independent Directors were taken through various aspects of the Company's business and operations. The details of familiarization programmes imparted to the Independent Directors during FY 2019-2020 are put up on the website of the Company and can be accessed at https://www.tataconsumer.com/investors/Board-Of-Directors-List/familiarization-programme?reload .

j. The core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively

i) Knowledge – understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates,

ii) Behavioral Skills – attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders,

iii) Strategic thinking and decision making,

iv) Financial Skills,

v) Technical/Professional skills and specialized knowledge to assist the ongoing aspects of the business.

The brief profiles of Directors forming part of this Annual Report gives an insight into the education, expertise, skills and experience of the Directors, thus bringing in diversity to the Board's perspectives.

In terms of the requirement of the Listing Regulations, the Board has identified the core skills/expertise/ competencies of the Directors in the context of the Company's business for effective functioning and as available with the Board. These are as follows:

	NC	HB	BP	SK	SS	SC	AM	LK
Knowledge	Y	Y	Y	Y	Y	Y	Y	Y
Behavioral Skills	Y	Y	Y	Y	Y	Y	Y	Y
Strategic thinking and decision making	Y	Y	Y	Y	Y	Y	Y	Y
Finance Skills	Y	-	-	Y	Y	-	Y	Y
Technical/ Professional skills and specialized knowledge	Y	-	Y	Y	Y	Y	Y	Y

Note: NC- N. Chandrasekaran, HB- Harish Bhat, BP- Bharat Puri, SK- S. Santhanakrishnan, SS- Shikha Sharma, SC- Siraj Chaudhry, AM- Ajoy Misra and LK- L. Krishnakumar, Y-Yes.

k) Compliance Framework:

The Company has a robust and effective framework for monitoring compliances with applicable laws within the organization and to provide updates to senior management and the

Board on a periodic basis. The Audit Committee and the Board periodically reviews the status of the compliances with the applicable laws.

l) Code of conduct

Tata Code of Conduct (TCoC) is a comprehensive written code which is applicable to all employees including the Managing and Executive Directors. The TCoC is augmented by a number of policies that help strengthen governance practices at the Company. These policies include the Anti Bribery and Anti-Corruption Policy, Gifts and Hospitality Policy, Whistle Blower Policy and the Prevention of Sexual Harassment at Workplace Policy. The Company believes in "Zero Tolerance" to any ethical violations, in all forms or manner. The Code lays emphasis amongst other things, on the integrity at workplace and in business practices, honest and ethical personal conduct, diversity, fairness and respect etc.

A separate code of conduct applicable to the Non-Executive Directors was adopted by the Board which include Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Act.

Both Tata Code of Conduct and the Code of Conduct for Non-Executive Directors have been posted on the website of the Company and can be accessed at https://www.tataconsumer.com/investors/Board-Of-Directors-List/code-of-conduct?reload

In respect of FY 2019-2020, all Board members and Senior Management personnel of the Company have affirmed compliance with the code as applicable to them and a declaration to this effect signed by the Managing Director and CEO is provided as Annexure I to this report.

m) Prevention of Insider Trading Code:

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a revised Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices ("Code") in the year 2019-20. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this Code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. Mr. John Jacob, Chief Financial Officer of the Company, is the Compliance Officer under the Code and is responsible for setting forth procedures and implementation of the Code for trading in Company's securities.

n) Formal letter of appointment to the Independent Directors

The Company has issued formal letters of appointment to all the Independent Directors on their appointment explaining inter-alia, their roles, responsibilities, code of conduct, functions and duties. The terms and conditions of appointment of Independent Directors have been hosted on the website of the Company and can be accessed at https://www.tataconsumer.com/investors/Board-Of-Directors-List/terms_and_conditions?reload .

o) Separate meeting of Independent Directors

The separate Independent Director's meeting scheduled on March 24, 2020 was rescheduled on April 28, 2020, due to outbreak of COVID-19. This meeting was conducted through VC without the presence of Non-Independent Directors and members of the management in compliance with Regulation 25 (3) of the Listing Regulations and Schedule IV of the Act. At the said meeting, the Independent Directors, inter-alia, considered the following:

i. Reviewed the performance of Non-Independent Directors and the Board as a whole;

ii. Reviewed the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors;

iii. Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Report on Corporate Governance for the Financial Year 2019-2020 (Continued)

The Independent Directors expressed satisfaction on the performance of Non-independent Directors and the Board as a whole. The Independent Directors were also satisfied with the quality, quantity and timeliness of flow of information between the company management and the Board.

3. Audit Committee

a. Brief description of terms of reference

A qualified and independent Audit Committee has been set up by the Board in compliance with the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Act. The role of the Audit Committee is as under:

i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

ii. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;

iii. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding Rs. 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

iv. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:

(a) Matters required to be included in the directors' responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;

(b) Changes, if any, in accounting policies and practices and reasons for the same;

(c) Major accounting entries involving estimates based on the exercise of judgment by management;

(d) Significant adjustments made in the financial statements arising out of audit findings;

(e) Compliance with listing and other legal requirements relating to financial statements;

(f) Disclosure of any related party transactions;

(g) Modified opinion(s) in the draft audit report;

v. Review of the quarterly and half yearly financial results with the management and the statutory auditors;

vi. Examination of the financial statement and the auditors' report thereon;

vii. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;

viii. Approval or any subsequent modification of transactions with related parties;

ix. Scrutiny of inter-corporate loans and investments;

x. Review of valuation of undertakings or assets of the company wherever it is necessary;

xi. Evaluation of internal financial controls and risk management systems;

xii. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;

xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

xiv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

xv. Consideration of the reports of the internal auditors and discussion about their findings

with the management and suggesting corrective actions wherever necessary;

xvi. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;

xvii. Review the functioning of the whistle blower mechanism;

xviii. Review and monitor the end use of funds raised through public offers and related matters;

xix. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate

xx. Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading Code and supervise its implementation under the overall supervision of the Board;

xxi. Review of the following information:

(1) Management discussion and analysis of financial condition and results of operations;

(2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

(3) Management letters / letters of internal control weaknesses issued by the statutory auditors;

(4) Internal audit reports relating to internal control weaknesses;

(5) The appointment, removal and terms of remuneration of the Chief Internal Auditor;

(6) Statement of deviations:

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus in terms of Regulation 32(7) of the Listing Regulations, if applicable.

xxii. Carrying out any other function as may be referred to the Committee by the Board.

xxiii. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

b. Composition, Names of Members, Chairman, Meetings and Attendance of the Committee during FY 2019- 2020

As on March 31, 2020, all members of the Audit Committee are Non-Executive Directors and four of them, including the Chairman are Independent Directors. All the members of the Audit Committee are financially literate as defined in Regulation 18(1)(c) of the Listing Regulations.

Mr. V.Leeladhar acted as Chairman of the Audit Committee till July 31, 2019 and Mr. S. Santhanakrishnan, who was earlier a member of the Committee was appointed as Chairman of the Audit Committee w.e.f August 1, 2019. He has expert knowledge in accounts & finance, banking, corporate laws and governance matters. He was present at the last Annual General Meeting of the Company held on June 11, 2019.

During 2019-2020, eight Audit Committee meetings were held on April 22, 2019, May 15, 2019, July 30, 2019, August 29, 2019, October 29, 2019, January 20, 2020, February 04, 2020, and March 09, 2020. The Audit Committee Meetings are attended by invitation by the Managing Director & CEO, Executive Director & Group CFO, Chief Financial Officer, Chief Internal Auditor and the Statutory Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

Report on Corporate Governance for the Financial Year 2019-2020 (Continued)

The composition of the Audit Committee and particulars of attendance by the members at the meetings of the Committee held in FY 2019-2020 are given below:

Name	Category	No. of meetings Held #	No. of meetings Attended
Mr. S Santhanakrishnan, Chairman	Non-Executive, Independent	8	8
Mr. V Leeladhar $	Non-Executive, Independent	3	3
Mrs. Ranjana Kumar $	Non-Executive, Independent	3	2
Mrs. Shikha Sharma*	Non-Executive, Independent	5	4
Mr. Bharat Puri*	Non-Executive, Independent	5	5
Mr. Siraj Azmat Chaudhry	Non-Executive, Independent	8	8
Mr. Harish Bhat	Non-Executive, Non-Independent	8	8

#Note: For Number of meetings held against each Director, the number of meetings held during their respective tenure as Committee member is only mentioned.

$ Mr. V. Leeladhar stepped down as the Chairman and Mrs. Ranjana Kumar stepped down as the member of the Committee w.e.f. August 1, 2019.

* Mrs. Shikha Sharma and Mr. Bharat Puri were inducted as members of the Audit Committee w.e.f. August 1, 2019.

4. NOMINATION AND REMUNERATION COMMITTEE

a. Brief description of terms of reference

The Nomination and Remuneration Committee set up by the Board is responsible for:

i. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

ii. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

iii. formulation of the criteria for evaluation of performance of independent directors and the board of directors.

iv. devising a policy on diversity of board of directors.

v. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

vi. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors.

vii. identify Independent Directors to be inducted into the Board from time to time and take steps to refresh the composition of the Board from time to time.

viii. recommending to the Board, the remuneration of Managing and Whole-time Directors, including their annual increment and commission after reviewing their performance.

ix. recommending to the Board, remuneration, payable to senior management.

x. such other matters as may be specified by the Board from time to time.

b. Composition, Names of Members, Chairman, Meetings and Attendance of the Committee during FY 2019- 2020

As on March 31, 2020, the Nomination and Remuneration Committee consisted of four directors, all of whom are Non-Executive Directors. Mrs. Ranjana Kumar acted as Chairperson of the Nomination and Remuneration Committee till July 31, 2019 and Mrs. Shikha Sharma, Independent Director was appointed as the Chairperson of the Committee w.e.f.August 1, 2019.

The Nomination and Remuneration Committee met four times during FY 2019-2020 on April 23, 2019, July 31, 2019, October 30, 2019, and December 20, 2019.

The composition of the Committee and particulars of attendance by the members at the meetings of the Committee held in FY 2019-2020 are given below:

Name	Category	No. of meetings Held #	No. of meetings Attended
Mrs. Shikha Sharma, Chairperson*	Non-Executive, Independent	2	2
Mr. N. Chandrasekaran	Non-Executive, Non- Independent	4	4
Mr. Bharat Puri*	Non-Executive, Independent	2	2
Mr. Harish Bhat	Non-Executive, Non- Independent	4	4
Mrs. Ranjana Kumar$	Non-Executive, Independent	2	1
Mr. V Leeladhar$	Non-Executive, Independent	2	2

#Note: For Number of meetings held against each Director, the number of meetings held during their respective tenure as Committee member is only mentioned

$ Mrs. Ranjana Kumar and Mr. V. Leeladhar stepped down as the Chairperson and member of the Committee respectively w.e.f. August 1, 2019.

* Mrs. Shikha Sharma and Mr. Bharat Puri appointed as the Chairperson and member of the Committee respectively w.e.f. August 1, 2019.

c. Performance Evaluation

Pursuant to the provisions of the Act and the applicable provisions of the Listing Regulations, the Annual performance evaluation was carried out for FY 2019-2020 by the Board in respect of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders Relationship, Corporate Social Responsibility and Risk Management Committees. A structured questionnaire covering various aspects such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared which is broadly based on the Guidance note issued by SEBI vide circular no, CMD/CIR/P/2017/004 dated January 5, 2017.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board who were evaluated on parameters such as guidance/ support to management outside Board/ Committee meetings, degree of fulfillment of key responsibilities, effectiveness of meetings etc. The performance evaluation of the Independent Directors was carried out by the entire Board.

d. Remuneration Policy

The Company's Remuneration policy for Directors, Key Managerial Personnel and other employees is mentioned in the Board's Report.

The remuneration policy followed by the Company takes into consideration performance of the Company during the year and of the Managing and Executive Directors on certain parameters, such as condition of the industry, achievement of budgeted targets, growth & diversification, remuneration in other companies of comparable size and complexity, performance of the

Report on Corporate Governance for the Financial Year 2019-2020 (Continued)

directors at meetings of the Board and of the Board Committees etc.

5. Remuneration of Directors

a) During the year under review, there was no pecuniary relationship or transactions between the Company and any of its Non-Executive Directors apart from sitting fees, commission (if any) and reimbursement of expenses incurred by them for the purpose of attending the meetings of the Company.

b) Non-Executive Directors' compensation and disclosures

The Non-Executive Directors, including Independent Directors, are paid Sitting fees for attending the meetings of the Board and Committees of the Board. The Company pays a sitting fee of Rs. 30,000 per meeting per director for attending meetings of the Board, Audit, Nomination and Remuneration and Executive Committees (Rs. 20,000 in case of Mr. N. Chandrasekaran, Chairman and Mr. Harish Bhat, Non-Executive Director, being employees of other Tata companies). For meetings of all other Committees of the Board (including Special Committee of the Board), a sitting fee of Rs. 15,000 per meeting per director is paid (Rs. 10,000 in case of Mr. N. Chandrasekaran, Chairman and Mr. Harish Bhat, Non-Executive Director being employees of other Tata companies). The Company also pays sitting fees to the Independent Directors for attending the Independent Directors' meeting.

Within the ceiling of the Act, certain Non-Executive Directors including Independent Directors are also paid a commission, the amount whereof is determined by the Board. The basis of determining the specific amount of commission payable to a Non-Executive Director is related to his attendance at meetings, role and responsibility as Chairman/Member of the Board/Committees and overall contribution as well as time spent on operational matters other than at the meetings. The shareholders of the Company at the Annual General Meeting held on July 5, 2018 had approved payment of commission to the Non-Executive directors of the Company for all subsequent financial years commencing from April 1, 2019. No Stock option has been granted to the Non-Executive Directors.

The details of the Commission and sitting fees paid to Non -Executive Directors is given below:-

Rs. in Lakh

Non-Executive Directors' Remuneration	Commission# (Relating to 2019-20)	Sitting Fees
Mr. N. Chandrasekaran^	-	1.80
Mrs. Mallika Srinivasan$	15.00	0.00
Mr. V. Leeladhar$	30.00	3.15
Mrs. Ranjana Kumar$	16.00	2.10
Mr. S. Santhanakrishnan	54.00	6.00
Mr. Siraj Azmat Chaudhry	45.00	5.55
Mr. Bharat Puri*	50.00	3.75
Mrs. Shikha Sharma*	50.00	3.45
Mr. Harish Bhat^^	-	4.80

Payable in FY 2020-2021.

The Commission to the Non-Executive Directors relating to FY 2018-19 was paid in FY 2019-20.

^ As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company.

$ Mrs. Mallika Srinivasan, Mr. V. Leeladhar & Mrs. Ranjana Kumar ceased to be the Directors w.e.f close of business hours of August 25, 2019, due to completion of their respective terms as Independent Director.

*During FY 2019-2020, the Board appointed Mr. Bharat Puri and Mrs. Shikha Sharma as Non-Executive Independent Directors with effect from May 07, 2019.

^^ In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in employment with any other Tata Company. Accordingly, no commission is paid to Mr. Harish Bhat, Non-Executive (Non-Independent) Director.

c) (i) & (ii) The Remuneration details of Managing / Executive Directors are mentioned below:

Rs. in Lakh

	Mr. Ajoy Misra, Managing Director & CEO	Mr. L. KrishnaKumar, Executive Director & Group CFO
Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	295.61	267.13
Allowances and perquisites	97.53	88.57
Contribution to Retiral Funds	38.16	31.42
Incentive	-	-
Stock Option	-	-
No. of shares held	Nil	228
Term of Service Contract	1 year from April 1, 2019	5 years from April 1, 2018
Notice period	6 months	6 months

In addition, both Mr. Ajoy Misra and Mr. L. Krishnakumar drew remuneration (as a part of their Salary and Benefits) of Rs. 69.26 Lakh and 35.35 Lakh respectively during FY 2019-2020 from an overseas subsidiary of the Company.

Note: The remuneration drawn in GBP has been converted into INR at average exchange rate.

(iv) Stock options

The Company has not granted Stock Option to any of its Directors.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

a. Brief description of terms of reference

The Committee's role includes:

(1) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;

(2) Approve issue of duplicate share certificates either at meetings or through circular resolution;

(3) Frame guidelines for waiver of documents / requirements prescribed in cases of:

a) Transmission of shares

b) Issue of duplicate share certificates

c) Recording of updation of signatures by shareholders

(4) Review of measures taken for effective exercise of voting rights by shareholders;

(5) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

(6) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company;

(7) Such other matter as may be specified by the Board from time to time.

The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investor services as and when need arises.

To expedite the process of share transfers, the Board has delegated the power of share transfer to the Registrars and Share Transfer Agent and share transfer are approved by them on a fortnightly basis and placed before the Committee in every quarter.

b. Composition, Names of Members, Chairman, Meetings and Attendance of the Committee during FY 2019- 2020

As on March 31, 2020, the Stakeholders Relationship Committee comprised of 3 members. Mr. V. Leeladhar acted as the Chairman of the Committee till July 31, 2019 and Mr. S. Santhanakrishnan, who was a member of the Committee, was appointed as the Chairman of the said Committee w.e.f. August 1, 2019

Report on Corporate Governance for the Financial Year 2019-2020 (Continued)

The Committee held four meetings during FY 2019-2020 on April 22, 2019, July 30, 2019, October 29, 2019 and February 04, 2020.

The composition of the Committee and details of attendance by its members at the meetings of the Committee held in FY 2019-2020 are given below:

Name	Category	No. of meetings held#	No. of meetings Attended
Mr. S. Santhanakrishnan, Chairman $	Non-Executive, Independent	4	4
Mr. V. Leeladhar$$	Non-Executive, Independent	2	2
Mr. Siraj Azmat Chaudhary *	Non-Executive, Independent	2	2
Mr. L. KrishnaKumar	Executive	4	4

Note: For Number of meetings held against each Director, the number of meetings held during their respective tenure as Committee member is only mentioned

$ Mr. S. Santhanakrishnan, who was already a Member, was appointed as the Chairman of the Committee with effect from August 1, 2019.

$$Mr. V. Leeladhar stepped down as the Chairman of the Committee with effect from August 1, 2019.

* Mr. Siraj Azmat Chaudhry appointed as a member of the Committee with effect from August 1, 2019.

c. Name and designation of Compliance Officer

Mr. Neelabja Chakrabarty, Vice- President & Company Secretary is the Compliance Officer for complying with the requirements of the Listing Regulations.

d. Number of shareholders' complaints received, number solved to the satisfaction of shareholders and number of pending complaints

Given below are the position of queries/complaints and other correspondences received and attended to during FY 2019-2020 in respect of equity shares:

Particulars	Complaints	Queries/ Other Correspondence
For non-receipt of dividend / shares lodged for transfer, demat	13	1979
Other Queries / Requests received from shareholders	5	1819
Queries / Complaints redressed	17	3744
Pending queries / Complaints as on 31/03/2020*	1	54
*Replied in April, 2020		

Every letter received from the investors is replied and the response time for shareholders' queries/correspondences during FY 2019-2020 is shown in the following table:

Particulars	Number	%
Total number of correspondence received during 2019-2020	3816	100.00
Replied within 1 to 4 days of receipt	1499	39.28
Replied within 5 to 7 days of receipt	883	23.14
Replied within 8 to 15 days of receipt	1179	30.90
Replied after 15 days of receipt	200	5.24
Received in last week of March 2020 and replied in April 2020	55	1.44

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

a. Brief description of terms of reference

The Board has constituted a Corporate Social Responsibility (CSR) Committee to look into the following:

(1) formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

(2) recommend the amount of expenditure to be incurred on the activities referred to in clause (1) above;

(3) monitor the CSR Policy of the Company from time to time;

(4) monitor and provide guidance on Company's policies on environment management, social responsibilities, health & safety, product stewardship, community development, principles of managing branded operations, etc.;

(5) provide guidance on welfare activities in and around Munnar.

b. Composition, Names of Members, Chairman, Meetings and Attendance of the Committee during FY 2019- 2020

One meeting of the CSR Committee was held during FY 2019-2020 on October 29, 2019. Mrs. Ranjana Kumar stepped down as the Chairman of the Committee on July 31, 2019 and Mr. Siraj Azmat Chaudharywas appointed as the Chairman w.e.f. August 1, 2019. The composition of the Committee and details of attendance by its members at the meeting during FY 2019-2020 is given below:

Name	Category	No. of meetings Held#	No. of meetings Attended
Mr. Siraj Azmat Chaudhry, Chairperson*	Non-Executive, Independent	1	1
Mr. S. Santhanakrishnan	Non-Executive, Independent	1	1
Mr. Ajoy Misra^	Managing Director & CEO	1	1
Mrs. Ranjana Kumar$	Non-Executive, Independent	-	-
Mr. V Leeladhar$	Non-Executive, Independent	-	-

Note: For Number of meetings held against each Director, the number of meetings held during their respective tenure as Committee member is only mentioned.

$ Mrs. Ranjana Kumar and Mr. V.Leeladhar stepped down as the Chairman and Member of the Committee respectively with effect from August 1, 2019.

*Mr. Siraj Azmat Chaudhary appointed as the Chairman of the Committee with effect from August 1, 2019.

^ Mr. Ajoy Misra on being retired as the Managing Director & CEO of the Company with effect from March 31, 2020 has also stepped down as member of the Committee.

Report on Corporate Governance for the Financial Year 2019-2020 (Continued)

8. RISK MANAGEMENT COMMITTEE

a. Brief description of terms of reference

The Risk Management Committee of the Board of Directors has been entrusted with the responsibility to assist the Board in overseeing and approving the Company's risk management framework. The Company has a comprehensive Risk policy and a Risk Register detailing the risks that the Company faces under various categories like strategic, financial, commercial, operational, IT, legal, regulatory, people, reputational and other risks and these have been identified and suitable mitigation measures have also been formulated. The functions of Risk Management Committee shall inter-alia include cyber security. The Risk Management Committee reviews the key risks and the risk register and the mitigation measures periodically.

The roles of the Committee is as below:

i. Assessing the risk management procedures relating to identification and evaluation of all types of risks, namely, strategic, operational, legal and regulatory, Information systems and external risks that the Company / Group is exposed to;

ii. Review and oversee the risk management, compliance and control procedures;

iii. Review the risk assessment and mitigation procedures;

iv. Recommend to the Board a risk management plan for the company and monitor the functioning of the said plan;

v. Determine and finalize the risks that the Company and that of its subsidiaries are exposed to and review their mitigation measures;

vi. Review the legal compliance system;

vii. Such other terms as the Board may indicate from time to time.

b) Composition, Names of Members, Chairman, Meetings and Attendance of the Committee during FY 2019- 2020

Two meetings of the Risk Management Committee were held during FY 2019-2020 on July 30, 2019 and October 29, 2019. Mr. V. Leeladhar acted as the Chairman of the Committee till July 31,2019 and Mr. Bharat Puri was appointed as the Chairman w.e.f. August 1, 2019. The composition of the Risk Management Committee and particulars of attendance by the members at the meetings held in FY 2019-2020 are given below:

Name	Category	No. of meetings Held #	No. of meetings Attended
Mr. Bharat Puri, Chairman*	Non-Executive, Independent	1	1
Mr. V. Leeladhar$	Non-Executive, Independent	1	1
Mrs. Ranjana Kumar$	Non-Executive, Independent	1	-
Mr. S. Santhanakrishnan$	Non-Executive, Independent	2	2
Mrs. Shikha Sharma*	Non-Executive, Independent	1	1
Mr. Harish Bhat	Non-Executive, Non-Independent	2	2
Mr. Siraj Azmat Chaudhry	Non-Executive, Independent	2	2

Note: For Number of meetings held against each Director, the number of meetings held during their respective tenure as Committee member is only mentioned.

$ Mr. V. Leeladhar stepped down as the Chairman, Mr. S. Santhanakrishnan and Mrs. Ranjana Kumar stepped down as the member of the Committee with effect from August 1, 2019.

* Mr. Bharat Puri and Mrs. Shikha Sharma appointed as the Chairman and member of the Committee respectively with effect from August 1, 2019.

9. OTHER BOARD COMMITTEES

The Board has constituted following other Board committees besides the committees mentioned above:

a) Ethics and Compliance Committee:

The Board has constituted an Ethics and Compliance Committee to look into the requirements under Insider Trading Regulations as per the Company's Code of Conduct for Prevention of Insider Trading and the Tata Code of Conduct, adopted by the Company.

The Ethics and Compliance Committee is merged with Audit Committee w.e.f. August 01, 2019.

Before merging the Committee with Audit Committee, One meeting of the said Committee was held during FY 2019-2020 on July 30, 2019. Mr. V. Leeladhar was the Chairman of the Committee. The composition of the Committee and details of attendance by its members at the meeting during FY 2019-2020 are given below:

Name	Category	No. of meetings Held #	No. of meetings Attended
Mr. V. Leeladhar, Chairman	Non-Executive, Independent	1	1
Mrs. Ranjana Kumar	Non-Executive, Independent	1	-
Mr. Ajoy Misra	Managing Director & CEO	1	1

Note: For Number of meetings held against each Director, the number of meetings held during their respective tenure as Committee member is only mentioned.

b) Executive Committee

The Board has constituted an Executive Committee to review business and strategy, long-term financial projections and cash flows, capital/revenue budgets and capital expenditure programmes, acquisition/divestment, business restructuring proposals, senior management succession planning and any other item that the Board may decide to delegate. No meetings of the said Committee were held during FY 2019-2020. However, the matters mentioned above, as and when required, was reviewed by the Board from time to time. The composition of the Committee during FY 2019-2020 is given below,

Name	Category
Mr. Harish Bhat, Chairman	Non-Executive, Non- Independent
Mr. Ajoy Misra#	Managing Director & CEO
Mr. L. KrishnaKumar	Executive Director & Group CFO

#Mr. Ajoy Misra has retired as Managing Director & CEO of the Company w.e.f. close of business hours of March 31, 2020 and Mr. Sunil D'Souza, the current Managing Director & CEO is appointed as member of this Committee from April 28, 2020.

Report on Corporate Governance for the Financial Year 2019-2020 (Continued)

c) Committee for Special Projects

The Committee for Special Projects of the Board of Directors had been entrusted with the responsibility to inter alia discuss and review various matters pertaining to development of the Bangalore Property of the Company, Treasury / Forex matters, activities relating to the welfare centres in Munnar, the High Range School activities etc.

The Committee for Special Projects is merged with Audit Committee w.e.f. August 01, 2019.

Before merging with Audit Committee, One meeting of the Committee for Special Projects was held during FY 2019-2020 on July 30, 2019. Mr. V Leeladhar was the Chairman of the Committee. The composition of the Committee for Special Projects and particulars of attendance by the members at the meeting held in FY 2019-2020 are given below:

Name	Category	No. of meetings Held	No. of meetings Attended
Mr. V. Leeladhar, Chairman	Non-Executive, Independent	1	1
Mrs. Ranjana Kumar	Non-Executive, Independent	1	-
Mr. Harish Bhat	Non-Executive, Non-Independent	1	1
Mr. Ajoy Misra	Managing Director & CEO	1	1
Mr. L. KrishnaKumar	Executive	1	1

d) M&A and Divestiture Committee

The M&A and Divestiture Committee of the Board of Directors has been entrusted with the responsibility to inter alia consider opportunities to grow inorganically and evaluate proposals in this regard, approve and submit non-binding bids in connection with proposed acquisitions subject to satisfactory completion of customary due diligence, considering investments in companies which are in similar lines of business and make recommendations to the Board. The Committee is also mandated to consider the Company's diversification / entry into new lines of business / new product lines/ entry into new geographies as well as to consider divestments / exiting from certain businesses and make recommendations to the Board.

The M&A and Divestiture Committee is merged with Board w.e.f. August 01, 2019.

Before merging with Board, two meetings of the M&A and Divestiture Committee was held during FY 2019-2020 i.e. April 22, 2019 and July 30, 2019. The composition of the M&A and Divestiture Committee and particulars of attendance by the members at the meeting held in FY 2019-2020 are given below:

Name	Category	No. of meetings Held	No. of meetings Attended
Mr. V. Leeladhar, Chairman	Non-Executive, Independent	2	2
Mr. Harish Bhat	Non-Executive, Non-Independent	2	2
Mr. Siraj Azmat Chaudhry	Non-Executive, Independent	2	2
Mr. Ajoy Misra	Managing Director & CEO	2	2
Mr. L. KrishnaKumar	Executive	2	2

e) Scheme Implementation Committee

The Board of Directors of the Company at their meeting held on February 4, 2020 had constituted the 'Scheme Implementation Committee' in order to take necessary steps, actions, decisions, etc. as may be required in

connection with implementation of the Scheme of Arrangement with Tata Chemicals Limited (TCL) and the Company relating to the Consumer Products Business of TCL. The Scheme was approved by Hon'ble National Company Law Tribunal ("NCLT"), Kolkata Bench, vide order dated January 8, 2020 and NCLT, Mumbai Bench vide order dated January 10, 2020.

Two meetings of the Scheme Implementation Committee were held during FY 2019-2020 on February 14, 2020 and March 11, 2020. The composition of the Scheme Implementation Committee and particulars of attendance by the members at the meetings held in FY 2019-2020 are given below:

Name	Category	No. of meetings Held	No. of meetings Attended
Mr. Harish Bhat*	Non-Executive, Non-Independent	2	1
Mr. Ajoy Misra	Managing Director & CEO	2	2
Mr. L. KrishnaKumar	Executive	2	2

*Mr. Harish Bhat had attended the other meeting of this Committee through Audio call.

The Scheme Implementation Committee, being a Special Committee formed for implementation of the Scheme of Arrangement with Tata Chemicals Limited, has been dissolved after the allotment of shares pursuant to the Scheme in March 2020.

10. GENERAL BODY MEETINGS

a. Location and time where last three AGMs were held, whether any special resolutions passed in the previous 3 AGMs

The last three Annual General Meetings of the Company were held as under:

Year	Location	Date	Time	Number of Special Resolutions approved at the AGM	Details of Special resolution
2016-2017	Taj Bengal, 34-B, Belvedere Road, Alipore, Kolkata – 700 027	August 18, 2017	10.30 am	1	Issue of Non-Convertible Debentures on private placement basis
2017-2018		July 5, 2018	10.30 am	1	Issue of Non-Convertible Debentures on private placement basis
2018-2019		June 11, 2019	10:30 am	-	-

Details of the meeting convened in pursuance of the order passed by the National Company Law Tribunal

Pursuant to the Order dated September 20, 2019, passed by the Hon'ble National Company Law Tribunal, Kolkata Bench ('NCLT'),in the Company Application No. 1147 of 2019, a meeting of the Equity Shareholders of the Company was held at Kala Mandir, 48, Shakespeare Sarani, Kolkata-700 017 on Monday, November 4, 2019 at 11:00 a.m. (IST) to consider and approve the Scheme of Arrangement amongst Tata Chemicals Limited, ("Demerged Company") and the Company and their respective shareholders and creditors ("Scheme") under Sections 230 to 232 and other applicable provisions of the Act and the Rules thereunder.

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The Scheme was approved by majority of persons representing three-fourth in value of the Equity Shareholders of the Company that voted in person or by Proxy or by Postal Ballot or Remote E-voting.

There was no other Extraordinary General Meeting during the year 2019-20.

b. Whether any special resolution passed last year through postal ballot – During the Financial Year 2019-20, no matter was transacted through Postal Ballot, except for the one as directed by the Hon'ble National Company Law Tribunal ('NCLT'), Kolkata Bench vide order their dated September 20, 2019.

The said approval by means of postal ballot/e-voting was in addition to the shareholders' approval obtained at the Court convened meeting of the shareholders of the Company held on November 4, 2019 at Kala Mandir, 48, Shakespeare Sarani, Kolkata-700 017.

Details of voting through Postal ballot including votes cast through remote e-vote and voting at the venue of the NCLT convened shareholders' meeting held on November 4, 2019, are as follows:

Date of Postal Ballot Notice: September 26, 2019

Remote Voting Period: October 5, 2019 to November 3, 2019

Date of Declaration of results: November 5, 2019

Date of Approval: November 4, 2019

Resolution	Type of Resolution	No. of Votes Polled	No. of votes cast in favor	% of Votes cast in favor	No. of votes cast against	% of Votes Cast in against
Resolution for approving the Scheme of Arrangement amongst Tata Chemical Limited ("Demerged Company") and Tata Global Beverages Limited ("Resulting Company") and their respective shareholders and creditors pursuant to Section 230(1) read with Section 232(1) of the Companies Act, 2013	Special	440544798	440465329	99.98	79469	0.02

c. Person who conducted the postal ballot exercise: Mr. V.K. Tulsyan, Practicing Chartered Accountant, was appointed by NCLT, Kolkata bench vide its order dated September 20, 2019 as the scrutinizer to conduct the above Postal Ballot/E-Voting in a fair and transparent manner.

d. Whether any special resolution is proposed to be conducted through postal ballot- At present there is no proposal to pass any special resolution through postal ballot.

e. Procedure for postal ballot - Postal Ballot for the purpose of the approving the Scheme of Arrangement amongst Tata Chemical Limited ("Demerged Company") and the Company ("Resulting Company") and their respective shareholders and creditors pursuant to Section 230(1) read with Section 232(1) of the Act was carried out in accordance with the procedures set out in Section 108 and 110 and other applicable provisions of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, stating that the resolution appended was proposed to be passed by way of Remote e-voting or Postal Ballot or by Electronic voting at the venue of the meeting. It was also mentioned that in case voting is casted by both, postal

ballot and Remote e-voting, then voting done through Remote e-voting shall prevail and voting done by postal ballot will be treated as invalid. If votes casted by postal ballot and/or Remote e-voting, as aforesaid, the members will nevertheless entitled to attend the meeting and participate in the discussions in the meeting but they were not entitled to vote again by Electronic voting at the venue of the meeting, whether in person or by proxy and if they do so, the votes so cast by them at the venue of the meeting shall be treated as invalid.

Postal ballot notices and forms were dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The same notice was sent by email to members who had opted to receive communication through the electronic mode. The Company also published a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot were requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. As an alternate to Postal Ballot, the members were provided with an option of voting on the resolution for approval of the scheme by Remote e-voting or voting by Electronic means at the venue of the NCLT convened meeting of the shareholders held on November 4, 2019.

The scrutinizer completed his scrutiny and submitted his report to the NCLT appointed Chairman, and the consolidated results of the voting were announced by the Chairman / authorized officer. The results are also displayed on the Company website, www.tataconsumer.com and at the Registered office of the Company. besides being communicated to the stock exchanges where the shares of the Company are listed and the E-voting website of NSDL.

11. MEANS OF COMMUNICATION

a	Quarterly results	The quarterly results are published in the newspapers and displayed on the Company's website. All quarterly results were sent by email to those shareholders whose email ids are registered with the Company.
b	Newspapers wherein results normally published	The quarterly results are generally published in Business Standard (All India Edition) (English) and Sangbad Pratidin (Bengali).
c	Any website, where displayed	The quarterly results of the Company are put on the website of the Company after these are submitted to the Stock Exchanges. Our website address is https://www.tataconsumer.com/investors/investor-relations/results-and-presentation
d	Whether it also displays official news releases	Yes
e	The presentations made to institutional investors or to analysts	The Company made a presentation to financial analysts on April 23, 2019 after the results for the financial year 2018-19 were approved by the Board. A similar presentation was made to analysts on October 30, 2019 after the results for the quarter and half year ended September 30, 2019 were approved by the Board. The Company also made a presentation to Financial analysts on May 15, 2019 in relation to scheme of arrangement between the Company and Tata Chemicals Limited for the Consumer Products Business of Tata Chemicals Limited. There was a conference call with financial analysts on July 31, 2019 and February 4, 2020, after the financials for the quarters ended June 30, 2019 and December 31, 2019 were approved by the Board.
f	Half Yearly results	The half yearly results for the six months ended September 30, 2019 was sent by email / post to all the shareholders in November, 2019.

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12. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Day	Date	Time	Venue	Book Closure Period	Dividend payment date
Monday	July 6, 2020	10.30 a.m.	To be held through Video Conference or Other Audio Visual Means	June 22, 2020 to June 29, 2020 (both days inclusive)	On or after July 8, 2020

There was no Extraordinary General Meeting during the year 2019-20, except the NCLT convened general meeting as mentioned earlier.

b. Financial Year: April 1 to March 31

c. Financial calendar

Sr No	Board Meetings for approval of:	Tentative Dates
1	Annual Accounts for FY 2019-2020 and Financial Results for 4th Quarter for 2019-2020	May 14, 2020
2	Financial Results for 1st Quarter 2020-21	Before August 14, 2020
3	Financial Results for 2nd Quarter 2020-21	Before November 14, 2020
4	Financial Results for 3rd Quarter 2020-21	Before February 14, 2021
5	Annual Accounts 2020-21	Before May 31, 2021

Date of payment of Dividend: The dividend of Rs. 2.70 per equity share of Re 1 each (270%), as recommended by the Board, if declared at the AGM, will be paid, subject to deduction of income-tax at source wherever applicable, on or after Wednesday, July 8, 2020. For the Members who are unable to receive the dividend directly in their bank accounts, the Company shall dispatch the dividend warrant to them, upon normalisation of postal services and other activities.

d. Name and address of each Stock Exchange at which Company Shares are listed and Stock Code

Listing on Stock Exchanges	Name	Address	Stock Code
Equity Shares	BSE Limited	Phiroze Jeejeebhoy Towers,	500800
	The National Stock Exchange of India Limited	Dalal Street, Mumbai – 400 001	'TATACONSUM'
	The Calcutta Stock Exchange Association Limited	Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E) ,	27 (For Physical); 10000027 (For Demat)
Global Depository Shares	Luxembourg Stock Exchange	35A Boulevard Joseph II L-1840 Luxembourg	
	London Stock Exchange	10 Paternoster Square London EC4M 7LS United Kingdom	

Dematerialisation:

Name	Address	ISIN
National Securities Depository Limited	Trade World, 5th Floor, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013	INE 192A01025
Central Depository Services Limited	17th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 023	

Listing Fees

Annual listing fees for FY 2020-21 have been paid to all the Stock Exchanges where the securities of the Company are listed.

e. Market price data – High, Low and number of shares traded during each month in the last Financial Year

Month	BSE			NSE		
	High	Low	No. of Shares	High	Low	No. of Shares
	Rs.	Rs.	Traded	Rs.	Rs.	Traded
April 2019	219.65	200.50	37,99,914	218.70	200.65	5,12,33,769
May 2019	246.05	195.00	89,05,217	246.25	195.10	10,27,23,934
June 2019	277.50	242.45	45,31,946	277.40	242.30	6,95,92,610
July 2019	275.00	245.60	22,62,394	275.00	245.60	3,94,70,449
August 2019	282.90	250.20	32,26,040	282.00	250.50	4,63,26,638
September 2019	287.60	249.90	39,83,165	287.70	249.95	5,81,61,842
October 2019	319.75	262.65	31,06,743	319.80	262.65	6,04,63,095
November 2019	325.00	285.20	40,22,801	324.90	285.25	7,51,32,140
December 2019	330.00	305.05	37,64,229	330.05	304.60	6,04,90,096
January 2020	399.40	310.20	76,31,198	399.45	310.40	17,33,44,698
February 2020	407.95	341.90	70,88,964	408.00	361.20	11,21,41,013
March 2020	358.00	214.00	79,05,208	357.70	213.70	8,53,95,157

Report on Corporate Governance for the Financial Year 2019-2020 (Continued)

The market share price data in comparison to broad-based indices like BSE Sensex and Nifty are given below:

I. Comparison of Tata Consumer Products Share price with BSE Sensex in FY 2019-20:

Months	TCPL closing price at BSE	BSE Sensex
April 2019	209.10	39031.55
May 2019	243.05	39714.20
June 2019	269.70	39394.64
July 2019	252.25	37481.12
August 2019	278.55	37332.79
September 2019	276.05	38667.33
October 2019	317.30	40129.05
November 2019	323.05	40793.81
December 2019	321.05	41253.74
January 2020	383.40	40723.49
February 2020	345.90	38297.29
March 2020	294.80	29468.49

II. Comparison of Tata Consumer Products Share price with NSE NIFTY in FY 2019-20:

Months	TCPL closing price at NSE	NIFTY
April 2019	209.20	11748.15
May 2019	244.00	11922.80
June 2019	269.70	11788.85
July 2019	251.60	11118.00
August 2019	278.50	11023.25
September 2019	276.00	11474.45
October 2019	317.00	11877.45
November 2019	323.15	12056.05
December 2019	321.35	12168.45
January 2020	383.40	11962.10
February 2020	346.15	11201.75
March 2020	294.85	8597.75

There was no trading of the Company's shares on the Calcutta Stock Exchange during FY 2019-20.

f. Performance in comparison to broad-based indices

One year performance	NSE	BSE
Company's share price		
- As at April 1, 2019	204.55	205.00
- As at March 31, 2020	294.85	294.80
- Change	44.15%	43.80%

	NIFTY 50	S & P Sensex
Indices		
- As at April 1, 2019	11665.20	38858.88
- As at March 31,2020	8597.75	29468.49
- Change	(26.30)%	(24.16)%

Five year performance	NSE	BSE
Company's share price		
- As at April 1, 2015	148.80	149.50
- As at March 31, 2020	294.85	294.80
- Change	98.15%	97.19%

Indices	NIFTY 50	S & P Sensex
- As at April 1, 2015	8483.70	27954.86
- As at March 31, 2020	8597.75	29468.49
- Change	1.34%	5.41%

g) (i) Registrar & Transfer Agents: TSR Darashaw Consultants Private Limited (formerly known as TSR Darashaw Limited)

Particulars	Address	Contact details
Registered office:	6 Haji Moosa Patrawala Ind. Estate, 20 Dr. E Moses Road, Mahalaxmi, Mumbai – 400 011	Telephone: 022-66568484 Fax: 022-66568494 Website: www.tsrdarashaw.com E-mail: csg-unit@tsrdarashaw.com
Branch Offices at :		
South	503, Barton Centre, 5th Floor 84, Mahatma Gandhi Road, Bangalore – 560 001	Tel: 080-25320321 Fax: 080-25580019 E-mail:tsrdlbang@tsrdarashaw.com
East	Tata Centre, 43, J L Nehru Road, Kolkata – 700 071	Tel: 033-22883087 Fax: 033-22883062 E-mail: tsrdlcal@tsrdarashaw.com
	Bungalow No. 1, 'E' Road, Northern Town Bistupur, Jamshedpur – 831 001	Tel: 0657-2426616 Fax: 0657-2426937 E-mail: tsrdljsr@tsrdarashaw.com
North	2/42 Ansari Road, 1st Floor Daryaganj, Sant Vihar New Delhi – 110 002	Tel: 011-23271805 Fax: 011-23271802 E-mail: tsrdldel@tsrdarashaw.com
Agent of the Registrar: Shah Consultancy Services Limited	3, Sumathinath Complex, 2nd Dhal, Pritam Nagar, Ellisbridge Ahmedabad – 380 006	Telefax: 079-26576038 E-mail: shahconsultancy8154@gmail.com

Report on Corporate Governance for the Financial Year 2019-2020 (Continued)

The Registrars can be contacted between 10 a.m. and 3.30 p.m. on any working day (Monday to Friday, excluding bank/public holidays)

(ii) Shareholders' Relation Cell

Contact Person	Address	Contact details
Mr. Neelabja Chakrabarty Vice President & Company Secretary	11/13, Botawala Building, 1st Floor, Office # 2-6 Horniman Circle, Fort, Mumbai- 400 001	Tel: +91 22 61218400 Website: www.tataconsumer.com Email : Neelabja.C@TataConsumer.com
Ms. Deepika Srivastava Manager-Legal and Secretarial	Kirloskar Business Park, 4th Floor, Block "C", New Airport Road, Hebbal, Bangalore – 560 024	Tel: 080-67171200 Fax: 080-67171201 Website: www.tataconsumer.com investor.relations@TataConsumer.com
Mr. Shibshankar Roy	1, Bishop Lefroy Road, Kolkata – 700 020	Tel: 033-22836917 Fax: 033-22833032

h. Share transfer system

Shares in physical form for transfer, should be lodged with the office of the Company's Registrar & Share Transfer Agent, TSR Darashaw Consultants Private Limited, Mumbai or at their branch offices at the addresses given above or at the registered office of the Company. 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.

The Directors and Company Secretary are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

i. Distribution of Shareholding

Distribution of Shareholding as at March 31, 2020

No. of Shares	Holding	Amount (Rs.)	% to Capital	No. of Holders	% to Total Holders
1 to 500	34,294,534	34,294,534	3.72	316,035	83.85
501 to 1000	19,459,902	19,459,902	2.11	26,251	6.97
1001 to 2000	23,375,236	23,375,236	2.54	16,434	4.36
2001 to 3000	14,404,003	14,404,003	1.56	5,819	1.54
3001 to 4000	10,768,160	10,768,160	1.17	3,072	0.82
4001 to 5000	9,217,545	9,217,545	1.00	2,020	0.54
5001 to 10000	27,383,214	27,383,214	2.97	3,911	1.04
10001 to 20000	25,210,428	25,210,428	2.74	1,829	0.49
Greater than 20000	757,438,693	757,438,693	82.19	1,520	0.40
Total	**921,551,715**	**921,551,715**	**100.00**	**376,891**	**100.00**

Categories of Shareholders as at March 31, 2020

Sl. No.	Particulars	No. of Accounts	Holdings/Shares held	% to Capital
1	Tata Companies	18	319,629,733	34.68
2	Indian Financial Institutions	33	38,114,621	4.14
3	State Government	6	87,870	0.01
4	Central Government	0	0	0.00
5	Alternative Investment Funds	16	6,160,420	0.67
6	Nationalised Banks	92	208,189	0.02
7	Mutual Funds	212	136,871,793	14.85
8	Foreign Institutional Investors/ Foreign Companies / Foreign Bodies DR	319	157,402,491	17.08
9	GDS Depositories	1	96,313	0.01
10	Other Companies	3327	56,847,110	6.17
11	IEPF Suspense Account	1	3,383,629	0.37
12	Individuals & Others	372866	202,749,546	22.00
	Total	**376891**	**921,551,715**	**100.00**

j. Dematerialisation of shares and liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialisation. For dematerialising the shares, the shareholders should open a demat account with a Depository Participant (DP). The shareholder is required to fill in a Demat Request Form and submit the same along with the original share certificates to his DP. The DP will allocate a demat request number and shall forward the request physically and electronically through NSDL/CDSL to Registrar & Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialised and an electronic credit of the shares is given in the account of the shareholder.

k. Non-resident Shareholders

The non-resident shareholders are requested to notify the following to the Company in respect of shares held in physical form and to their depository participants in respect of shares held in dematerialized form:

- Indian address for sending all communications, if not provided so far;
- Change in their residential status on return to India for permanent settlement
- Particulars of Bank Account maintained with a Bank in India, if not furnished earlier
- RBI permission reference number with date to facilitate credit of dividend in their bank account

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

As on March 31, 2020, the outstanding Global Depository Shares were 96,313. The GDSs are convertible into fully paid equity shares on 1:1 basis. The underlying shares against the outstanding GDSs have been allotted in the name of the Depository. There is no ADR or convertible instrument outstanding as on March 31, 2020.

Report on Corporate Governance for the Financial Year 2019-2020 (Continued)

m. Commodity price risk or foreign exchange risk and hedging activities

Commodities Tea, Coffee, Salt and Pulse form a major part of business of the company and hence commodity price risk is one of the important risks for the Company. The Company has a robust framework in place to protect its interests from risks arising out of market volatility. Based on continuous monitoring and market intelligence the sales and procurement team take appropriate strategy to deal with the market volatility.

The Company operates in various geographies and is exposed to foreign exchange risk on it's various currency exposures. Volatility in currency exchange movements in GBP, USD, CAD, and AUD can have an impact on the Company's operations. The Company has established foreign currency hedging policies and practices to manage these risks.

n. Commodity Risk faced by the Company during the year and how they are managed

Tea is a multi-harvest agricultural commodity and is sold through public auction or by private agreement. Price levels reflect supply/demand position and as an agricultural crop, supply/ demand balance may change quickly based on the changes in weather conditions. The Company manages these risks by actively managing the sourcing of tea, distribution of source of supply, private purchases and alternate blending strategies.

Cyclical movement in coffee commodity markets impacts our business. A decline in the coffee terminal prices results in lower realizations for our Coffee Plantation business in India. Whereas, the US branded coffee operations gets adversely impacted with increase in the coffee terminal prices. The Company manages these commodity risks based on appropriate hedging strategies.

For Salt and Pulses, the price fluctuations are managed through active sourcing and commercial negotiations with customers and suppliers.

The Company's exposure to market risks for commodities and currencies are detailed in Note 36B under "Financial Risk Management" forming part of Notes to the Consolidated Financial Statements

o. Plant locations:

1	Bangalore Packeting Centre	Survey No. 14/4, A2 & 14/5, NH 4, Bangalore Tumkur Road, Malonagathi Hally, T. Begur Post, Nelamangla Taluk Bangalore Rural District, Karnataka – 562123
2	Periakanal Estate	PO Munnar, Dist. Idukki Kerala – 685612
3	Pullivasal Estate & Packeting Centre	PO Munnar, Dist. Idukki Kerala – 685612
4	Instant Tea Operations (including Nullatani factory)	Post Box no. 3, Idukki District, Munnar, Kerala – 685612
5	Tetley (Tea Bag) Division	73/74 KPK Menon Road, Willingdon Island, Kochi, Kerala – 682 003
6	Mineral Water Plant	Village Dhaula Kuan, District Sirmour, Himachal Pradesh – 173 025

In addition to the above locations, the Company also operates through third party contract manufacturers at several locations.

p. Address for correspondence in relation to the Company Given against 10(g)(i) above

q. The following is the list of credit ratings obtained by the Company during financial year 2019-2020:

Instrument Details	Amount (Rs. Crore)	Rating
Long-Term Debt (including Non-Convertible Debenture)	350	ICRA AA+ (with stable outlook)
Short Term Debt (including commercial Papers) ##	715	ICRA A1+
Fund-Based WC Limits##	400	ICRA AA+ (with stable outlook)/ A1 +
Non-Fund Based Limits	24	ICRA A1+
Commercial Paper (CP)	715	CARE A1+ (A One plus)

Total Borrowing under fund based facility and commercial paper does not exceed Rs. 715 Cr.

13. TRANSFER OF UNCLAIMED / UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the IEPF, maintained by the Central Government. In pursuance of this, the dividend remaining unclaimed or unpaid in respect of dividends declared upto the financial year ended March 31, 2012 have been transferred to the IEPF. The details of the unclaimed dividends so transferred are available on the Company's website, http:// https://www.tataconsumer.com/investors/investor-information/unclaimed-dividend d and in the website of the Ministry of Corporate Affairs at www.mca.gov. in.

It may be noted that the unclaimed dividend for the financial year 2012-13 declared on July 15, 2013, is due to be transferred to the IEPF by September 2020. The same can, however, be claimed by the Members by August 23, 2020.

Members who have not encashed the dividend warrant(s) from the financial year ended March 31, 2013 onwards may forward their claims to the Company's Registrar and Share Transfer Agents before they are due to be transferred to the IEPF.

In accordance with Section 124(6) of the Act, read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to the demat Account of the IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the financial years ended March 31, 2012 and remained unpaid or unclaimed were due to be transferred to the IEPF. The Company had sent notices to all such members in this regard and published a newspaper advertisement and thereafter transferred the shares to the IEPF during financial year 2019-2020. The details of such shares transferred have been uploaded in the Company's website http:// https://www.tataconsumer.com/investors/investor-information/iepf-related-matters .

The shares and unclaimed dividend transferred to the IEPF can however be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Member/Claimant is required to make an online application to the IEPF Authority in e-Form No. IEPF -5 (available on iepf.gov. in) along with requisite fees as decided by the IEPF Authority from time to time.

The following table gives information relating to outstanding dividend accounts and the dates when due for transfer to IEPF:

Financial year ended	Date of payment of dividend	Last date for claiming Unpaid dividend	Transfer to IEP Fund in
March 31, 2013	18.07.2013	06.08. 2020	August 2020
March 31, 2014	28.08.2014	15.09. 2021	September 2021
March 31, 2015	19.08.2015	05.09. 2022	September 2022
March 31, 2016	26.08.2016	13.09. 2023	September 2023
March 31, 2017	21.08.2017	06.09. 2024	September 2024
March 31, 2018	09.07.2018	25.07. 2025	August 2025
March 31, 2019	13.06.2019	26.06.2026	July 2026

Following are the details of unpaid dividend which will be due for transfer to IEPF upto March 31, 2021:

Nature of payment	Date of payment	Unpaid dividend to be claimed by	Transfer to IEP Fund in
Dividend	18.07.2013	06.08. 2020	August 2020

While the Registrar of the Company has already written to the shareholders informing them about the due dates of transfer to IEPF for these payments, attention of the shareholders is again drawn to this matter through the Annual Report.

Report on Corporate Governance for the Financial Year 2019-2020 (Continued)

Top Ten Shareholders

As at March 31, 2020, the top ten shareholders of the Company were as follows:-

S. No.	Name of the Shareholder	No. of Shares	%
1	Tata Sons Private Limited	270,557,128	29.36
2	Tata Investment Corporation Limited	44,273,001	4.80
3	Life Insurance Corporation of India (*)	19,542,628	2.12
4	ICICI Prudential Equity & Debt Fund (*)	19,495,151	2.12
5	Mirae Asset Emerging Bluechip Fund (*)	18,675,060	2.03
6	Reliance Capital Trustee Company Limited (*)	18,485,548	2.01
7	HDFC Trutee Co Ltd (*)	14,990,381	1.63
8	Government Pension Fund Global	13,292,812	1.44
9	Sundaram Mutual Fund (*)	11,918,850	1.29
10	Franklin Templeton Investment Funds	8,860,767	0.96

(*) Various Sub Accounts

14. OTHER DISCLOSURES

a. Disclosures on materially significant related party transactions that may have potential conflict with the interest of company at large:

Details of transactions with the related parties as specified in Indian Accounting Standards (Ind AS 24) have been reported in the Financial Statements. There was no transaction of a material nature with any of the related parties which was in conflict with the interest of the Company.

b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by 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 in the last three years.

c. Whistle-blower policy and affirmation that no personnel has been denied access to the Chairman of the Audit Committee:

The Board has approved a whistle-blower policy/ vigil mechanism which have been communicated to the employees. The policy provides a mechanism for employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct and provides safeguards against victimisation of employees who avail the mechanism.

All Directors and employees have access to the Chairman of the Audit Committee.

The policy with the name and address of Chairman of the Audit Committee has been circulated to the employees.

No employee has been denied access to the Chairman of the Audit Committee.

The whistle Blower policy can be accessed at https://www.tataconsumer.com/docs/default-source/default-document-library/tgbl_-whistle-blower-policy.pdf?sfvrsn=0.

d Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company is compliant with all the mandatory requirements of the Listing Regulations for FY 2019-2020.

The following non-mandatory requirements under Part E of Schedule II of the Listing Regulations to the extent they have been adopted are mentioned below:

i) **Non-Executive Chairman's Office:** Chairman's office is separate from that of the Managing Director and CEO.

ii) **Shareholders' Rights:** The quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website and the same are also emailed to the shareholders who have registered their emails IDs with the

Company.

iii) **Modified Opinion in Auditors Report:** The Company's financial statements for the year 2019-20 do not contain any modified audit opinion.

iv) **Separate posts of Chairman and CEO:** The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director and CEO.

v) **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee and he participates in the meetings of the Audit Committee and presents his internal audit observations to the Audit Committee.

e. Web link where policy for determining 'material' subsidiaries is disclosed: https://www.tataconsumer.com/docs/default-source/default-document-library/policy-on-material-subsidiary.pdf?sfvrsn=0 **.**

f. Web link where policy on dealing with related party transactions is disclosed: https://www.tataconsumer.com/docs/default-source/default-document-library/policy-on-related-party-transactions8261bc881a2368caa65dff00001c5be1.pdf?sfvrsn=0 .

g. Disclosure of commodity price risks and commodity hedging activities**:** Given in 10(m) above.

h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). - Not Applicable.

i. There was no such instance during FY 2019-2020 when the board had not accepted any recommendation of any Committee of the Board.

j. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No.117366W/W-100018) , the Statutory Auditors of the Company and all entities in the network firm/network entity of which the statutory auditors is a part.

(Rs. in Crore)

Payment to Statutory Auditors	2020	2019
Statutory Audit	10.21	8.67
Other services including reimbursement of expenses	2.98	1.89
Total	**13.19**	**10.56**

k. The Company has adopted zero tolerance for sexual harassment at workplace and has formulated a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder for prevention and redressal of complaints of sexual harassment at workplace. Awareness programs were conducted at various locations of the Company.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year - 1

b. number of complaints disposed of during the financial year - 1

c. number of complaints pending as on end of the financial year- Nil

l. Compliance with Accounting Standard:

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules thereunder. The Significant Accounting Policies which are consistently applied have been set out in the notes to the financial statements.

m. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V (c) of the Listing Regulations: NIL.

Report on Corporate Governance for the Financial Year 2019-2020 (Continued)

n. Extent to which the discretionary requirements specified in Part E of Schedule II of the Listing Regulations have been adopted: Given in 12 (d).

o. Disclosure with respect to demat suspense account/ unclaimed suspense account: Not Applicable.

p. Name of the Debenture Trustees : Not Applicable

q. The Company has duly complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub- regulation (2) of Regulation 46 of the Listing Regulations.

15. RELATED PARTY TRANSACTIONS

All transactions entered into with related parties as defined under the Act and Regulation 23 of the Listing Regulations during FY 2019-2020 were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Suitable disclosures as required by Indian Accounting Standards (Ind AS 24) have been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which can be accessed at the Company's website at the link https://www.tataconsumer.com/docs/default-source/default-document-library/policy-on-related-party-transactions8261bc881a2368caa65dff00001c5be1.pdf?sfvrsn=0

16. SUBSIDIARY COMPANIES

In terms of Regulation 24(1) of the Listing Regulations, Company has two unlisted material subsidiaries incorporated outside India i.e. Tata Consumer GB Limited and Tata Consumer UK Group Limited. In compliance of above-mentioned Regulation, Mr. Bharat Puri, Independent Director of the Company has been appointed as Director on the Board of above-mentioned unlisted material subsidiaries. The Company is compliant with other provisions of Regulation 24 of Listing Regulations. A policy to determine a material subsidiary has been framed and the same may be accessed on the Company's website at the link http://www.tataconsumer.com/docs/default-source/default-document-library/policy-on-material-subsidiary.pdf?sfvrsn=0 .

17. CEO/CFO CERTIFICATION

The MD & CEO and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed as Annexure II and forms part of the Annual Report.

18. CERTIFICATE ON CORPORATE GOVERNANCE

A Compliance certificate from Dr. Asim Kumar Chattopadhyay, Practicing Company Secretary pursuant to Schedule V of the Listing Regulations regarding compliance of conditions of corporate governance. The said certificate is annexed as Annexure III and forms part of the Annual Report.

19. CERTIFICATE FROM PRACTICING COMPANY SECRETARY REGARDING NON-DEBARMENT AND NON-DISQUALIFICATION OF DIRECTORS

The Company has obtained a certificate from Dr. Asim Kumar Chattopadhyay, Practicing Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority. The said certificate is annexed as Annexure IV and forms part of this Annual Report.

ANNEXURE I TO THE REPORT:

Declaration by the CEO on Code of Conduct as required by Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Sunil D' Souza, Managing Director and CEO of the Company hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the financial year 2019-20.

For **Tata Consumer Products Limited**

Sd/-
Sunil D' Souza
Managing Director & CEO
(DIN 07194259)

May 14, 2020

Report on Corporate Governance for the Financial Year 2019-2020 (Continued)

ANNEXURE II TO THE REPORT:

CEO/CFO Certification in respect of Financial Statements and Cash Flow Statement (pursuant to regulation 17 (8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 For the Financial Year ended March 31, 2020

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2020 and we hereby certify and confirm to the best of our knowledge and belief the following:

a. The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.

c. There are no transactions entered in to by the Company during the year ended March 31, 2020 which are fraudulent, illegal or violative of Company's Code of Conduct.

d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.

e. There have been no significant changes in the above-mentioned internal controls over financial reporting during the relevant period.

f. That there have been no significant changes in the accounting policies during the relevant period.

g. We have not noticed any significant fraud particularly those involving the management or an employee having a significant role in the Company's internal control system over Financial Reporting.

Sd/-
Sunil D'Souza
Managing Director & CEO
DIN : 07194259

Sd/-
John Jacob
Chief Financial Officer

Mumbai, May 14, 2020

ANNEXURE III TO THE REPORT:

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of TATA CONSUMER PRODUCTS LIMITED

I have examined the compliance of the conditions of Corporate Governance by Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited) **("the Company")** for the year ended on March 31, 2020, as stipulated in The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018 (hereinafter referred to as "Listing Regulations");

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of 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 statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions in all material respects, with the conditions of Corporate Governance as stipulated in Listing Regulations during the year ended March 31, 2020.

I state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
Dr. Asim Kumar Chattopadhyay
FCS No. 2303
CP No. 880
UDIN: F002303B000233743

Place : Kolkata
Date : May 14, 2020

Report on Corporate Governance for the Financial Year 2019-2020 (Continued)

ANNEXURE IV TO THE REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
TATA CONSUMER PRODUCTS LIMITED
1, Bishop Lefroy Road,
Kolkata – 700 020

I have examined the relevant registers, records , forms returns and disclosures received from the Directors of **M/s TATA CONSUMER PRODUCTS LIMITED** (formerly known as Tata Global Beverages Limited) having **CIN - L15491WB1962PLC031425** and having registered office at 1, Bishop Lefroy Road, Kolkata – 700 020 (hereinafter referred to as "the Company") produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) and Schedule V Para C clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending March 31, 2020 has been debarred or disqualified from being appointed or continuing as Directors of the Companies by the SEBI, MCA or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of appointment in the company
1	SANTHANAKRISHNAN SANKARAN	00032049	28/05/2013
2	SHIKHA SANJAYA SHARMA	00043265	07/05/2019
3	AJOY KUMAR MISRA*	00050557	01/12/2011
4	CHANDRASEKARAN NATARAJAN	00121863	03/07/2017
5	SIRAJ AZMAT CHAUDHRY	00161853	03/07/2017
6	LAKSHMANAN KRISHNAKUMAR	00423616	01/04/2013
7	HARISH RAMANANDA BHAT	00478198	01/07/2012
8	BHARAT TILAKRAJ PURI	02173566	07/05/2019

* Ajoy Kumar Misra (DIN 00050557) has retired as Managing Director & CEO of the Company effective March 31, 2020 and Sunil A. D'Souza (DIN 07194259) has been apppointed as the Managing Director & CEO of the Company effective April 4, 2020.

Ensuring the eligibilty for the appointment / continuity of every director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficency or effectiveness with which the management has conducted the affairs of the company.

Sd/-
Dr. Asim Kumar Chattopadhyay
Membership No.: FCS - 2303
CP No.: 880
UDIN: F002303B000212106

Place : Kolkata
Date : May 7, 2020

Business Responsibility Report (2019-20)

Pursuant to Regulation 34 of SEBI(Listing Obligations and Disclosure Requirements), Regulations 2015

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY		
1. Corporate Identity Number (CIN) of the Company	L15491WB1962PLC031425	
2. Name of the Company	TATA CONSUMER PRODUCTS LIMITED	
3. Registered address	1- Bishop Lefroy Road, Kolkata - 700020	
4. Website	www.tataconsumer.com	
5. E-mail id	Investor.relations@tataconsumer.com	
6. Financial Year reported	2019-20	
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	**Group**	**Description**
	10791	Processing and blending of tea including manufacture of instant tea
	46306	Trading of coffee products
	01271	Growing of Tea
	11043	Manufacture of mineral water
	46309	Trading of Salt
	107	Manufacture of food ingredients and Sweeteners.
	462	Wholesale of Pulses
	202	Manufacture of Detergents
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	Beverages - Tea, Coffee and Water Food –Edible Salt, Pulses, Spices and Besan	
9. Total number of locations where business activity is undertaken by the Company	66	
(a) Number of International Locations (Provide details of major 5)	NIL (on a standalone basis)	
(b) Number of National Locations	66	
10. Markets served by the Company – Local/State / National/International	The Company sells its products across all states in India as well as several countries in the world.	
SECTION B: FINANCIAL DETAILS OF THE COMPANY		
1. Paid up Capital	Rs 92.16 crores	
2. Total Turnover	Rs 5807.99 crores	
3. Total profit after taxes	Rs 523.54 crores	
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Rs. 10.85 Crores u/s 135 of Companies Act equivalent to 2.42% of Average Net Profit of the Company for last 3 financial years.	
5. List of activities in which expenditure in 4 above has been incurred	Please refer to Annexure 1 of Board's Report for details	
SECTION C: OTHER DETAILS		
1. Does the Company have any Subsidiary Company/ Companies?	Yes	
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If Yes, then indicate the number of such subsidiary company(s)	NO	

Business Responsibility Report (2019-20)(Continued)

3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If Yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	60% of suppliers of tea participate in trustea - the India sustainable tea program, which is one of the BR initiatives of the Company.

SECTION D: BR INFORMATION

1.	**Details of Director/Directors responsible for BR**	
(a)	Details of the Director/Director responsible for implementation of the BR policy/policies	
	DIN Number	07194259
	Name	Sunil D'Souza
	Designation	CEO and Managing Director
(b)	Details of the BR head	
	1. DIN Number (if applicable)	
	2. Name	Dr. Anurag Priyadarshi
	3. Designation	Global Sustainability Manager
	4. Telephone number	+91-80-67171200
	5. e-mail id	Anurag.priyadarshi@tataconsumer.com

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3: Businesses should promote the wellbeing of all employees

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5: Businesses should respect and promote human rights

P6: Business should respect, protect, and make efforts to restore the environment

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8: Businesses should support inclusive growth and equitable development.

P9: Business should engage with and provide value to their customers and consumers in a responsible manner.

Principles of the National Voluntary Guidelines										
S.No.	**Questions**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1	Do you have policies for -	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If Yes, specify? (50 words)	Y#	Y#	Y#	Y#	Y#	Y#	Y#	Y#	Y#
4	Has the policy being approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	If Yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online.(@)	1,2	1,3,4	1	1,3,4	1	1,4	1	1,3,4	1
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
Y#	**All policies have been developed by the Tata Group, as a result of detailed consultations and research on the best practices adopted across the globe, and these apply to all the Tata Group companies. Tata Consumer Products has adopted some of the policies developed by Tata Global Beverages which are based on the Tata Code of Conduct.**									
Y*	**All policies applicable to Tata Global Beverages are evaluated internally.**									
@	The following policies can be accessed at : http://www.tataglobalbeverages.com/investors/governance/policies									
1.	The Tata Code of Conduct;									
2.	Tata whistle blower policy and vigil mechanism; .									
3.	Affirmative Action Policy;									
4.	Natural Food & Beverages Policy;									

3. Governance related to BR		
	(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The CSR Committee of the Board meets at least twice annually to review the sustainability and CSR performance of the Company. In addition the Board which meets four times in a year also reviews BR performance of the Company.
	(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	A report covering BR initiatives of Tata Global Beverages has been published up to 2015-16. It can be found on: https://www.tataconsumer.com/investors/investor-information/annual-business-responsibility-reports?reload From 2016-17, the BRR is merged with TGBL's Annual Report. This is the first BRR published for Tata Consumer Products Limited.

Business Responsibility Report (2019-20)(Continued)

SECTION E: PRINCIPLE WISE PERFORMANCE	
Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	
1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors /NGOs /Others?	No. The Company's ethics policy as embodied in the Tata Code of Conduct extends to subsidiaries, JVs, suppliers, contractors, vendors, etc.
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	In 2019-20, a total of 13 complaints were received by TCPL and all of them have been resolved. 12 of these were received on the TCPL ethics helpline and one was received directly.
Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	
1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Tea, Coffee, Water, Salt, Pulses. Our product range aims to provide nourishment and nutrition to millions of consumers across India. 1. Tata Salt Plus: India has a high incidence of Iron Deficiency Anaemia ('IDA'). To address the same, the Company launched Tata Salt Plus, a double fortified salt which contains iron and iodine. It provides up to 50% of the body's daily requirement of iron. Since salt is used across all sections of the society throughout the year, this is an effective way to deliver iron to the populace and thus tackle the problem of IDA. 2. Through Tata Sampann, we offer high-protein unpolished pulses, and spices, designed for the modern Indian household. Packed with the promise of wholesome nutrition, and a guarantee of purity and freshness, Tata Sampann pulses and spices are available across India. The Tata Nx range provides next-level nutritional products and healthy ingredients to meet the nutritional needs of evolving Indian palettes, with products including low-calorie sugar substitutes and protein. 3. Tetley Green tea : Green tea's benefits have been well documented – in addition to fighting free radicals, adding green tea to diet can help to detoxify the body and help with issues like stress and fatigue. https://www.tetley.in/blogs/5-surprising-facts-about-green-tea 4. Tata Gluco Plus is a glucose based flavoured drink that offers instant energy and refreshment to consumers. Tata Water Plus contains nutrients, such as copper which helps support body functions, and zinc which helps strengthen the immune system.

2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):	
	(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	Tata Consumer Products Ltd is committed to sustainable food & beverages production and consumption. Tea Packeting centres in India have reduced their energy consumption (Kwh/kg) by 13.9% during 2019-20 compared to 2018-19. The truck utilization has improved by **2.2%** for the product movement across all the plants to sales depot (primary leg) which has in turn reduced the carbon footprint. As part of water conservation all plant roofs are connected to ground water recharge. Tea Packeting centres have generated renewable energy through solar power to the tune of **8.95** lakh KWH which is **10.16%** of total India Domestic factories KWH consumption
	(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable
3.	Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes, Tata Consumer Products Limited has a sustainable sourcing strategy and is a co-founder of the trustea program in India for sustainably transforming Indian tea. The trustea program has cumulative verified volumes till March 2020 at 650 million Kg of tea. See http://trustea.org/ for more details Tata Consumer Products ensures during the Primary Packing material Vendor selection process that Vendors confirm to social, ethical and environment performance factors. This is ensured both through audits as well as contractual terms built into contracts.
	(a If Yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	1. Tea - About 60% of all the tea we buy in India is trustea certified. 2. Salt - 99% of the the bulk salt is moved by rake loads from source to our packing centers. 3. Packaging - 75% of our Packaging Vendors in beverages business are audited for compliance to sustainable sourcing norms. For the balance, there is a clear communication in the Purchase order terms on our expectation from Vendors to deliver on social, ethical and environmental factors.

Business Responsibility Report (2019-20)(Continued)

4.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	1. Tea - The company makes a conscious and strategic effort to procure raw material (tea) from small tea growers verified by trustea program. 2. Pulses - The Company has a vendor development program. We have started working with small farmer producer companies for the procurement of Pulses. Since they are small and marginal farmers, it takes a lot of efforts to make them understand the quality requirements of the company hence the startup takes a lot of time. Currently we have a couple of them supplying produce as per our requirement. 3. Goods & Services - our company procures goods and services from local and small producers, including communities surrounding our places of operation (Packing centres). CFCs, masonary/carpentry services etc are categories which are sourced locally
	(a) If Yes, what steps have been taken to improve their capacity and capability of local and small vendors?	1. Raw material (tea) – over 50,000 small tea growers have been trained on sustainable agricultural practices through trustea. please see 3 (a) 2. Raw Material (pulses) - Continuous trainings are imparted to improve the manufacturing and handling process so that the product quality is as per the market expectations. Once they start supplying to us, they will also be able to supply to others. 3. Other goods and services: The local Vendors are always given priority for undertaking job works in our factories. High performing vendors in the CFC category are rewarded with increased business volumes.
5.	Does the company have a mechanism to recycle products and waste? If Yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	1. All the tea packeting factories in TCPL are zero waste to landfill. i.e. no waste generated from the production process of packaging in the factories go to the landfill. This means 100% of the solid waste generated in the factories is recycled. 2. We reuse 70% of the bags we receive as packing material along with bulk salt for packing our finished products and sent it to the market.

Principle 3 Businesses should promote the wellbeing of all employees		
1.	Please indicate the Total number of employees.	**2689 (including Plantations workers)**
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	**1476**
3.	Please indicate the Number of permanent women employees.	**834 (including plantations workers)**
4.	Please indicate the Number of permanent employees with disabilities	**17**

5.	Do you have an employee association that is recognized by management.	**Yes**
6	What percentage of your permanent employees is members of this recognized employee association?	**Around 57%**
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	
	1. Child Labour/forced labour/involuntary labour	**NIL**
	2. Sexual Harassment	**NIL**
	3. Discriminatory employment	**NIL**
	4. No of Complaints filed during the financial year	**NIL**
	5. No of Complaints pending as on end of the financial year	**NIL**
8.	What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?	
	(a) Permanent Employees	91%
	(b) Permanent Women Employees	97%
	(c) Casual/Temporary /Contractual Employees	52%
	(d) Employees with Disabilities	100%
Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.		
1.	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	We have undertaken initiatives in Skill Development and job placements for SC /ST youth. We have projects for women empowerment, and we support charitable trust (Srishti trust) for the differently abled. Through our Partnership in the UNICEF-Ethical Tea Partnership Program, we are promoting child protection and empowerment of girls in tea estates of Assam. More details are available in annexure 1 of Board's Report and on www.tataconsumer.com
Principle 5 Businesses should respect and promote human rights		
1.	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	The Company's policy on human rights as detailed in the Tata Code of Conduct extends to JVs Subsidiaries, Associates, suppliers, contractors, vendors, etc.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	None was received

Business Responsibility Report (2019-20)(Continued)

Principle 6 Business should respect, protect, and make efforts to restore the environment		
1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers /Contractors/NGOs/others.	The Natural Food & Beverages Policy is the apex sustainability and CSR policy of the Tata Global Beverages Limited. The Tata Code of Conduct which covers protection of environment is applicable to JV's and Suppliers.
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If Yes, please give hyperlink for webpage etc.	Yes. https://www.tataconsumer.com/sustainability/climate-change/introduction
3.	Does the company identify and assess potential environmental risks? Y/N	Yes.
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If Yes, please give hyperlink for web page etc.	https://www.tataconsumer.com/sustainability
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes.
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	One legal notice was received in respect of a factory from the Pollution Control Board alleging violation of sound levels. This matter has been stayed by the High Court of Karnataka for invalid and non-substantiated charges by the Pollution Control Board and the High Court has referred the matter to the Lower Court. The matter is currently pending in the Lower Court.
Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner		
1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes. Some organisations are: Confederation of Indian Industries (CII), Federation of India Chambers of Commerce and Industry (FICCI) National Safety Council, Kerala State Productivity Council, Federation of All India Tea Traders Association, Bombay Chamber of Commerce, Bangalore Chamber Of Industry and Commerce, Indian Tea Association - Kolkata. The Bengal Chamber of commerce & Industry, Tea Board – Kolkata, Calcutta Tea Traders Association, The Tea Trade Association of Cochin, The Coimbatore Tea Trade Association, The Coonoor Tea Trade Association, Cochin Chamber of Commerce and Industry, Indian Chamber of Commerce and Industry, Guwahati Tea Auction Centre, Siliguri Tea Auction centre, Guwahati Tea Buyers association, Export Promotion Council, ASSOCHAM, Export Promotion Council, We Care (Waste efficient collection and recycling efforts, a society of about 35 FMCG companies for circular economy in plastic waste), All India Spices Exporters Forum, India Pulses and Grains Association.

2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if Yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles.
Principle 8 Businesses should support inclusive growth and equitable development		
1.	Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If Yes details thereof.	The Company's BR initiatives/projects undertaken pursuant to Section 135 of the Companies Act 2013 support inclusive growth. Additionally, the Company abides by the Tata Group Affirmative Action Policy, details of which are given in Annexure 1 to the Board's report.
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?	Please refer Annexure 1 to the Board's report for details.
3.	Have you done any impact assessment of your initiative?	Yes
4.	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	Rs 10.85 crores u/s 135 of Companies Act, 2013. For more details please refer Annexure1 to the Board's report
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. The sustainability and CSR initiatives are also periodically reviewed by the Senior Management and the Board of Directors. Affirmative Action initiatives have been evaluated through impact assessment. The feedback loop provides the basis for which the deployment of programmes is continuously improved.
Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner		
1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	4.23%
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	Yes. Product information about the product composition and nutritional information is provided through pack declarations. All packs also contain a centralized contact number and email ID to enable consumers to correspond. Wherever applicable, certification requirements of regulatory authorities and certain markets like FSSAI (Food Safety and Standards Authority of India), Halal etc. are provided on the product labels. Some of our products contain information over and above that is mandated as per local laws.
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	None
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. Consumer and/ or Customer satisfaction survey is carried out by the company every year.

Independent Auditor's Report

To The Members of Tata Consumer Products Limited (Formerly Tata Global Beverages Limited)
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Tata Consumer Products Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Acquisition accounting for the Scheme of merger of Consumer Products Business of Tata Chemicals Limited -** During the year, the Company had acquired the Consumer Product Business of Tata Chemicals Ltd. as set out in Note 40 of the financial statements. Accounting for the acquisition has involved judgment in order to: • determine whether the acquisition constitutes a business; • determine the fair value of consideration transferred; • identify and measure the fair value of the identifiable assets acquired and liabilities assumed; • allocate the purchase consideration between identifiable assets and liabilities and goodwill; This is a material acquisitions for the Company and given the level of estimation and judgement required, we considered it to be a key audit matter. The most significant judgements relate to the identification and valuation of intangible assets acquired. The identified intangible assets are the brands and distribution rights. This includes complex valuation considerations and requires the use of specialists. Refer Note 2.2 (a) and note 2.3 to the Financial Statements	Our procedures included but were not limited to: • We examined the terms and conditions of the scheme of arrangement in order to challenge the Company's assessment of whether the acquisition comprises a business. • We tested the completeness of the identified assets and liabilities acquired by comparison to the scheme of arrangement, through discussions with the Company. • We assessed the Company's determinations of fair values for assets and liabilities acquired and the methods used to value the underlying assets by: o Reading the valuation report prepared by the appointed external valuation specialists. o Evaluating the competence, objectivity and integrity of the appointed external valuation specialists. o Involving our internal valuation specialists in assessing the appropriateness of the methods used to determine the fair values of the brands and distribution rights and including assumptions such as the discount rates applied. • Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.
2	**Inventory of raw tea, blended tea and salt (Existence)** – Management's physical verification of raw tea, blended tea and salt was not physically observed by us subsequent to the year-end due to the restrictions imposed on account of COVID-19. Refer Note 10 of the financial statements.	We have carried out following procedures with respect to the existence of tea and salt as at the year-end: • Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls during the interim periods. • Management had carried out the physical verification of inventory on February 29, 2020. On account of COVID – 19 related nationwide lockdown, we were unable to carry out inventory verification at the year end. Consequently, we have performed the following alternate procedures to audit the existence of inventory: o Participated in the physical verification of inventory of tea and salt conducted by the management subsequent to the year end, through video calls and performed roll back procedures. o In case of tea and salt, for the stock held at third party locations, obtained direct confirmation of the inventory held by third party locations subsequent to the year end and performed roll back procedures. o Obtained verification reports of the independent chartered accountant firms which were engaged by the Company for the Management inventory verification process. Verified the instructions provided by the management to those independent firms. Evaluated the differences identified by these independent firms during their physical verification of inventories and it was noted that there were no major deviations found.

Independent Auditor's Report (continued)

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has

adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

Independent Auditor's Report (continued)

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V Pilgaonkar
Partner
(Membership No.039826)
UDIN: 20039826AAAACK9835

Mumbai, May 14, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Tata Consumer Products Limited (the "Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

Independent Auditor's Report (continued)

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V Pilgaonkar
Partner
(Membership No.039826)
Mumbai, May 14, 2020 UDIN: 20039826AAAACK9835

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits and hence reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) There are no disputed dues of Customs Duty. Details of dues of Income-tax, Sales Tax, Service Tax and State Value Added Tax which have not been

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (CONTINUED)

deposited as on March 31, 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. Crores)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Kochi	2004-05, 2007-08 and 2008-09	2.10
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal ,New Delhi	2007-08 and 2009-10	0.01
West Bengal Value Added Tax Act, 2003	West Bengal Value Added Tax	Additional Commissioner (Appeals) – Kolkata	2017-18	1.14
Central Sales Tax Act, 1956	Sales Tax	Additional Commissioner (Appeals) – Kolkata	2017-18	0.07
Karnataka Sales Tax Act, 1957	Sales Tax	Commissioner of Commercial Tax, Karnataka	1997-98	1.28
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	Madras High Court	1998-99 to 2006-07	0.57
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner Indore, Madhya Pradesh	2011-12 to 2013-14	1.94
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner of Commercial Tax, Indore Div. 2, Indore	2014-15	0.24
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner Appeals, Coimbatore	2012-13	0.05
West Bengal Value Added Tax Act, 2003	West Bengal Value Added Tax	The West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata	2007-08 and 2008-09	1.36
Himachal Pradesh Value Added Tax Act, 2005	Himachal Pradesh Value Added Tax	Additional Excise & Taxation Commissioner (Appeals) South Zone, Shimla	2007-08	0.08
Goa Value Added Tax Act, 2005	Goa Value Added Tax	Commissioner of Commercial Tax, Goa	2006-07	0.01
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	The Supreme Court of India	2011-12	0.82
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	The High Court of Madhya Pradesh	2010-11	2.06
Finance Act, 1994	Service Tax	Commissioner Appeals, Bangalore	April 15 to June 17	0.04
Finance Act, 1994	Service Tax	Custom Excise and Service Tax Appellate Tribunal, Kolkata	2005-06	1.46
Finance Act, 1994	Service Tax	Commissioner Appeals, Kolkata	2008-09 and 2009-10	0.01

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V Pilgaonkar
Partner
(Membership No.039826)
Mumbai, May 14, 2020 UDIN: 20039826AAAACK9835

Balance Sheet

as at March 31, 2020

Rs in Crores

	Note	2020	2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	225.32	223.84
Capital work-in-progress		22.16	10.52
Investment Property	4	-	0.65
Right of Use Asset	4A	124.88	-
Goodwill	5	3578.51	-
Other Intangible Assets	5	2523.83	18.06
Intangible asset under development		5.99	6.73
Financial Assets			
Investments	6	2324.91	2318.59
Loans	7	22.35	16.77
Other Financial Assets	8	24.68	20.41
Deferred Tax Assets (Net)	20 (e)	-	33.86
Non-Current Tax Assets (Net)	20 (c)	123.06	63.38
Other Non-Current Assets	9	87.64	83.49
		9063.33	**2796.30**
Current assets			
Inventories	10	919.95	846.91
Financial Assets			
Investments	6	724.51	497.74
Trade Receivables	11	314.17	181.92
Cash and Cash Equivalents	12	243.24	408.96
Other Bank Balances	13	494.53	63.99
Loans	7	0.66	8.13
Other Financial Assets	8	75.20	37.42
Other Current Assets	9	214.84	163.08
		2987.10	**2208.15**
TOTAL ASSETS		**12050.43**	**5004.45**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14 (a)	92.16	63.11
Other Equity	14 (b)	10757.85	4380.57
TOTAL EQUITY		**10850.01**	**4443.68**
Non-Current Liabilities			
Financial Liabilities			
Lease Liability		121.82	-
Provisions	17	137.52	115.25
Deferred Tax Liabilities	20 (e)	149.22	-
		408.56	**115.25**
Current liabilities			
Financial liabilities			
Borrowings	15	35.00	4.53
Lease Liability		23.69	-
Trade Payables	18		
Total outstanding dues of Micro enterprises and Small enterprises		4.31	3.50
Total outstanding dues of creditors other than Micro enterprises and Small enterprises		442.73	235.92
Other Financial Liabilities	16	120.11	99.17
Other Current Liabilities	19	75.91	65.31
Provisions	17	73.96	20.65
Current Tax Liability (Net)	20 (d)	16.15	16.44
		791.86	**445.52**
TOTAL EQUITY AND LIABILITIES		**12050.43**	**5004.45**

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, May 14, 2020

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

S. Santhanakrishnan
Director
(DIN 00032049)

Sunil D'Souza
Managing Director & CEO
(DIN: 07194259)

L. KrishnaKumar
Executive Director
(DIN 00423616)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2020

Rs in Crores

	Note	2020	2019
INCOME			
Revenue from Operations	21	5690.24	3429.66
Other Income	22	117.75	182.51
Total Income		**5807.99**	**3612.17**
EXPENSES			
Cost of Materials Consumed	23	2305.02	2055.97
Purchases of Stock-in-trade		1123.86	23.65
Change in Inventories of Finished Goods/Stock-in-trade/Work-in-progress	24	44.36	0.16
Employee Benefits Expense	25	283.44	216.85
Finance Costs	26	25.73	13.18
Depreciaton and Amortisation Expense		114.82	31.68
Advertisement & Sales Charge		384.91	226.55
Other Expenses	27	744.63	468.21
Total Expenses		**5026.77**	**3036.25**
Profit before Exceptional Items and Taxes		**781.22**	**575.92**
Exceptional Items (Net)	28	(51.81)	-
Profit before Tax		**729.41**	**575.92**
Tax Expenses	20 (a)		
Current Tax		(0.61)	160.57
Deferred Tax		206.48	4.42
		205.87	**164.99**
Profit for the year		**523.54**	**410.93**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(28.18)	4.67
Changes in fair valuation of equity instruments		9.84	(3.77)
		(18.34)	**0.90**
Tax impact on above items		7.47	(1.80)
		(10.87)	**(0.90)**
Items that will be reclassified to profit or loss			
Gains/(loss) on effective portion of cash flow hedges		(6.53)	4.23
Tax Impact on above items		2.13	(1.48)
		(4.40)	**2.75**
Other Comprehensive Income for the year		**(15.27)**	**1.85**
Total Comprehensive Income for the year		**508.27**	**412.78**
Earnings per share	**33**		
Equity share of nominal value Re. 1 each			
Basic and Diluted		5.68	6.51

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, May 14, 2020

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

S. Santhanakrishnan
Director
(DIN 00032049)

Sunil D'Souza
Managing Director & CEO
(DIN: 07194259)

L. KrishnaKumar
Executive Director
(DIN 00423616)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

Statement of Changes in Equity

as at March 31, 2020

Equity Share Capital and Other Equity (Refer Note 14)

Rs in Crores

Particulars	Equity Share Capital	Reserve and Surplus						Other Comprehensive Income		Total Other Equity
		Capital Reserve	Securities Premium Account	Contingency Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Effective portion of Cash Flow Hedge	Fair value gains/(loss) on Equity Instruments	
Balance as at April 1, 2018	**63.11**	**15.79**	**361.05**	**1.00**	**21.86**	**1143.31**	**2551.9**	**0.52**	**54.81**	**4150.24**
Profit for the year							410.93			410.93
Other Comprehensive Income							3.04	2.75	(3.94)	1.85
Total Comprehensive Income for the year	-	-	-	-	-	-	413.97	2.75	(3.94)	412.78
Transaction with owners in their capacity as owners:										
Dividends (including tax on dividend)							(182.45)			(182.45)
Realised gain on equity shares carried at Fair Value through Other Comprehensive Income							0.99		(0.99)	
Balance as at April 1, 2019	**63.11**	**15.79**	**361.05**	**1.00**	**21.86**	**1143.31**	**2784.41**	**3.27**	**49.88**	**4380.57**
Profit for the year							523.54			523.54
Other Comprehensive Income							(20.71)	(4.40)	9.84	(15.27)
Total Comprehensive Income for the year	-	-	-	-	-	-	**502.83**	**(4.40)**	**9.84**	**508.27**
Transaction with owners in their capacity as owners:										
Dividends (including tax on dividend)							(186.05)			(186.05)
Share issue pursuant to the Scheme (Refer Note 40A)	29.05		6069.82							6,069.82
Transitional adjustment on Ind AS 116 (Refer Note 35)							(14.76)			(14.76)
Realised gain on equity shares carried at Fair Value through Other Comprehensive Income							50.02		(50.02)	-
Balance as at March 31, 2020	**92.16**	**15.79**	**6430.87**	**1.00**	**21.86**	**1143.31**	**3136.45**	**(1.13)**	**9.70**	**10757.85**

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

May 14, 2020

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

S. Santhanakrishnan
Director
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Managing Director & CEO
(DIN: 07194259)

L. KrishnaKumar
Executive Director
(DIN 00423616)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

Statement of Cash Flow

for the year ended March 31, 2020

Rs in Crores

		2020		2019	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before Tax		729.41		575.92
	Adjusted for :				
	Depreciation and Amortisation	114.82		31.68	
	Dividend Income	(47.15)		(81.25)	
	Unrealised Exchange Loss / (Gain)	(1.69)		0.17	
	Finance Cost	25.73		13.18	
	Fair Value movement in Financial Instruments designated at Fair Value through profit or loss	3.31		(4.14)	
	Interest Income	(46.57)		(38.31)	
	Profit on sale of Current Investments (net)	(24.88)		(33.45)	
	Impairment loss recognised in trade receivables (net of reversal)	(1.11)		0.51	
	(Profit) / Loss on sale of Property, Plant & Equipment (net)	1.33		0.40	
	Other Exceptional Expense/(Income)(net)	51.81		-	
	Other Non Operating Income	-		(25.21)	
			75.60		**(136.42)**
	Operating Profit before working capital changes		**805.01**		**439.50**
	Adjustments for :				
	Trade Receivables & Other Assets	(118.96)		(102.51)	
	Inventories	80.96		(102.51)	
	Trade Payables & Other Liabilities	37.05		(9.18)	
			(0.95)		(214.20)
	Cash generated from Operations		**804.06**		**225.30**
	Direct Taxes paid (net)	(59.03)		(127.83)	
			(59.03)		(127.83)
	Net Cash from / (used in) Operating Activities		**745.03**		**97.47**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Payment for Property, Plant and Equipment and Intangibles	(65.28)		(53.52)	
	Sale of Property, Plant and Equipment	0.11		0.17	
	Sale of Non Current Investments carried at Fair value through OCI	53.20		1.16	
	Acquisition of Business	(101.01)		-	
	Investment in Joint Ventures	(53.00)		(35.80)	
	(Purchase) / Sale of Current Investments (net)	(201.89)		73.39	
	(Placement)/ Redemption Fixed deposits (net)	(430.65)		240.00	
	Dividend Income received	47.15		81.25	
	Interest Income received	41.38		35.42	
	Inter Corporate Deposits & Loans (Net)	1.75		3.50	
	Net Cash (used in) / from Investing Activities		**(708.24)**		**345.57**

Rs in Crores

		2020	2019
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Working Capital Facilities (net)	35.00	(60.00)
	Payment of Lease Liabilities	(28.97)	-
	Dividend paid	(157.78)	(157.78)
	Dividend Tax paid	(29.12)	(24.67)
	Finance Cost paid	(17.11)	(4.71)
	Net Cash (used in) / from Financing Activities	**(197.98)**	**(247.16)**
	Net (decrease) / increase in Cash and Cash Equivalents	**(161.19)**	**195.88**
D.	**CASH AND CASH EQUIVALENTS BALANCES**		
	Balances at the beginning of the year	404.43	208.55
	Balances at the end of the year	**243.24**	**404.43**

Rs in Crores

	2020	2019
Reconciliation with Balance Sheet		
Cash and Cash Equivalents	243.24	404.43
Add: Bank Overdraft	-	4.53
Balances at the end of the year (Refer Note 12)	**243.24**	**408.96**

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, May 14, 2020

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

S. Santhanakrishnan
Director
(DIN 00032049)

Sunil D'Souza
Managing Director & CEO
(DIN: 07194259)

L. KrishnaKumar
Executive Director
(DIN 00423616)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

Notes to Standalone Financial Statements

1. General Information

Tata Consumer Products Limited ("the Company") (formerly known as Tata Global Beverages Limited) and its subsidiaries (together referred to as 'the Group') and the Group's associates and joint ventures are engaged in the trading, production and distribution of Consumer products viz., mainly Tea, Coffee, Water collectively termed as branded beverage business, and Salt, Pulses, Spices etc collectively termed as branded foods business (Refer Note 40A). The Group has branded beverage business mainly in India, Europe, US, Canada and Australia, and foods business in India. The non-branded plantation business is in India and tea and coffee extraction businesses are in India, Vietnam and the US.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Kolkata, West Bengal, India. The Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India.

The financial statements for the year ended March 31, 2020 were approved for issue by Company's Board of Directors on May 14, 2020.

2. Preparation and Presentation of financial statements

2.1 Basis of preparation and measurement

(a) Basis of preparation

The financial statements are prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

(b) Basis of measurement

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/settlement within a twelve month period from the balance sheet date.

2.2 Significant Accounting Policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Business Combinations

The Company applies the acquisition method to account for business combination. The consideration transferred for the acquisition of a business comprises the,

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Company, and
- fair value of any asset or liability resulting from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the fair value of consideration over the identifiable net asset acquired is recorded as goodwill, if the consideration is lower, the gain is recognised directly in equity as capital reserve. In case, business acquisition is classified as bargain purchase, the aforementioned gain is recognised in the other comprehensive income and accumulated in equity as capital reserve.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Company is recognised at fair value at

Notes to Financial Statements (continued)

the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the statement of profit and loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

(b) Property, Plant and Equipment

i) Recognition and measurement:

Property, plant and equipment including bearer assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent expenditure is added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replacements are derecognised. All repairs and maintenance are charged to the statement of profit and loss during the financial year in which they are incurred.

ii) Depreciation:

Depreciation is provided on assets to get the initial cost down to the residual value, including on asset created on lands under lease. Land is not depreciated. Depreciation is provided on a straight line basis over the estimated useful life of the asset as prescribed in Schedule II to the Companies Act, 2013 or based on a technical evaluation of the asset. Cost incurred on assets under development are disclosed under capital work in progress and not depreciated till asset is ready to use.

The residual values and useful lives for depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or exchange.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised in the statement of profit and loss.

iii) Estimated useful lives of items of property, plant and equipment are as follows:

Category	Useful life
Leasehold buildings / improvements	Lower of lease term or useful life
Buildings	30 to 60 years
Plant and Machinery	10 to 25 years
Furniture and Fixtures and other Office Equipments	5 to 16 years
Computer, Printers and other IT Assets	2 to 5 years
Motor vehicles	8 to 10 years

(c) Biological Assets

Biological assets are classified as bearer biological assets and consumable biological assets. Consumable biological assets are those that are to be harvested as agricultural produce. Bearer biological assets which are held to bear agricultural produce are classified as Bearer assets.

The Company recognises tea bushes and shade trees as bearer assets, with further classification as mature bearer assets and immature bearer assets. Mature bearer plants are those that have attained harvestable stage.

Bearer assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure on bearer assets are added to its book value only when it is probable that future economic benefits associated with

the item will flow to the Company and the cost of the item can be measured reliably.

Cost incurred for new plantations and immature areas are capitalised. The cost of immature areas coming into bearing is transferred to mature plantations and depreciated over their estimated useful life which has been ascribed to be within the range of 50 years.

Tea is designated as agricultural produce at the point of harvest and is measured at their fair value less cost to sell as at each reporting date. Any changes in fair value are recognised in the statement of profit and loss in the year in which they arise.

(d) Investment Property

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Company, are classified as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to investment properties are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Investment properties are depreciated using the straight line method over the useful lives. Depreciable investment properties have been ascribed a useful life in the range of 60 years.

(e) Intangible Assets

(i) Goodwill

Goodwill arising on a business combination represents the excess of the fair value of consideration over the identifiable net asset acquired. Fair value of consideration represents the aggregate of the consideration transferred, a reliable estimate of contingent consideration payable, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree on the acquisition date. Net assets acquired represents the fair value of the identifiable assets acquired and liabilities assumed.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the acquisition itself or from the synergies of the combination or both. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill is not amortised but is tested for impairment. Goodwill impairment reviews are generally undertaken annually. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed unless the CGU is classified as "Asset held for sale" and there is evidence of reversal. Goodwill is subsequently measured at cost less amounts provided for impairment.

(ii) Brands and Trademarks

Brands/trademarks acquired separately are measured on initial recognition at the fair value of consideration paid. Following initial recognition, brands/trademarks are carried at cost less any accumulated amortisation and impairment losses, if any. A brand/trademark acquired as part of a business combination is recognised outside goodwill, at fair value at the date of acquisition, if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

The useful lives of brands/trademarks are assessed to be either finite or indefinite. The assessment includes whether the brand/trademark name will continue to trade and the expected lifetime of the

Notes to Financial Statements (continued)

brand/trademark. Amortisation is charged on assets with finite lives on a straight-line basis over a period appropriate to the asset's useful life. The carrying values of brands/trademarks with finite and indefinite lives are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Brands/trademark with indefinite useful lives are also tested for impairment annually either individually or, if the intangible asset does not generate cash flows that are largely independent of those from other assets or groups of assets, as part of the cash-generating unit to which it belongs. Such intangibles are not amortised. The useful life of a brand with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Brands and trademarks having finite lives have been ascribed a useful life within the range of 10 – 20 years.

(iii) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the estimated useful life of the customer relationship. Customer intangibles have been ascribed a useful life to be within the range of 8- 20 years.

(iv) Distribution Network

Distribution network acquired in a business combination are recognised at fair value at the acquisition date. The distribution networks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the estimated useful life of the distribution network. Distribution networks have been ascribed a useful life within a range of 8 – 10 years.

(v) Patent / knowhow

Product development cost incurred on new products having enduring benefits is recognised as Intangible Assets and are amortised over a period of 10 years.

(vi) Computer software

Software development costs are expensed unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to develop and sell or use the software and the costs can be measured reliably. Directly attributable costs that are capitalised as part of the software product include the software development cost, related employee costs and an appropriate portion of relevant overheads. Other expenditure that do not meet these criteria are recognised as an expense as incurred, developmental costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which range between 3 to 5 years.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 5 years.

(vii) Website Cost

The cost incurred for separate acquisition for website for Company's own use is capitalised in the books of accounts of the Company. In case of internally generated website, the cost is capitalised only if the future economic benefits are expected to flow to the entity and if the asset can be controlled by entity as a result of past events.

These costs are amortised over their estimated useful lives of 5 years.

(vii) Research and Development

Research expenditure is recognised in the statement of profit and loss as incurred. Development expenditure is capitalized only if the costs can be reliably measured, future economic benefits are probable, the product is technically feasible and the Company has the intent and the resources to complete the project. Development assets are amortised based on the estimated useful life, as appropriate.

(f) Impairment of tangible and intangible assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest possible levels for which there are independent cash inflows (cash-generating units). Prior impairment of non-financial assets (other than goodwill) are reviewed for possible reversal of impairment losses at each reporting date. Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment.

(g) Assets held for sale and disposal groups

Non-current assets held for sale and disposal groups are presented separately in the balance sheet when the following criteria are met:

- the Company is committed to selling the asset or disposal group;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

(h) Financial Instruments

Financial assets

The Company classifies its financial assets in the following categories:

i) Financial assets at amortised cost- Assets that are held for collection of contractual cash flows on specified dates where those cash flows represent solely payments of principal and interest are measured at amortised cost.

These are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently, if maturing after 12 months period, using the effective interest method, less any impairment loss.

Debt instruments which do not meet the criteria of amortised cost are measured at fair value and classified as fair value through profit and loss or through other comprehensive income, as applicable.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalent, employee and other advances.

ii) Financial assets at fair value through other comprehensive income (FVTOCI) - All equity investments are measured at fair values. Investments which are not held for trading purposes and where the Company has exercised the option to classify the investment as at fair value

Notes to Financial Statements (continued)

through other comprehensive income , all fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments.

Debt instruments that are held within a business model whose objectives are achieved by both, collecting contractual cash flows and selling the debt instruments and the contractual terms of which give rise to cash flows that are solely payment of principal and interest on specified dates are subsequently measured at fair value through other comprehensive income. All other debt instruments are measured at fair value and classified as fair value through profit or loss.

iii) Financial assets at fair value through profit or loss (FVTPL) - Financial assets which are not classified in any of the categories above are fair value through profit or loss.

iv) Impairment of financial assets - The Company assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Company's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in case of loans and borrowings net of directly attributable costs.

Financial liabilities are subsequently measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these instruments.

Investment in Subsidiaries, Associates and Joint Ventures

Investment in subsidiaries, associates and joint ventures are accounted at cost in the financial statements.

Derivative financial instruments and hedging activities

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

(a) hedges of the fair value of recognised assets or liabilities (fair value hedge); or

(b) hedges of a particular risk associated with a firm commitment or a highly probable forecast transaction (cash flow hedge);

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

Movements in the hedging reserve are accounted in other comprehensive income and are shown within the statement of changes in equity. The full fair value of a hedging derivative

is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Company only applies fair value hedge accounting for hedging foreign exchange risk on recognised assets and liabilities.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

Gains or losses accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss.

When a hedging instrument expires or is swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss in other equity remains there and is reclassified to statement of profit and loss when the forecasted cash flows affect profit or loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/ losses that were reported in equity are immediately transferred to the statement of profit and loss.

Fair value measurement

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

iii) Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

Interest and dividend income

Interest income is recognised within finance income using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Dividend income is recognised when the right to receive payment is established. Income from investments are accounted on an accrual basis.

(i) Inventories

Raw materials, traded and finished goods are stated at the lower of cost and net

Notes to Financial Statements (continued)

realisable value, net realisable value represents the estimated selling price less all estimated cost of completion and selling expenses. Stores and spares are carried at cost. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

Cost is determined on weighted average method for all categories of inventories other than for auction/privately bought teas wherein cost is measured at actual cost of each lot. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition, where applicable, include appropriate overheads based on normal level of activity. Agricultural produce included within inventory largely comprise of tea and in accordance with Ind AS 41, on initial recognition, are measured at fair value less estimated point of sale costs.

Provision is made for obsolescence and other anticipated losses wherever considered necessary.

(j) Employee Benefits

The Company operates various post-employment schemes, including both defined benefit and defined contribution plans and post-employment medical plans. Short term employee benefits are recognised on an undiscounted basis whereas Long term employee benefits are recognised on a discounted basis.

i) Post retirement employee benefits:

Contribution to post retirement defined benefit and contribution schemes like Provident Fund (PF), Superannuation Schemes and other such schemes are accounted for on accrual basis by the Company. With regard to Provident Fund contribution made by the Company to a Self-Administered Trust, the Company is generally liable for annual contributions and for any shortfall in the fund assets based on the government specified minimum rates of return. Such contributions and shortfalls are recognised as an expense in the year incurred.

Post retirement defined benefits including gratuity, pension and medical benefits for qualifying executives/whole time directors are determined through independent actuarial valuation at year end and charge recognised in the statement of profit and loss. Interest costs on employee benefit schemes have been classified within finance cost. For schemes, where funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. Such accumulated re-measurement balances are never reclassified into the statement of profit and loss subsequently.

The Company recognises in the statement of profit and loss, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

ii) Other employee benefits:

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent actuarial valuation at year end and charge is recognised in the statement of profit and loss.

iii) Employee termination benefits:

Payments to employees on termination along with additional liabilities towards retirement benefits arising pursuant to the termination are charged to the statement of profit and loss in the year in which it is incurred.

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or

whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of "Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(k) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is possible.

(l) Income Tax

i) Current Income Tax:

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961.

ii) Deferred Tax:

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date. Current income tax and deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Notes to Financial Statements (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

iii) Minimum Alternate Tax:

According to section 115JAA of the Income Tax Act, 1961, Minimum Alternative Tax ('MAT') paid over and above the normal income tax in a subject year is eligible for carry forward for fifteen succeeding assessment years for set-off against normal income tax liability. The MAT credit asset is assessed against the normal income tax during the specified period.

(m) Foreign currency and translations

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in Indian Rupees (INR), which is the functional currency of the Company.

ii) Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the year-end rate. Any resultant exchange differences are taken to the statement of profit and loss, except when deferred in other comprehensive income as qualifying cash flow hedges. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are recorded at the exchange rate prevalent at the date of transaction.

(n) Revenue from contracts with customer

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations maybe satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset or when services are rendered.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A refund liability is recognised for expected returns in relation to sales made and corresponding assets are recognised for the products expected to be returned.

The Company recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Company expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer to goods or services to the customer.

(o) Government Grant

Government grants including any non-monetary grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the related costs, which the grants are intended to compensate, are recognised as expenses. Government grants related to property, plant and equipment are presented at fair value and grants are recognised as deferred income.

(p) Leases

As a lessee

At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is, or contains, a lease if a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract conveys the right to use an identified asset;
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the identified asset.

At the date of commencement of a lease, the Company recognises a right-of-use asset ("ROU assets") and a corresponding lease liability for all leases, except for leases with a term of twelve months or less (short-term leases) and low value leases. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Company has considered all leases where the value of an underlying asset does not individually exceed Rs.0.05 Crores, or equivalent as a lease of low value assets.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Lease payments to be made under such reasonably certain extension options are included in the measurement of ROU assets and lease liabilities.

Lease liability is measured by discounting the lease payments using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and restoration costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. ROU assets are depreciated on a straight-line basis over the asset's useful life (refer 2.2(b)) or the lease whichever is shorter.

Impairment of ROU assets is in accordance with the Company's accounting policy for impairment of tangible and intangible assets.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in the statement of profit and loss on a straight- line basis over the lease term.

(q) Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Notes to Financial Statements (continued)

(r) Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

(s) Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(t) Segment Reporting

Segments are identified based on the manner in which the Company's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets.

(u) Cash and Cash equivalents

Cash and cash equivalents for the purpose of presentation in the statement of cash flows comprises of cash at bank and in hand, bank overdraft and short term highly liquid investments/bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(v) Offsetting instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(w) Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed if material.

2.3 Key accounting judgement, estimates and assumptions

The preparation of the financial statements requires management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affect only that period, or in the period of the revision and future periods if the revision affects both current and future period.

The areas involving critical estimates or judgements are:

Goodwill and Intangibles

The Company records all intangible assets including goodwill acquired as part of a business combination at fair value. In relation to business combinations, judgement is required to be exercised on determining the fair values, identification and measurement of assets acquired and liabilities assumed, in allocation of purchase consideration, in deciding the amortisation policy and on tax treatment of goodwill and intangible assets acquired. Appropriate independent professional advice is also obtained, as necessary. Goodwill is assigned an indefinite useful life whilst intangible assets are assigned an indefinite or finite useful life. Goodwill and intangible assets assigned an indefinite useful life are as a minimum subject to annual tests of impairment in line with the accounting policy whereas all other intangibles assets are amortised. (Refer Note 5)

Depreciation and amortisation

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges. (Refer Note 3, 4, 4A and 5)

Employee Benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions. (Refer Note 39)

Fair value of derivatives and other financial instruments

All financial instruments are required to be fair valued as at the balance sheet date, as provided in Ind AS 109 and Ind AS 113. Being a critical estimate, judgement is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc., as applicable. (Refer Note 38)

Notes to Financial Statements (continued)

3. Property, Plant & Equipment

Rs in Crores

	Land @	Buildings @	Plant & Equipment @	Furniture, Fixtures & Office Equipment	Motor Vehicles	Total
COST						
As at 1 April 2018	**7.37**	**53.47**	**268.30**	**50.27**	**4.53**	**383.94**
Additions	-	0.50	36.38	5.40	-	**42.28**
Disposals	-	-	(7.31)	(0.86)	(0.18)	**(8.35)**
As at 1 April 2019	**7.37**	**53.97**	**297.37**	**54.81**	**4.35**	**417.87**
Acquisition through Business Combination (Refer Note 40)	-	-	0.19	-	-	**0.19**
Additions	-	1.66	25.90	4.28	0.46	**32.30**
Transfer from Investment Property (Refer Note 4)	-	1.02	-	-	-	**1.02**
Disposals	-	(0.09)	(2.94)	(0.42)	(0.09)	**(3.54)**
As at 31 March 2020	**7.37**	**56.56**	**320.52**	**58.67**	**4.72**	**447.84**
ACCUMULATED DEPRECIATION						
As at 1 April 2018	**-**	**16.58**	**130.71**	**26.42**	**2.64**	**176.35**
Depreciation expense	-	1.20	19.24	4.48	0.55	**25.47**
Disposals	-	-	(6.82)	(0.80)	(0.17)	**(7.79)**
As at 1 April 2019	**-**	**17.78**	**143.13**	**30.10**	**3.02**	**194.03**
Transfer from Investment Property (Refer Note 4)	-	0.37	-	-	-	**0.37**
Depreciation expense	-	1.19	23.23	5.08	0.53	**30.03**
Disposals	-	(0.05)	(1.60)	(0.17)	(0.09)	**(1.91)**
As at 31 March 2020	**-**	**19.29**	**164.76**	**35.01**	**3.46**	**222.52**
Net carrying value as at 31 March 2020	**7.37**	**37.27**	**155.76**	**23.66**	**1.26**	**225.32**
Net carrying value as at 31 March 2019	**7.37**	**36.19**	**154.24**	**24.71**	**1.33**	**223.84**

1) Certain Plantation land meant for usage as tea plantations and for ancillary activities has been leased by the Company to its associate company Kanan Devan Hills Plantation Company Private Limited for a period of 30 years as part of the restructure in 2005, of its South India Plantation Operation.

2) Cost of Buildings include Rs. 5.90 Crores (Rs. 5.90 Crores) represented by shares in Co-operative Housing Societies / a Company.

3) (@) Includes amount of Rs. 1.26 Crores (Rs. 1.26 Crores), Rs.0.62 Crores (Rs. 0.62 Crores), Rs. 0.08 Crores (Rs.0.08 Crores), respectively, jointly owned /held with a subsidiary company.

4) Land includes leasehold land amounting to Rs. 0.17 Crores (Rs. 0.17 Crores).

4. Investment Property

Rs in Crores

	2020	2019
COST		
Opening Balance	1.02	1.02
Transfer to Property, Plant and Equipment	1.02	-
Closing Balance	-	1.02
ACCUMULATED DEPRECIATION		
Opening Balance	0.37	0.35
Transfer to Property, Plant and Equipment	0.37	-
Depreciation expense	-	0.02
Closing Balance	**-**	**0.37**
NET CARRYING VALUE	**-**	**0.65**

Profit & Loss Statement of Investment Property:

Rs in Crores

	2020	2019
Rental Income	-	0.08
Profit from investment property before depreciation	-	0.08
Depreciation/Amortisation for the year	-	(0.02)
Profit/(loss) from Investment Property	**-**	**0.06**

During the year, the usage of above investment property was re categorized and accordingly this has been reclassified into Property, Plant and Equipment.

4A. Right of Use Assets

Rs in Crores

	Building	Plant & machinery	Motor Vehicles	Total
COST				
At 1 April 2019	**-**	**-**	**-**	**-**
Recognition on transition to Ind AS 116 (Refer Note 35)	73.11	3.37	2.27	78.75
Acquired through Business Combination (Refer Note 40A)	-	3.50	-	3.50
Additions	61.55	9.76	1.10	72.41
Disposals	(0.98)	-	-	(0.98)
At 31 March 2020	**133.68**	**16.63**	**3.37**	**153.68**
ACCUMULATED DEPRECIATION				
At 1 April 2019	**-**	**-**	**-**	**-**
Depreciation expense	24.49	3.11	1.37	28.97
Disposals	(0.17)	-	-	(0.17)
At 31 March 2020	**24.32**	**3.11**	**1.37**	**28.80**
Net carrying value as at 31 March 2020	**109.36**	**13.52**	**2.00**	**124.88**

Notes to Financial Statements (continued)

5. Goodwill and Other Intangible Assets

Rs in Crores

	Goodwill	Capitalised Software	Patent/ Knowhow	Brand *	Non Compete Fees	Distribution Network	Total Other Intangible Assets
COST							
At 1 April 2018	**-**	**42.87**	**17.63**	**-**	**3.00**	**-**	**63.50**
Additions	-	5.04	-	-	-	-	5.04
Disposals	-	-	-	-	(3.00)	-	(3.00)
At 1 April 2019	**-**	**47.91**	**17.63**	**-**	**-**	**-**	**65.54**
Acquisition through Business Combination (Refer Note 40)	3578.51	0.46	-	2273.45	-	270.46	2544.37
Additions	-	17.22	-	-	-	-	17.22
Disposals	-	-	-	-	-	-	-
At 31 March 2020	**3578.51**	**65.59**	**17.63**	**2273.45**	**-**	**270.46**	**2627.13**
ACCUMULATED AMORTISATION							
At 1 April 2018	**-**	**25.95**	**15.34**	**-**	**3.00**	**-**	**44.29**
Amortisation expense	-	5.61	0.58	-		-	6.19
Disposals	-	-	-	-	(3.00)	-	(3.00)
At 1 April 2019	**-**	**31.56**	**15.92**	**-**	**-**	**-**	**47.48**
Amortisation expense	-	8.39	0.60	13.02	-	33.81	55.82
Disposals	-	-	-	-	-	-	-
At 31 March 2020	**-**	**39.95**	**16.52**	**13.02**	**-**	**33.81**	**103.30**
Net carrying value as at 31 March 2020	**3578.51**	**25.64**	**1.11**	**2260.43**	**-**	**236.65**	**2523.83**
Net carrying value as at 31 March 2019	**-**	**16.35**	**1.71**	**-**	**-**	**-**	**18.06**

* Brands acquired during the year include an amount of Rs 2093.33 Crores which has been categorised as brand with indefinite life and will be annually tested for impairment. Based on analysis of all relevant factors such as market share, stability, potential obsolescence, profitability etc, the brand is expected to provide cash inflows to the Company over an indefinite period.

Impairment of Goodwill and intangible assets with indefinite useful life

For the purpose of Impairment Testing, Goodwill has been allocated to Company CGUs as follows:

	Rs in Crores
	2020
India Food Business (Refer Note 40A)	3562.41
India Beverages Business (Refer Note 40B)	16.10
Total	**3578.51**

For the purpose of Impairment Testing, Indefinite life brand relates to following Company CGUs:

	Rs in Crores
	2020
India Food Business (Refer Note 40A)	2093.33
Total	**2093.33**

Both goodwill as well as indefinite life brand as above arose during the year (Refer Note 40). The fair values of businesses acquired were allocated to various identifiable tangible and intangible assets and the balance has been categorised as goodwill.

Value in use i.e. the enterprise value for each CGU is calculated using cash flow projections over a period of 5 years, with amounts based on medium term strategic plans, subject to experience adjustments. Cash flows beyond the 5 years period are extrapolated using a long term growth rate.

Key assumptions in the business plans include future revenue, associated future levels of marketing support and other relevant cost-base. These assumptions are based on historical trends and future market expectations specific to each CGU.

Other key assumptions applied in determining value in use are:

- Long term growth rate – Cash flows beyond the 5 years period are extrapolated using the estimated long-term growth rate applicable for the geographies in which the CGUs operate.
- Discount rate – The discount rate is based on a Weighted Average Cost of Capital (WACC) for comparable companies operating in similar markets.

The long term growth rates and discount rates applied in the value in use calculations have been set out below:

	Pre Tax Discount rate	**Long Term Growth Rate**
India Food Business (Refer Note 40A)	13.40%	6.0%
India Beverages Business (Refer Note 40B)	13.40%	5.0%

Notes to Financial Statements (continued)

6. Investments

Rs in Crores

	2020	2019
NON-CURRENT INVESTMENTS		
Quoted Equity Instruments	171.24	215.26
Unquoted Equity Instruments	2041.81	1988.16
Unquoted Preference Shares	111.86	115.17
Unquoted Debentures (Refer footnote f)	0.00	0.00
Unquoted Government Securities (Refer footnote f)	0.00	0.00
	2324.91	**2318.59**
CURRENT INVESTMENTS		
Mutual Funds - Unquoted (Carried at Fair value through Profit & Loss)	724.51	497.74
	724.51	**497.74**
Total Investments	**3049.42**	**2816.33**
Market Value of Quoted Investments	**612.56**	**1022.67**
Aggregate amount of Unquoted Investments	**2878.18**	**2601.07**
Aggregate amount of Quoted Investments	**171.24**	**215.26**
Aggregate Amount of Impairment in Value of Investments	**0.22**	**0.22**

Quoted Equity Instruments

Carried at fair value through Other Comprehensive Income

Rs in Crores

	Face Value	Nos.			
		2020	2019	2020	2019
Tata Chemicals Ltd (Refer foot note g)	Rs. 10	-	705522	-	41.45
Tata Investment Corporation Ltd	Rs. 10	146872	146872	9.73	12.30
SBI Home Finance Ltd. (under liquidation) (Refer footnote h)	Rs. 10	100000	100000	-	-
				9.73	**53.75**

Carried at Cost:

Rs in Crores

	Face Value	Nos.			
		2020	2019	2020	2019
Investment in Subsidiary					
Tata Coffee Ltd (Refer footnote a)	Rs. 1	107359820	107359820	161.51	161.51
				161.51	**161.51**
Total Quoted Equity Instruments				**171.24**	**215.26**

Unquoted Equity Instruments

Carried at fair value through other comprehensive income

	Face Value	Nos.		Rs in Crores	
		2020	2019	2020	2019
Tata Sons Pvt. Ltd. (Refer footnote b)	Rs. 1000	1755	1755	9.75	9.75
Tata Capital Ltd.	Rs. 10	613598	613598	3.07	3.10
Tata Services Ltd.	Rs. 1000	475	475	0.05	0.05
Tata Industries Ltd. (Refer footnote b)	Rs. 100	6519441	6519441	115.82	115.82
Taj Air Ltd.	Rs. 10	4200000	4200000	1.04	1.04
Anamallais Ropeways Company Limited (Refer foot note h)	Rs. 100	2092	2092	-	-
ABC Tea Workers Welfare Services	Rs. 10	20000	20000	0.02	0.02
Assam Hospitals Ltd	Rs. 10	200000	200000	3.74	2.84
The Valparai Co-operative Wholesale Stores Ltd. (Refer foot note h)	Rs. 10	350	350	-	-
Suryakiran Apartment Services Private Ltd (Refer footnote f)	Rs. 10	2146	2146	0.00	0.00
Jalpaiguri Club Ltd. (Cost Re. 1) (Refer footnote f)	Rs. 10	60	60	0.00	0.00
GNRC Ltd	Rs. 10	50000	50000	0.30	0.30
IFCI Venture Capital Funds Ltd	Rs. 10	250000	250000	0.60	0.82
Ritspin Synthetics Ltd (Refer foot note h)	Rs. 10	100000	100000	-	-
TEASERVE (Refer footnote f) (The Tamil Nadu Tea Manufacturers' Service Industrial Co-operative Society Ltd)	Rs 5000	1	1	0.00	0.00
Woodlands Hospital & Medical Res .Centre Ltd. (Refer footnote f)	Rs. 10	12280	12280	0.00	0.00
				134.39	**133.74**

Unquoted Equity Instruments

Carried at cost

		Face Value	Nos.		Rs in Crores	
			2020	2019	2020	2019
Investment in Subsidiaries:						
Tata Tea Extractions Inc	US$	1	14000000	14000000	59.80	59.80
Tata Consumer Products UK Group Limited(Formerly Tata Global Beverages Group Ltd.)	GBP	1	70666290	70666290	500.71	500.71
Tata Consumer Products Capital Limited (Formerly Tata Global Beverages Capital Ltd.)	GBP	1	89606732	89606732	763.89	763.89
Consolidated Coffee Inc.	US$	0.01	199	199	92.49	92.49
Tata Tea Holdings Private Limited	Rs.	10	50000	50000	0.05	0.05
Investment in Associates :						
Amalgamated Plantations Pvt Ltd. (Refer footnote d)	Rs.	10	61024400	61024400	71.10	71.10
Kanan Devan Hills Plantations Company (Pvt.) Ltd.	Rs.	10	3976563	3976563	12.33	12.33
TRIL Constructions Limited	Rs.	10	11748148	11748148	11.75	11.75
Investment in Joint Ventures :						
NourishCo Beverages Limited	Rs.	10	106500000	106500000	106.50	106.50
Tata Starbucks Private Limited (Refer footnote c)	Rs.	10	288800000	235800000	288.80	235.80
					1,907.42	**1,854.42**
Total Unquoted Equity Instruments					**2,041.81**	**1,988.16**

Notes to Financial Statements (continued)

Unquoted Preference Shares

	Face Value	Nos.		Rs in Crores	
		2020	2019	2020	2019
Investment in Associates					
Amalgamated Plantations Pvt Ltd. (Refer footnote d)	Rs. 10	67000000	67000000	45.11	48.42
TRIL Constructions Limited (Refer footnote e)	Rs. 10	66751852	66751852	66.75	66.75
Others					
Thakurbari Club Ltd (Cost Re 1) (Refer footnote f)	Rs. 100	26	26	0.00	0.00
Total Unquoted Preference Shares				**111.86**	**115.17**

Unquoted Debentures & Government Securities

Carried at fair value through Other Comprehensive Income

	Face Value	Nos.		Rs in Crores	
		2020	2019	2020	2019
Unquoted Debentures:					
The Bengal Chamber of Commerce & Industry - 6 1/2% Debentures (Refer footnote f)	Rs. 1000	7	7	0.00	0.00
Shillong Club Ltd - 5% Debentures - (Cost Rs 2) (Refer footnote f)	Rs. 100	31	31	0.00	0.00
				0.00	**0.00**
Unquoted Government Securities:					
W.B. Estates Acquisition Compensation Bond (Refer footnote f)				0.00	0.00
				0.00	**0.00**

a) Inclusive of Rs. 21.86 Crores (Rs. 21.86 Crores) kept in Revaluation Reserve.

b) Costs of these unquoted equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represent the best estimate of fair value within that range.

c) During the financial year 2019-20, the Company has invested an amount of Rs. 53.00 Crores towards equity capital in Tata Starbucks Private Limited which is a 50:50 joint venture.

d) Investment in preference shares of Amalgamated Plantations Pvt. Ltd., are now redeemable with a special redemption premium, on fulfilment of certain conditions, within 13 - 15 years from the date of the issue and are designated as fair value through profit and loss.

e) Preference shares of TRIL Constructions Ltd. are non-cumulative and mandatorily fully convertible within 12 years from the issue date, the same is carried at cost.

f) Investment carrying values are below Rs. 0.01 Crores.

g) During the year, the Company has sold its holding in Tata Chemicals Limited. Realised gains arising on the transactions amounting to Rs 50.02 Crores has been accounted under retained earnings.

h) These investments are fully impaired.

7. Loans

Rs in Crores

	2020	2019
NON-CURRENT		
(Secured and considered good)		
Inter Corporate Loan to related party $	17.00	15.25
Inter Corporate Deposits *	4.25	-
(Unsecured and considered good)		
Employee Loans and Advances	1.10	1.52
	22.35	**16.77**
CURRENT		
(Secured and considered good)		
Inter Corporate Loan to related party $	-	3.50
Inter Corporate Deposits *	-	4.25
(Unsecured and considered good)		
Employee Loans and Advances	0.66	0.38
	0.66	**8.13**
Total Loans	**23.01**	**24.90**

$ secured by mortgage of rights on immovable assets
* secured by mortgage of land

8. Other Financial Assets

Rs in Crores

	2020	2019
NON-CURRENT		
Considered Good		
Security Deposits *	23.89	20.41
Lease receivable	0.79	-
Considered Doubtful		
Security Deposits	0.29	0.29
Less: Provision for Doubtful Deposits	(0.29)	(0.29)
	24.68	**20.41**
CURRENT		
(Unsecured and considered good, unless otherwise stated)		
Receivable pursuant to Acquisition from Tata Chemicals Limited (Refer Note 40A)	40.06	-
Due from Related Parties	10.76	15.03
Insurance Claims Receivable	2.79	3.11
Lease receivable	0.40	-
Interest Accrued	7.83	2.64
Export Incentive Receivable	13.36	11.63
Derivative Financial Assets	-	5.01
	75.20	**37.42**
Total Other Financial Assets	**99.88**	**57.83**

* Includes deposit to related party Rs.Nil (Rs. 1.23 Crores).

Notes to Financial Statements (continued)

9. Other Assets

Rs in Crores

	2020	2019
NON-CURRENT		
(Unsecured and Considered Good, unless otherwise stated)		
Capital Advances	9.93	4.88
Property Rights Pending Development #	70.50	70.50
Taxes Receivable	7.21	7.44
Advance Rent	-	0.67
	87.64	**83.49**
CURRENT		
Prepaid Expenses	32.51	22.76
Taxes Receivable	159.99	125.69
Advance Rent	-	0.31
Other Trade Advances	22.34	13.10
Considered Doubtful		
Other Advances for Supply of Goods and Services	0.53	1.75
Less: Provision for Advances	(0.53)	(0.53)
	214.84	**163.08**
Total Other Assets	**302.48**	**246.57**

Property Rights Pending Development represents constructed office space to be delivered to the Company by TRIL Constructions Limited, consequent to a development agreement.

10. Inventories

Rs in Crores

	2020	2019
(At lower of cost and net realisable value)		
Raw Material		
Tea	577.09	577.57
Packing Materials	35.34	32.31
Others	7.21	7.49
	619.64	**617.37**
Finished Goods		
Tea	189.28	213.81
Others	3.37	1.57
	192.65	**215.38**
Traded Goods		
Salt and other items relating to Food Business	94.77	-
Formulations and Others	2.50	3.08
Stores and Spare Parts	10.39	11.08
	919.95	**846.91**

Raw material includes in transit tea inventory of Rs. 2.05 Crores (Rs. 2.69 Crores).

During the year ended March 31, 2020 - Rs. 7.29 Crores (Rs. 5.86 Crores) was charged to statement of profit and loss for slow moving and obsolete inventories.

11. Trade Receivables

Rs in Crores

	2020	2019
Trade Receivables considered good - Secured	60.66	30.12
Trade Receivables considered good - Unsecured	253.51	151.80
Trade Receivables - Credit Impaired (Refer Note 38)	14.46	4.14
	328.63	**186.06**
Less: Allowance for Impairment	14.46	4.14
	314.17	**181.92**

Secured receivables are backed by security deposits
Includes due from Related Parties - Rs. 36.65 Crores (Rs. 43.12 Crores).
Inventories and trade receivables have been hypothecated to banks for the working capital facilities availed.

12. Cash and Cash Equivalents

Rs in Crores

	2020	2019
Balances with banks:		
Current Account	9.24	3.93
Deposit Account	233.96	405.00
Cash/Cheques in hand	0.04	0.03
	243.24	**408.96**

13. Other Bank Balances

Rs in Crores

	2020	2019
Unclaimed Dividend Account	8.88	8.99
Deposit exceeding 3 months	485.65	55.00
	494.53	**63.99**

Notes to Financial Statements (continued)

14. Equity Share Capital and Other Equity

a) Equity Share Capital

Rs in Crores

	2020	2019
AUTHORISED		
125,00,00,000 (110,00,00,000) Equity Shares of Re 1 each	125.00	110.00
ISSUED, SUBSCRIBED AND PAID-UP		
92,15,51,715 (63,11,29,729) Equity Shares of Re 1 each, fully paid-up	92.16	63.11
	92.16	**63.11**

i) The reconciliation of the number of shares as at March 31, 2020 is set out below:

Rs in Crores

	2020	2019
Number of shares as at the beginning of the year	631129729	631129729
Add: Shares issued during the year pursuant to Scheme of Arrangement (Refer Note 40A)	290421986	-
Number of shares as at the end of the year	921551715	631129729

As a part of Scheme of arrangement (Refer Note 40A), the authorised Share Capital of the Company stand increased to Rs. 125 Crores made up of 125,00,00,000 Equity Shares of Re. 1/- each with effect from February 7, 2020 (effective date of Merger). Pursuant to the said scheme, the Company during the financial year 2019-20 has also issued 290,421,986 equity shares.

ii) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Re 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

iii) Equity shares allotted as fully paid-up (during 5 years preceding March 31, 2020) pursuant to contracts without payment being received in cash

1,27,31,159 equity shares were issued during the financial year 2015-16, consequent to and as part of the amalgamation of the erstwhile Mount Everest Mineral Water Limited with the Company.

iv) The details of shareholders holding more than 5% shares as at March 31, 2020 is set out as below :

Name of shareholder	2020 No. of shares % of holding	2019 No. of shares % of holding
Tata Sons Private Limited	270557128	186029710
	29.36%	**29.48%**

v) Dividend paid:

	2020	2019
Dividend Paid (Rs. in Crores)	157.78	157.78
Dividend per share (Rs.)	2.50	2.50

The Board of Directors in its meeting held on May 14, 2020 have recommended a final dividend payment of Rs. 2.70 per share for the financial year ended March 31, 2020.

b) Other Equity

Rs in Crores

	2020	2019
Capital Reserve	15.79	15.79
Securities Premium Account	6430.87	361.05
Contingency Reserve	1.00	1.00
Revaluation Reserve	21.86	21.86
General Reserve	1143.31	1,143.31
Retained Earnings	3136.45	2,784.41
Other Comprehensive Income		
- Effective portion of Cash Flow Hedge	(1.13)	3.27
- Fair value gains/(loss) on Equity Instruments	9.70	49.88
	10757.85	**4,380.57**

Nature and Purpose of Reserve

i) Capital Reserve
Capital Reserve was created on acquisition of certain plantation business.

ii) Securities Premium Account
Security Premium Account was created on issue of shares at premium. These reserves can be utilised in accordance with Section 52 of Companies Act 2013.

iii) Contingency Reserves
Contingency Reserves are in the nature of free reserves.

iv) Revaluation Reserve
Revaluation Reserve was created on acquisition of shares in Tata Coffee Limited (Refer Note 6).

Notes to Financial Statements (continued)

15. Borrowings

Rs in Crores

	2020	2019
CURRENT		
Loan From Banks - Secured		
Working Capital Facilities	35.00	-
Loan From Banks - Secured		
Bank Overdraft	-	4.53
Secured by way of hypothecation of raw materials, finished goods, stores and spares and book debts on pari passu basis		
	35.00	**4.53**

Note: Change in liabilities are on account of financing activities which have been disclosed in the Statement of Cash Flow.

16. Other Financial liabilities

Rs in Crores

	2020	2019
CURRENT		
Unpaid Dividends *	8.88	8.99
Interest accrued but not due on borrowings	0.11	-
Derivative Financial Liabilities	1.51	-
Security Deposits from Customers	57.00	47.20
Others	52.61	42.98
	120.11	**99.17**

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

17. Provisions

Rs in Crores

	2020	2019
NON-CURRENT		
Employee Benefits	137.52	115.25
	137.52	**115.25**
CURRENT		
Employee Benefits	42.17	18.57
Other Provisions	31.79	2.08
	73.96	**20.65**
Total Provisions	**211.48**	**135.90**

Movement in Other Provisions - Current

Rs in Crores

Provision for Trade Obligations	2020	2019
Opening balance	1.74	26.95
Provision during the year	-	-
Amount written back during the year	-	(25.21)
Closing balance	**1.74**	**1.74**
Restructuring Costs		
Opening balance	0.34	0.34
Provision during the year	29.71	-
Amount paid/adjusted during the year	-	-
Closing balance	**30.05**	**0.34**
Total Closing Balance	**31.79**	**2.08**

18. Trade Payables

Rs in Crores

	2020	2019
Total outstanding dues of creditors other than Micro enterprises and Small enterprises*	442.73	235.92
Total outstanding dues of Micro enterprises and Small enterprises (Refer Note 31)	4.31	3.50
	447.04	**239.42**

* Includes due to Related Parties - Rs. 17.85 Crores (Rs. 37.00 Crores).

19. Other Current Liabilities

Rs in Crores

	2020	2019
Statutory Liabilities	13.90	9.99
Others	62.01	55.32
Total Other Current Liabilities	**75.91**	**65.31**

20. Taxation

a) Tax charge in the Statement of profit and loss:

Rs in Crores

	2020	2019
Current tax		
Current year	4.17	173.69
Less: Tax reversal of earlier years	(4.78)	(13.12)
	(0.61)	**160.57**
Deferred tax	**206.48**	**4.42**
Income Tax expense for the year	**205.87**	**164.99**

Income tax has been provided for at reduced rate as per section 115BAA of the Income-tax Act, 1961

Notes to Financial Statements (continued)

b) Reconciliation of effective tax rate:

Rs in Crores

	2020	2019
Profit before tax	**729.41**	**575.92**
Tax using the Company's domestic tax rate (Current year 25.17% and Previous Year 34.94%)	183.58	201.25
Tax effect of:		
Income-tax at different rate	-	(10.76)
Non-deductible tax expenses	6.98	5.66
Tax-exempt income	(3.96)	(6.05)
Recognition of tax effect of previously unrecognised tax losses	-	(11.99)
Tax reversals of earlier years	(4.78)	(13.12)
Non-creditable taxes	4.17	-
One time adjustment due to new tax regime	19.30	-
Others	0.58	-
	205.87	**164.99**

c) Non-Current Tax Asset:

Rs in Crores

	2020	2019
Income Tax	108.79	49.96
Dividend Distribution Tax credit	14.27	13.42
	123.06	**63.38**

d) Current Tax Liability (Net):

Rs in Crores

	2020	2019
Income Tax	16.15	16.44
	16.15	**16.44**

e) The analysis of Deferred Tax Assets and Deferred Tax Liabilities is as follows:

Rs in Crores

	2020	2019
Deferred Tax Asset	61.62	58.14
Deferred Tax Liability	(210.84)	(24.28)
Net Deferred Tax (Liability) / Asset	**(149.22)**	**33.86**

f) The movement in deferred income tax assets and (liabilities) during the year is as follows:

Rs in Crores

	Depreciation and amortisation (including unabsorbed depreciation) #	Other Liabilities	Provision for doubtful debts/ advances	Employee Benefits/ Trade Obligations	MAT Credit	Other Assets	Total
As at 1 April 2018	**(20.35)**	**(3.45)**	**1.96**	**54.82**	**65.26**	**0.77**	**99.01**
(Charged)/credited:							
- to Statement of profit or loss	(1.24)	2.40	(0.43)	(6.03)		0.88	(4.42)
- to Other comprehensive income		(1.64)		(2.55)			(4.19)
Adjustment for unutilised tax credits					(56.54)		(56.54)
As at 31 March 2019	**(21.59)**	**(2.69)**	**1.53**	**46.24**	**8.72**	**1.65**	**33.86**
Deferred Tax Assets acquired on Business Combination (Refer Note 40A)	0.04		3.95	1.85		-	5.84
(Charged)/credited:							
- to Statement of profit or loss	(196.13)	(0.56)	0.17	(10.78)		9.54	(197.76)
- to Other comprehensive income		2.13		7.47			9.60
- to Retained Earnings	7.96					-	7.96
Reversal for unutilised tax credits					(8.72)		(8.72)
As at 31 March 2020	**(209.72)**	**(1.12)**	**5.65**	**44.78**	**-**	**11.19**	**(149.22)**

Amounts charged to the Statement of Profit or Loss include, with respect to acquisitions made during the year (Refer Note 40), deferred tax on difference in tax base as compared to carrying value of Intangibles acquired including Goodwill, net of deferred tax recognised on unabsorbed depreciation as per the Income Tax Act.

21. Revenue from Operations

Rs in Crores

	2020	2019
Revenue from Contracts with Customers		
Revenue from sale of goods	5607.49	3331.70
Revenue from sale of services	0.04	0.01
	5607.53	**3331.71**
Other Operating Revenues		
Export Incentive	17.70	17.39
Royalty Income	16.70	13.20
Management Service Fees	31.63	43.91
Miscellaneous Receipts	16.68	23.45
	82.71	**97.95**
	5690.24	**3429.66**

Notes to Financial Statements (continued)

22. Other Income

Rs in Crores

	2020	2019
Interest Income		
Interest Income on Advances and Deposits carried at amortised cost	46.46	33.03
Interest Income on Income Tax refund	0.11	5.28
Dividend Income		
- Non-Current Investments designated at fair value through other comprehensive income #	2.94	3.29
- Investment in Subsidiaries and Associates carried at cost	44.21	77.96
Gains on Current Investments (net)	24.88	33.45
Others		
Other non operating income	2.46	25.36
Fair Value movement in Financial Instruments designated at Fair Value through profit or loss	(3.31)	4.14
	117.75	**182.51**

Includes dividend Income on Investment Sold during the year Rs 0.88 Crores (Rs 0.02 Crores)

23. Cost of Materials Consumed

Rs in Crores

	2020	2019
Tea		
Opening Stock	577.57	474.97
Add: Purchases	1842.97	1932.27
Less: Closing Stock	577.09	577.57
	1843.45	1829.67
Green Leaf	27.81	23.24
Packing Material		
Opening Stock	32.31	33.14
Acquired through Business Combination (Refer Note 40)	20.93	-
Add: Purchases	326.01	166.76
Less: Closing Stock	35.34	32.31
	343.91	167.59
Others	89.85	35.47
	2305.02	**2055.97**

24. Changes in Inventories of Finished Goods/Stock-in-trade/Work-in-progress

Rs in Crores

	2020	2019
Opening Stock		
Tea	213.81	212.43
Others	4.65	6.19
	218.46	**218.62**
Acquired through Business Combination (Refer Note 40)	**115.82**	**-**
Closing Stock		
Tea	189.28	213.81
Salt and other items relating to Food Business	94.77	-
Others	5.87	4.65
	289.92	**218.46**
	44.36	**0.16**

25. Employee Benefits Expense

Rs in Crores

	2020	2019
Salaries, Wages and Bonus *	240.04	181.43
Contribution to Provident Fund and other Funds	19.19	15.69
Workmen and Staff Welfare Expenses	24.21	19.73
	283.44	**216.85**

* Includes payment made to personnel engaged in qualifying CSR activities Rs. Nil (Rs. 1.48 Crores).

26. Finance Costs

Rs in Crores

	2020	2019
Interest expense on Financial liabilities measured at amortised cost	5.52	4.93
Interest expense on Lease Liabilities	11.70	-
Net interest on defined benefit plans	8.51	8.25
	25.73	**13.18**

27. Other Expenses

Rs in Crores

	2020	2019
Manufacturing and Contract Packing Expenses	84.25	75.81
Rent	46.38	49.69
Freight	269.37	63.15
Management Service Fees #	14.09	20.29
Professional/Legal fees	87.87	78.60
Miscellaneous Expenses ^	242.67	180.67
	744.63	**468.21**

Includes fee for technical support services Rs. 2.29 Crores (Rs. 5.21 Crores) and for other support service Rs. 11.80 Crores (Rs. 15.08 Crores).

^ Includes exchange gain Rs.8.78 Crores (Rs.0.08 Crores loss in PY), expense on CSR Rs. 10.85 Crores (Rs. 6.61 Crores) and Contribution to Electoral Trust Rs. Nil (Rs 10.00 Crores).

28. Exceptional Items (Net)

Rs in Crores

	2020	2019
Expenditure		
Expenses in connection with acquisition of businesses (Refer Note 40)	51.81	-
	51.81	**-**

Notes to Financial Statements (continued)

29. Capital Commitment

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2020 aggregated Rs. 25.12 Crores (Rs. 10.49 Crores).

(b) Commitment towards Share Capital contributions in Joint Ventures - Rs. 94.50 Crores (Rs. 25.4 Crores)

30. Contingencies:

(a) Statutory and other Commercial Claims:

Rs in Crores

		Gross	Net of Estimated Tax
(i)	Taxes, Statutory Duties/ Levies etc.	15.86	13.47
		(15.99)	(11.61)
(ii)	Commercial and other Claims	2.40	1.97
		(2.60)	(1.58)

(b) Labour disputes under adjudication relating to some staff – amount not ascertainable.

(c) During the year, the Company has extended letter of Comfort amounting to Rs 150 Crores to the lenders of its Associate Company engaged in plantation business who have provided working capital borrowings facilities.

31. 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. No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at March 31, 2020.

32. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act 2013, a CSR Committee has been formed by the Company.

(a) Gross Amount required to be spent by the Company during the year Rs. 8.96 Crores (Rs. 7.66 Crores).

(b) Amount spent during the year:

2020 Rs. in Crores

Particulars		In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	10.85	-	10.85

2019 **Rs. in Crores**

Particulars		In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	6.76	1.33	8.09

33. Earnings Per Share

	2020	2019
Profit after taxation (Rs. in Crores)	523.54	410.93
Numbers of Equity Shares Outstanding	921551715	631129729
Earnings Per Share (Rs.)		
Basic	5.68	6.51
Diluted	5.68	6.51

34. Expenditure incurred in respect of the Company's Research and Development:

Rs in Crores

	2020	2019
Capital Expenditure	0.09	0.25
Revenue Expenditure	17.84	5.95
	17.93	**6.20**

35. Leases

The Company's leasing arrangements are in respect of operating leases for premises (residential, office, factory, godown, etc.) and motor cars. These range between 5 months - 15 years and usually renewable on mutually agreed terms.

Lease liabilities as at March 31, 2020

Rs in Crores

	2020
Current Lease Liability	23.69
Non-Current Lease Liability	121.82
Total Lease Liability	**145.51**

Contractual maturities of lease liabilities on an undiscounted basis:

Rs in Crores

	2020
Less than one year	35.75
One to two years	31.01
Two to five years	68.27
More than five years	70.09
Total	**205.12**

Amount Recognised in Statement of Profit and Loss

Rs in Crores

	2020
Expenses relating to Short-term Lease	46.36
Expenses relating to leases of low value assets	0.02

Notes to Financial Statements (continued)

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in Company's operation. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

Movement in the net investment in sublease of Right of Use Asset:

Rs in Crores

	2020
Balance on transition	-
New additions to net investment during the period	1.29
Interest Income accrued during the period	0.03
Lease Receipts	(0.13)
Balance at the end of the period	**1.19**

Contractual maturities of net investment in sublease of ROU asset on an undiscounted basis:

Rs in Crores

	2020
Less than 1 year	0.49
1 to 2 years	0.49
2 to 3 years	0.37
3 to 4 years	-
4 to 5 years	-
More than 5 years	-
Total	**1.35**

Finance income on the net investment in the sublease recognised in the financial statement is Rs 0.03 Crores.

Adoption of Ind AS-116 Leases

The Company has adopted Ind AS 116, effective from April 1, 2019 and applied the standard to its leases retrospectively. The cumulative effect of initially applying the standard was recognised on April 1, 2019 as an adjustment to the retained earnings. The Company has not restated comparative for the year ended March 31, 2019.

On transition, the adoption of new standard resulted in recognition of Right-of-use Asset of Rs. 78.75 Crores, Net-investment in sublease of ROU asset of Rs. NIL and a lease liability of Rs. 101.47 Crores. The cumulative effect of applying the standard, amounting to Rs. 14.76 Crores was debited to retained earnings net of taxes (including the deferred tax of Rs. 7.96 Crores). The effect of this adoption is insignificant on profit for the period.

The principle portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 9.01% has been applied to lease liabilities recognised in the balance sheet at the date of initial application. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases and reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116.

36. a) Related Party Disclosure

Related Parties

Promoter
Tata Sons Private Limited

Subsidiaries
Tata Consumer Products UK Group Limited (Formerly Tata Global Beverages Group Limited)
Tata Global Beverages Holdings Limted
Tata Global Beverages Services Limited
Tata Consumer Products GB Limited (Formerly Tata Global Beverages GB Limited)
Tata Global Beverages Overseas Holdings Limited
Tata Global Beverages Overseas Limited
Lyons Tetley Limited
Tata Consumer Products US Holding Inc (Formerly Tata Global Beverages U.S. Holdings, Inc.)
Tata Water LLC
Tetley USA Inc
Empirical Group LLC
Tata Global Beverages Canada Inc
Tata Consumer Products Australia Pty Ltd(Formerly Tata Global Beverages Australia Pty Limited)
Earth Rules Pty Ltd.
Stansand Limited
Stansand(Brokers) Limited
Stansand(Africa) Limited
Stansand(Central Africa) Limited
Tata Global Beverages Polska Sp.z.o.o
Drassington Limited, UK
Good Earth Corporation
Good Earth Teas Inc.
Teapigs Limited.
Teapigs US LLC.
Tata Global Beverages Czech Republic a.s, (ceased w.e.f January 13, 2020)
Tata Global Beverages Investments Limited
Campestres Holdings Limited
Kahutara Holdings Limited
Suntyco Holding Limited
Onomento Co Limited
Coffee Trade LLC (under liquidation)
Tata Coffee Limited
Tata Coffee Vietnam Company Limited
Consolidated Coffee Inc.
Eight 'O Clock Coffee Company
Eight 'O Clock Holdings Inc
Tata Tea Extractions Inc
Tata Consumer Products Capital Limited (Formerly Tata Global Beverages Capital Limited)
Tata Tea Holdings Private Limited

Associates
Amalgamated Plantations Pvt Limited
Kanan Devan Hills Plantations Company Private Limited
TRIL Constructions Limited

Joint Ventures
NourishCo Beverages Limited
Tata Starbucks Private Limited

Joint Venture of Subsidiaries
Tetley ACI (Bangladesh) Limited
Southern Tea LLC
Tetley Clover (Private) Limited
Joekels Tea Packers (Proprietary) Limited. (South Africa)

Key Managerial Personnel
Mr. Ajoy Misra - Managing Director & CEO
Mr L Krishna Kumar - Executive Director & Group CFO

Subsidiary and Joint Venture of Promoter Company
Tata Investment Corporation Limited
Ewart Investments Limited
Taj Air Limited
Tata AIG General Insurance Limited
Tata AIA Life Insurance Co Limited
Tata Consultancy Services Limited
Tata International Singapore PTE Limited
Tata Housing Development Company Limited
Tata Elxsi Limited
Tata Industries Limited
Tata Communications Limited
Tata Teleservices Limited
Tata Teleservices Maharashtra Limited
Infiniti Retail Limited
Tata Capital Financial Services Limited

Employee Benefit Plans
Tata Tea Limited Management Staff Gratuity Fund
Tata Tea Limited Management Staff Superannuation Fund
Tata Tea Limited Staff Pension Fund
Tata Tea Limited Gratuity Fund
Tata Tea Limited Calcutta Provident Fund

Notes to Financial Statements (continued)

36. b) Particulars of transactions entered into with Related Parties for the year ending 31 March, 2020

Rs in Crores

Particulars	2020	2019
Sales of Goods and Services		
Subsidiaries	164.50	175.84
Associates	2.62	2.05
Joint Ventures	25.78	30.19
Subsidiaries and Joint Ventures of Promoter	1.85	-
Other Operating Income		
Subsidiaries	32.66	46.97
Associates	3.03	2.75
Joint Ventures	17.30	13.73
Rent Paid		
Associates	2.13	2.25
Purchase of Goods & Services		
Subsidiaries	62.68	68.03
Associates	181.29	216.29
Joint Ventures	0.24	0.16
Other Expenses (Net)		
Subsidiaries	0.13	5.66
Joint Ventures	5.99	6.16
Associates	4.21	2.88
Promoter	16.53	10.62
Subsidiaries and Joint Ventures of Promoter	40.64	36.59
Reimbursement of Expenditure/(Income)		
Subsidiaries	(2.26)	(3.60)
Associates	(6.26)	(8.18)
Joint Ventures	(1.93)	(1.70)
Promoter	0.10	0.44
Dividend/Interest received		
Subsidiaries	43.89	77.64
Associates	1.98	2.47
Promoter	1.76	1.40
Subsidiaries and Joint Ventures of Promoter	0.29	1.34
Dividend Paid		
Promoter	46.51	46.50
Subsidiaries and Joint Ventures of Promoter	7.85	7.85

Rs in Crores

Particulars	2020	2019
Sale of Investment		
Promoter	53.20	-
Subsidiaries/Joint Ventures of Promoter	-	1.16
Intercorporate Loan/ Deposits Given		
Subsidiaries and Joint Ventures of Promoter	-	50.00
Intercorporate Loan/ Deposits Redeemed		
Associates	1.75	3.50
Subsidiaries and Joint Ventures of Promoter	1.23	50.00
Investment made		
Joint Ventures	53.00	35.80
Directors Remuneration*		
Key Managerial Personnel	9.03	8.05
Contribution to Funds		
Post Employment Benefit Plans	24.30	15.04

Outstanding at the year end:

Rs in Crores

	2020		2019	
	Debit	Credit	Debit	Credit
Subsidiary	37.42	1.68	53.19	14.07
Associates	25.77	2.78	18.89	6.46
Joint Ventures	11.27	-	5.92	-
Promoter	-	10.10	-	9.09
Joint Venture of Subsidiaries	-	-	0.01	-
Subsidiaries and Joint Ventures of Promoter	1.08	3.29	1.24	7.38
Employment Benefit Plans	10.39	-	1.06	-

*Provision for employee benefits, which are based on actuarial valuation done on an overall company basis, is excluded.

Notes to Financial Statements (continued)

36. c) Details of material transactions (i.e exceeding 10% of total transaction values in respective category) entered into with Related Parties for the year ended March 31, 2020:

Rs in Crores

Particulars	2020	2019
Sales of Goods and Services		
Subsidiaries		
Tata Consumer Products GB Limited (Formely known as Tata Global Beverages GB Limited)	79.58	93.07
Tata Tea Extractions Inc	57.28	53.85
Joint Ventures		
NourishCo Beverages Limited	25.56	30.00
Other Operating Income		
Subsidiaries		
Tata Global Beverages Services Limited	-	30.55
Tata Consumer Products GB Limited (Formely known as Tata Global Beverages GB Limited)	31.70	13.84
Joint Ventures		
Tata Starbucks Private Limited	16.70	13.20
Rent Paid		
Associates		
Kanan Devan Hills Plantation Company Private Limited	0.74	0.66
Amalgamated Plantations Pvt Limited.	1.39	1.59
Purchase of Goods & Services		
Subsidiaries		
Tata Coffee Limited	27.27	28.97
Associates		
Kanan Devan Hills Plantation Company Private Limited	77.70	75.78
Amalgamated Plantations Pvt Limited.	103.59	140.52
Other Expenses (Net)		
Joint Ventures		
NourishCo Beverages Limited	5.99	6.16
Promoter		
Tata Sons Private Limited	16.53	10.62
Subsidiaries and Joint Ventures of Promoter		
Tata AIG General Insurance Limited	14.57	12.29
Tata Consultancy Services Limited	17.11	17.36
Tata Communications Limited	6.75	-
Reimbursement of Expenditure/(Income)		
Subsidiaries		
Tata Global Beverages Services Limited	-	(1.00)
Tata Consumer Products GB Limited (Formely known as Tata Global Beverages GB Limited)	(1.85)	(2.01)
Tata Coffee Limited	(0.03)	(0.47)
Associates		
Kanan Devan Hills Plantation Company Private Limited	(1.81)	(1.70)
Amalgamated Plantations Pvt Limited.	(2.08)	(2.33)
TRIL Constructions Limited	(2.37)	(4.15)
Joint Ventures		
NourishCo Beverages Limited	(1.76)	(1.51)
Tata Starbucks Private Limited	(0.17)	(0.19)
Dividend/Interest received		
Subsidiaries		
Tata Coffee Limited	16.10	16.10
Consolidated Coffee Inc.	23.67	23.49
Tata Consumer Products UK Group Limited (Formerly known as Tata Global Beverages Group Limited)	-	16.36
Tata Consumer Products Capital Limited (Formely known as Tata Global Beverages Capital Limited)	-	15.93

Rs in Crores

Particulars	2020	2019
Dividend Paid		
Promoter		
Tata Sons Private Limited	46.51	46.50
Subsidiaries and Joint Ventures of Promoter		
Tata Investment Corporation Limited	6.74	6.73
Sale of Investment		
Promoter		
Tata Sons Private Limited	53.20	-
Subsidiaries/Joint Ventures of Promoter		
Tata Investment Corporation Limited	-	1.16
Intercorporate Loan/ Deposits Given		
Subsidiaries and Joint Ventures of Promoter		
Tata Housing Development Company Limited	-	50.00
Intercorporate Loan/ Deposits Redeemed		
Associates		
Kanan Devan Hills Plantation Company Private Limited	1.75	3.50
Subsidiaries and Joint Ventures of Promoter		
Taj Air Ltd.	1.23	-
Tata Housing Development Company Limited	-	50.00
Investment made		
Joint Ventures		
Tata Starbucks Private Limited	53.00	35.80
Contribution to Funds		
Post Employment Benefit Plans		
Tata Tea Limited Management Staff Gratuity Fund	3.31	-
Tata Tea Limited Management Staff Superannuation Fund	2.88	1.69
Tata Tea Limited Calcutta Provident Fund	15.81	13.32

36. d) Disclosure under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Amount of Loans and Advances in nature of loans outstanding from subsidiaries and associates as at March 31, 2020:

Rs in Crores

	Outstanding 31 March, 2020	Maximum during the year
Associate Company		
Kanan Devan Hills Plantation Company Private Limited	17.00	18.75
	(18.75)	(22.25)

36. e) Pursuant to the Scheme of Arrangement [Refer Note 40(A)], promoter and its subsidiaries were issued 82241927 and 17416518 equity shares respectively and 228 equity shares were issued to Key Managerial personnel, as a part of the shares issued to the shareholders of Tata Chemicals Limited.

Notes to Financial Statements (continued)

37. A Interests in other entities

i) Subsidiaries

The Company's direct Subsidiaries are given below.

Sl No.	Name of entity	Country of incorporation	Principal Activities	% holding 2020	% holding 2019
1	Tata Consumer Products Capital Limited (Formerly Tata Global Beverages Capital Limited)	UK	Holding company	100.00	100.00
2	Tata Consumer Products UK Group Limited (Formerly Tata Global Beverages Group Limited) *	UK	Holding company	89.10	89.10
3	Tata Coffee Ltd.	India	Manufacturing, marketing and distribution of coffee & tea	57.48	57.48
4	Tata Tea Extractions Inc.	USA	Manufacturing, marketing and distribution of tea	100.00	100.00
5	Tata Tea Holdings Private Ltd.	India	Investment Company	100.00	100.00

* Through Tata Consumer Products Capital Ltd. and Tata Tea Extractions Inc.

ii) Joint Ventures

A list of Company's Joint Ventures as at March 31, 2020 is given below.

Sl No.	Name of entity	Country of incorporation	Principal Activities	% holding 2020	% holding 2019
1	NourishCo Beverages Ltd.	India	Marketing and distribution of water	50.00	50.00
2	Tata Starbucks Private Ltd.	India	Operating Starbucks Café in India	50.00	50.00

(iii) Associates

A list of Company's Associates as at March 31, 2020 is given below.

Sl No.	Name of entity	Country of incorporation	Principal Activities	% holding 2020	% holding 2019
1	Amalgamated Plantations Pvt. Ltd.	India	Manufacturing, marketing and distribution of tea	41.03	41.03
2	Kanan Devan Hills Plantations Co. Pvt. Ltd.	India	Manufacturing, marketing and distribution of tea	28.52	28.52
3	TRIL Constructions Ltd.	India	Development of real estate and infrastucture facilities	32.50	32.50

37. B Segment disclosure

The Company has disclosed segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

38. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

Rs. in Crores

March 31, 2020	Carrying amount				Fair value			
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Non-Current Financial assets								
Investments								
Quoted Equity Instruments	-	-	9.73	9.73	9.73	-	-	9.73
Unquoted Equity Instruments *	-	-	134.39	134.39	-	7.78	126.61	134.39
Unquoted Preference Shares	-	45.11	-	45.11	-	-	45.11	45.11
Loans	22.35	-	-	22.35	-	-	-	-
Other Financial Assets	24.68	-	-	24.68	-	-	-	-
Current Financial assets								
Current Investments	-	724.51	-	724.51	724.51	-	-	724.51
Trade Receivables	314.17	-	-	314.17	-	-	-	-
Cash and Cash Equivalents	243.24	-	-	243.24	-	-	-	-
Other Bank Balances	494.53	-	-	494.53	-	-	-	-
Loans	0.66	-	-	0.66	-	-	-	-
Other Financial assets	75.20	-	-	75.20	-	-	-	-
	1,174.83	**769.62**	**144.12**	**2,088.57**	**734.24**	**7.78**	**171.72**	**913.74**
Non - Current Financial liabilities								
Lease Liability	121.82			121.82				
Current Financial liabilities								
Borrowings	35.00	-	-	35.00	-	-	-	-
Lease Liability	23.69			23.69				
Trade Payables	447.04	-	-	447.04	-	-	-	-
Other Financial Liabilities	118.60	-	1.51	120.11	-	1.51	-	1.51
	746.15	**-**	**1.51**	**747.66**	**-**	**1.51**	**-**	**1.51**

Rs. in Crores

March 31, 2019	Carrying amount				Fair value			
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Non-Current Financial assets								
Investments								
Quoted Equity Instruments	-	-	53.75	53.75	53.75	-	-	53.75
Unquoted Equity Instruments *	-	-	133.74	133.74	-	7.13	126.61	133.74
Unquoted Preference Shares	-	48.42	-	48.42	-	-	48.42	48.42
Loans	16.77	-	-	16.77	-	-	-	-
Other Financial assets	20.41	-	-	20.41	-	-	-	-
Current Financial assets								
Current Investment	-	497.74	-	497.74	497.74	-	-	497.74
Trade Receivables	181.92	-	-	181.92	-	-	-	-
Cash and Cash Equivalents	408.96	-	-	408.96	-	-	-	-
Other Bank Balances	63.99	-	-	63.99	-	-	-	-
Loans	8.13	-	-	8.13	-	-	-	-
Other Financial Assets	32.41	-	5.01	37.42	-	5.01	-	5.01
	732.59	**546.16**	**192.50**	**1,471.25**	**551.49**	**12.14**	**175.03**	**738.66**
Current Financial liabilities								
Borrowings	4.53	-	-	4.53	-	-	-	-
Trade Payables	239.42	-	-	239.42	-	-	-	-
Other Financial Liabilities	99.17	-	-	99.17	-	-	-	-
	343.12	**-**	**-**	**343.12**	**-**	**-**	**-**	**-**

* For certain investments categorized under level 3, cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Notes to Financial Statements (continued)

B. Measurement of fair values

The basis of measurement in respect to each class of financial asset, financial liability is disclosed in note 2.2(h) of the financial statement.

The fair value of liquid mutual funds and long term equity investment is based on active market. Fair values of certain non-current investment are valued based on discounted cash flow/book value/EBITDA multiple approach. Derivative financial instruments are generally valued based on Black-Scholes-Merton approach and Dollar offset principles.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Covid 19 pandemic - Commencing from the second half of March 2020, Covid 19 pandemic had an impact on the business environment. The Company continued to manufacture and supply essential food and beverage items in the relevant markets. The demand for the Company's products for in home consumption continues with some short term stocking up. However, extended lock down conditions have caused some adverse impact on sales due to disruptions in market openings and supply chain with impact being more pronounced in out of home sectors. Impact on future operations would to a large extent depend on how the pandemic develops and the resultant impact on businesses. Assessment of impact of Covid 19 pandemic on various elements of the risk management framework has been dealt with in the relevant sections below.

i. Risk management framework

The Risk Management Committee of the Board is entrusted with the responsibility to assist the Board in overseeing and approving the Company's risk management framework. The Company has a comprehensive Risk policy relating to the risks that the Company faces under various categories like strategic, operational, reputational and other risks and these have been identified and suitable mitigation measures have also been formulated. The Risk Management Committee reviews the key risks and the mitigation measures periodically. The Audit Committee has additional oversight in the area of financial risks and control.

ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from its operating (primarily trade receivables) and investing activities including deposits placed with banks, financial institutions and other corporate deposits. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non-performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

a. Trade Receivables

The Company has an established credit policy and a credit review mechanism. The Company also covers certain category of its debtors through a credit insurance policy. In such case the insurance provider sets an individual credit limit and also monitors the credit risk. The concentration of credit risk arising from trade receivables is limited due to large customer base.

Management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behaviour and analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Rs in Crores
Balance as at March 31, 2018	**3.63**
Impairment loss recognised	0.51
Amounts written back	-
Balance as at March 31, 2019	**4.14**
Acquired through Business Combination	11.43
Impairment loss recognised	(1.11)
Amounts written off	-
Balance as at March 31, 2020	**14.46**

Impact of Covid 19 pandemic - Based on recent trends observed , collection pattern and insurance covers in place, the Company does not envisage any material risks. Future outlook will depend on how the pandemic develops and the resultant impact on businesses

(b) Financial instruments and cash deposits

The credit risk from balances / deposits with banks, other financial assets and current investments are managed in accordance with the Company's approved policy. Investments of surplus funds are made only with approved counterparties and within the limits assigned to each counterparties. The limits are assigned to mitigate the concentration risks. These limits are actively monitored by the Company.

Impact of Covid 19 pandemic- Based on the recent trends observed, type of instruments and strength of the counterparties, the Company does not envisage any material risks. Wherever the underlying assets/ instruments are subject to market risks, the same have been marked to market as at the Balance Sheet date. Future outlook will depend on how the pandemic develops and the resultant impact on businesses.

iii. Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company monitors rolling forecast of its liquidity position on the basis of expected cash flows. The Company's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time. The Company has sufficient short term fund based lines, which provides healthy liquidity and these carry highest credit quality rating from reputed credit rating agency.

Notes to Financial Statements (continued)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities (excluding lease liabilities) at the reporting date. The amounts are gross and undiscounted, and exclude the impact of netting agreements.

		Contractual cash flows			Rs in Crores
2020	**Carrying amount**	**Less than 1 year**	**1- 2 year**	**2- 5 years**	**More than 5 years**
Current Financial Liabilities					
Borrowings	35.00	35.00	-	-	-
Trade Payables	447.04	447.04	-	-	-
Other Financial Liabilities	120.11	120.11	-	-	-

		Contractual cash flows			Rs in Crores
2019	**Carrying amount**	**Less than 1 year**	**1- 2 year**	**2- 5 years**	**More than 5 years**
Current Financial Liabilities					
Borrowings	4.53	4.53	-	-	-
Trade Payables	239.42	239.42	-	-	-
Other Financial Liabilities	99.17	99.17	-	-	-

Impact of Covid 19 pandemic- Based on recent trends observed, profitability, cash generation, cash surpluses held and borrowing lines available, the Company does not envisage any material liquidity risks. Future outlook will depend on how the pandemic develops and the resultant impact on businesses.

iv. Market risk

Market risk is the risk that the fair value of the future cash flows will fluctuate because of changes in the market prices such as currency risk, interest rate risk and commodity price risk.

a) Currency risk

The Company operates across various geographies and is exposed to foreign exchange risk on its various currency exposures. The risk of changes in foreign exchange rates relates primarily to the Company's operating activities and translation risk, which arises from recognition of foreign currency assets and liabilities.

During the year ended March 31, 2020, the Company has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign currency exposure on highly probable forecasted transactions. Hedge effectiveness is determined at inception and periodic prospective effectiveness testing is done to ensure the relationship exist between the hedged items and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedge items.

Impact of Covid 19 pandemic- The pandemic can cause continuing volatility in the currency market and this risk would be mitigated through effective hedging policies. Further, the Company basis the recent trends believe that the probability of the non-occurrence of forecasted transactions is minimal. The Company also does not expect any material deterioration in both counterparty credit risk and own credit risk. Accordingly, the Group continues to believe that there is no impact on effectiveness of its hedges. Future outlook would depend on how the pandemic develops and the resultant impact on businesses.

Exposure to currency risk

The currency profile of financial assets and liabilities as at March 31, 2020 and March 31, 2019 are as below:

Rs in Crores

2020	INR	USD	GBP	Others	Total
Financial assets					
Trade receivables	269.92	29.97	-	14.28	314.17
Other Financial Asset	99.88	-	-	-	99.88
	369.80	**29.97**	**-**	**14.28**	**414.05**
Financial liabilities					
Trade payables	442.09	2.39	2.41	0.15	447.04
Other Current financial liabilities	120.11	-	-	-	120.11
	562.20	**2.39**	**2.41**	**0.15**	**567.15**

Rs in Crores

2019	INR	USD	GBP	Others	Total
Financial assets					
Trade receivables	132.13	30.56	-	19.23	181.92
Other Financial Asset	57.83	-	-	-	57.83
	189.96	**30.56**	**-**	**19.23**	**239.75**
Financial liabilities					
Trade payables	229.67	5.55	4.10	0.10	239.42
Other financial liabilities	99.17	-	-	-	99.17
	328.84	**5.55**	**4.10**	**0.10**	**338.59**

Following table summarises approximate gain / (loss) on the Company's profit before tax and pre-tax equity on account of appreciation / depreciation of underlying foreign currencies –

Rs in Crores

Details	2020		2019	
	Effect on Profit before tax	Effect on Pre-tax Equity	Effect on Profit before tax	Effect on Pre-tax Equity
5% appreciation of the underlying foreign currencies	1.97	(3.03)	2.00	(3.48)
5% depreciation of the underlying foreign currencies	(1.97)	3.03	(2.00)	3.48

The following table gives details in respect of outstanding foreign currency forward contracts –

Category	Instrument	Currency pair	2020			2019		
			FCY Amount (million)	Equivalent Amount (Rs. in Crores)	Fair Value Amount (Rs. in Crores)*	FCY Amount (millon)	Equivalent Amount (Rs. in Crores)	Fair Value Amount (Rs. in Crores)*
Hedges of highly probable forecasted transactions	Forward contract	USD/INR	10.23	75.44	(3.24)	10.35	75.86	2.85
Hedges of highly probable forecasted transactions	Forward contract	AUD/INR	4.85	24.49	1.73	6.21	33.25	2.16

* Represents impact of mark to market value as at year end.

Notes to Financial Statements (continued)

Movement in cash flow hedging reserve for derivatives designated as cash flow hedges is given below –

Rs in Crores

Details	2020	2019
Balance at the beginning of the period	3.27	0.52
Movement during the year	(6.53)	4.23
Tax impact on above	2.13	(1.48)
Balance at the end of the period	**(1.13)**	**3.27**

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk can also impact the provision for retiral benefits. The Company generally utilises fixed rate borrowings and therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of change in the market interest rates.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

c) Price Risk

The price risk is the risk arising from investments held by the Company and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss.

The Company's equity investments are mainly strategic in nature and are generally held on a long term basis. Further, the current investments are in units of liquid mutual fund and these are not exposed to significant price risk.

d) Commodity Risk

The Company is exposed to the fluctuations in commodity prices mainly for tea, salt and pulses. Mismatch in demand and supply, adverse weather conditions, market expectations etc., can lead to price fluctuations. For tea, the Company manages these price fluctuations by actively managing the sourcing of tea, private purchases and alternate blending strategies without impacting the quality of the blend. For Salt and Pulses, these fluctuations are managed through active sourcing and commercial negotiation with customers and suppliers.

Impact of Covid 19 pandemic- Based on recent trends, the Company believes that depending on the prevalence of lockdown conditions in regions from where raw materials are sourced, disruptions to the supply chain cannot be ruled out. This is an area which will be dynamically reviewed and managed by the Company. Future outlook will depend on how the pandemic develops and the resultant impact on businesses

Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through optimum mix of borrowed and own funds.

The Company's adjusted net debt to equity position was as follows:

Rs in Crores

	2020	2019
Total Borrowings	35.00	4.53
Less: Cash and Cash Equivalents including Deposits	728.89	463.96
Less: Current Investments	724.51	497.74
Less: Inter Corporate Deposits/Loan	21.25	23.00
Adjusted net (cash)/debt	**(1439.65)**	**(980.17)**
Total Equity	**10850.01**	**4443.68**

39. Post Retirement Employee Benefits

i) Defined Contributions

Amount of Rs. 13.29 Crores (Rs. 11.51 Crores) is recognised as an expense and included in employee benefit expense to the following defined contribution plans:

Rs in Crores

	2020	2019
Provident Fund	7.63	6.52
Superannuation Fund	3.83	3.69
Employee state insurance schemes	1.83	1.30
	13.29	**11.51**

ii) Defined Benefits:

Gratuity, Pension and Post Retiral Medical Benefits:
The Company operates defined benefit schemes like retirement gratuity, defined pension benefits and postretirement medical benefits. There are other superannuation benefits and medical benefits restricted to certain categories of employees/directors in the form of pension, medical and other benefits in terms of a specific policy related to the same. The defined benefit schemes offer specified benefits to the employees on retirement. The gratuity benefit provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' last drawn salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service.

Changes in the Defined Benefit Obligation:

Rs. in Crores

	Pension		Gratuity		Medical		Others	
	2020	2019	2020	2019	2020	2019	2020	2019
Opening Defined Benefit Obligation	6.72	8.66	59.08	54.75	40.12	41.00	68.05	66.64
Acquired on Business Combination	-	-	5.42	-	-	-	-	-
Current Service cost	-	-	3.50	3.33	1.18	1.05	2.59	2.66
Past Service Cost	-	-	-	-	-	-	-	-
Interest on Defined Benefit Obligation	0.48	0.57	4.21	3.88	3.05	3.41	5.11	4.96
Actuarial changes arising from change in experience	0.28	(1.29)	(0.19)	3.35	(0.62)	(4.50)	2.81	(2.45)
Actuarial changes arising from change in demographic assumption	0.01	0.01	0.64	0.00	-	(0.28)	-	(0.37)
Actuarial changes arising from changes in financial assumption	0.29	0.01	6.59	0.22	8.79	0.28	9.09	0.30
Benefits Paid	(1.01)	(1.24)	(3.23)	(6.45)	(0.97)	(0.84)	(3.81)	(3.69)
Liability assumed/settled	-	-	0.37	-	-	-	-	-
Closing Defined Benefit Obligation	**6.77**	**6.72**	**76.39**	**59.08**	**51.55**	**40.12**	**83.84**	**68.05**

Notes to Financial Statements (continued)

Changes in the Fair value of Plan Assets during the year:

Rs. in Crores

	Pension		Gratuity	
	2020	2019	2020	2019
Opening fair value of Plan assets	5.75	6.10	54.32	56.37
Acquired on Business Combination	-	-	5.42	-
Employers contribution	-	-	4.75	-
Interest on Plan Assets	0.41	0.40	3.93	4.17
Actual return on plan assets less interest on plan assets	0.53	(0.05)	0.42	0.20
Benefits Paid	(0.77)	(0.70)	(3.23)	(6.46)
Asset acquired/(settled)	-	-	0.37	0.04
Closing Fair value of plan assets	**5.92**	**5.75**	**65.98**	**54.32**

Net (Asset)/ Liability recognised in balance sheet

Rs. in Crores

	Pension		Gratuity		Medical		Others	
	2020	2019	2020	2019	2020	2019	2020	2019
Present Value of Funded defined benefit obligation at the year end	4.44	4.25	76.39	59.08	-	-	-	-
Fair value of plan assets at the end of the year	5.92	5.75	65.98	54.32	-	-	-	-
	(1.48)	**(1.50)**	**10.41**	**4.76**	**-**	**-**		**-**
Present Value of Unfunded defined benefit obligation at the year end	2.33	2.47	-	-	51.55	40.12	83.84	68.05
Asset ceiling	0.52	0.51	-	-	-	-		-
Amount recognised in Balance Sheet	**1.37**	**1.48**	**10.41**	**4.76**	**51.55**	**40.12**	**83.84**	**68.05**

Expense recognised in the statement of profit and loss for the year:

Rs. in Crores

	Pension		Gratuity		Medical		Others	
	2020	2019	2020	2019	2020	2019	2020	2019
Current Service Cost	-	-	3.50	3.33	1.18	1.05	2.59	2.66
Interest cost on defined benefit obligation (net)	0.07	0.17	0.28	(0.30)	3.05	3.41	5.11	4.96
Past Service Cost	-	-	-	-	-	-	-	-
Total recognised in the statement of profit and loss	**0.07**	**0.17**	**3.78**	**3.03**	**4.23**	**4.46**	**7.70**	**7.62**

Amounts recognised in Other Comprehensive Income for the year:

Rs. in Crores

	Pension		Gratuity		Medical		Others	
	2020	2019	2020	2019	2020	2019	2020	2019
Actuarial changes arising from changes in financial assumption	0.29	0.01	6.59	0.22	8.79	0.28	9.09	0.30
Actuarial changes arising from changes in demographic assumption	0.01	0.01	0.64	0.00	-	(0.28)	-	(0.37)
Actuarial changes arising from changes in experience assumption	0.28	(1.29)	(0.19)	3.35	(0.62)	(4.50)	2.81	(2.45)
Return on plan asset excluding interest Income	(0.53)	0.05	(0.42)	(0.20)	-	-	-	-
Adjustment to recognise the effect of asset ceiling	0.01	0.19	-	-	-	-	-	-
Total recognised in Other Comprehensive Income	**0.06**	**(1.03)**	**6.62**	**3.37**	**8.17**	**(4.50)**	**11.90**	**(2.52)**

Maturity Profile of defined benefit obligation:

Rs. in Crores

	Pension		Gratuity		Medical		Others	
	2020	2019	2020	2019	2020	2019	2020	2019
Within next 12 months	2.66	1.54	11.73	11.71	1.64	1.44	5.21	4.86
Between 2 and 5 years	3.45	4.67	22.45	17.63	7.10	6.29	23.24	20.63
Between 6 and 9 years	2.19	2.51	26.73	24.69	7.91	7.05	25.92	23.54
10 years and above	2.28	2.78	91.74	70.74	45.32	39.66	131.18	121.98

Principal Actuarial assumptions used:

	2020	2019
Discount rates	6.50%	7.75%
Salary escalation rate	8% for management staff 7% for workers/staff	8% for management staff 7% for workers/staff
Annual increase in health care costs	8%	8%
Pension increase rate	18% after every three years	18% after every three years
Mortality rates	Indian Assured Lives mortality (2012-14) Ult Table	Indian Assured Lives mortality (2012-14) Ult Table

Quantitative sensitivity analysis for significant assumption is as below:

Sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Notes to Financial Statements (continued)

Rs. in Crores

	Pension	Gratuity	Medical	Others
	2020	2020	2020	2020
Impact of increase in 50 basis point in discount rate on Defined Benefit Obligation	(0.12)	(3.14)	(3.83)	(3.86)
Impact of decrease in 50 basis point in discount rate on Defined Benefit Obligation	0.13	3.38	4.33	4.19
Impact of increase in 50 basis point in salary escalation on Defined Benefit Obligation	-	3.33	-	-
Impact of decrease in 50 basis point in salary escalation on Defined Benefit Obligation	-	(3.12)	-	-
Impact of increase in 100 basis point in health care cost on Defined Benefit Obligation	-	-	8.85	0.10
Impact of decrease in 100 basis point in health care cost on Defined Benefit Obligation	-	-	(7.06)	(0.09)
Impact of increase in 100 basis point in pension rate on Defined Benefit Obligation	0.09	-	-	2.46
Impact of decrease in 100 basis point in pension rate on Defined Benefit Obligation	(0.08)	-	-	(2.37)
Impact of increase in 1 year in Life Expectancy on Defined Benefit Obligation	0.13	-	-	2.45
Impact of decrease in 1 year in Life Expectancy on Defined Benefit Obligation	(0.13)	-	-	(2.46)

Major Categories of Plan Assets:

Rs. in Crores

	Pension		Gratuity	
	2020	2019	2020	2019
Govt of India Securities	0.11	0.88	-	-
PSU bonds	-	-	-	-
Insurance managed Funds	5.13	3.62	65.64	53.91
Others	0.68	1.25	0.34	0.41
Total	**5.92**	**5.75**	**65.98**	**54.32**

The Company contributes all its ascertained liabilities towards gratuity to the trust set up for the same. Trustees administer the contributions made to the trust. As at March 31, 2020 and March 31, 2019, the plan assets have been primarily invested in insurer managed funds.

Expected Contribution over the next financial year:

The Company is expected to contribute Rs. 10.41 Crores to defined benefit obligation funds for the year ending March 31, 2021.

(iii) Provident Fund

The Company operates Provident Fund Schemes and the contributions are made to recognized funds maintained by the Company and for certain categories contributions are made to State Plans. The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered rates on an annual basis. The Actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumption:

The details of fund and plan asset position are given below:

Rs. in Crores

	2020	2019
Plan Assets as at year end	145.04	138.01
Present Value of Funded Obligations at year end	146.47	138.01
Amount Recognised in the Balance Sheet	(1.43)	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	2020	2019
Guaranteed Rate of Return	8.50%	8.55%
Discount Rate for remaining term to Maturity of Investment	6.45%	7.45%
Expected Rate of Return on Investment	8.70%	9.17%

40. Business Combination

A. Acquisition of Consumer Product Business of Tata Chemicals Limited through Scheme of Arrangement

In accordance with the Scheme of Arrangement (Scheme) between the Company and Tata Chemicals Limited (TCL) as approved by Hon'ble National Company Law Tribunal, the Consumer Product Business of TCL (foods business), was demerged and transferred to the Company with effect from the Appointed date of April 1, 2019 (appointed date), in consideration of 114 equity shares of the Company of Re.1 each fully paid up for every 100 equity shares held in TCL of Rs 10 each fully paid up. The effective date of the Scheme was February 7, 2020 (effective date).

The Scheme will enable the Company to expand its presence in the fast moving consumer goods categories, result in revenue and cost synergies and, enhance the financial profile with higher growth, margin expansion and increased cash flows which will provide further headroom for growth.

Pursuant to the Scheme, the name of the Company was also changed to Tata Consumer Products Limited with effect from February 10, 2020 and the Authorised Share Capital of the Company was increased to Rs 125 Crores represented by 125 Crores equity shares of Rs 1 each. In discharge of the consideration, the Company allotted 290,421,986 equity shares to the shareholders of TCL on March 11, 2020. The fair value of equity shares issued amounted to Rs 6098.87 Crores. The premium on the equity shares issued has been credited to the Securities Premium Account.

As per the provisions of the Scheme, transfer of the above business into the Company have been accounted in the Financial Statements in accordance with Ind AS 103, 'Business Combinations', with effect from Appointed date. Further, in terms of the scheme, with effect from the appointed date till the effective date, the food business was carried on by TCL for and on account of, and in trust for the Company.

Notes to Financial Statements (continued)

Assets acquired and liabilities assumed by the Company as at April 1, 2019 are as follows:

	Rs in Crores
Tangible Assets	3.69
Intangible Assets	2459.47
Inventories	154.00
Trade Receivables	81.33
Other Assets	27.53
Total Assets (A)	**2726.02**
Trade Payables	164.95
Other Liabilities	24.61
Total Liabilities (B)	**189.56**
Value of Identified Net Assets at fair value (A-B)	**2536.46**
Goodwill	**3562.41**
Fair value of Consideration	**6098.87**

Goodwill on the above transaction reflects growth opportunities, synergy benefits, assembled workforce, procurement contracts, market reputation, quality of service and other benefits which are not separately identifiable. The goodwill and other intangible assets recognised are depreciable for income tax purposes.

Acquired Receivables
Fair value of trade receivables acquired is Rs 81.33 Crores. These amounts are fully collectible.

Impact of above acquisition on the results
The acquired business contributed revenue of Rs 2063.74 Crores and profit before tax of Rs 263.81 Crores. Profit before tax is after deducting amortisation expenses relating to intangible assets acquired of Rs 43.32 Crores. Expenses incurred on the transaction and on business integration initiatives of Rs 51.30 Crores are reported under Exceptional Items in the Statement of Profit and Loss Account.

B. Acquisition of branded tea business of Dhunseri Tea and Industries Limited

The Company acquired the branded tea business of Dhunseri Tea and Industries Limited, pursuant to a business transfer agreement dated August 1, 2019 at an aggregate cash consideration of Rs 107.02 Crores (Includes Rs. 6.01 Crores for working capital). The acquisition is expected to give the Company improved distribution access.

Assets acquired and liabilities assumed by the Company as at August 21, 2019 are as follows:

	Rs in Crores
Tangible Assets	0.01
Intangible Assets	84.90
Trade Receivables	5.99
Other Assets	0.69
Total Assets (A)	**91.59**
Other Liabilities	0.67
Total Liabilities (B)	**0.67**
Total Identifiable Net Assets at fair value (A-B)	**90.92**
Goodwill	**16.10**
Fair value of Consideration	**107.02**

Goodwill on the above transaction reflects growth opportunities, synergy benefits, sourcing and distribution contracts. The goodwill and other intangible assets recognised are depreciable for income tax purposes.

Acquired Receivables
Fair value of trade receivables acquired is Rs 5.99 Crores. These amounts are fully collectible.

Impact of above acquisition on the results
The acquired business contributed revenue of Rs 31.95 Crores and profit before tax of Rs 2.52 Crores. Acquisition related costs amounting to Rs 0.51 Crores are reported under exceptional item in the Statement of Profit and Loss.

41. Audit fees

Rs. in Crores

	2020	2019
Statutory Audit	1.60	0.65
Tax Audit	0.16	0.16
Arrears for previous year	0.24	0.05
Other Services	0.96	0.59
Reimbursement of Expenses	0.15	0.15
	3.11	**1.60**

42. Unless otherwise stated, figures in brackets relate to the previous year. Previous period's figures have been regrouped / rearranged, to the extent necessary, to conform to current period's classifications. All the numbers have been rounded off to nearest crore.

Independent Auditor's Report

To The Members of Tata Consumer Products Limited (Formerly Tata Global Beverages Limited) Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Tata Consumer Products Limited (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group") which includes the Group's net share of loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Acquisition accounting for the Scheme of merger of Consumer Products Business of Tata Chemicals Limited** - During the year, the Parent had acquired the Consumer Product Business of Tata Chemicals Ltd. as set out in note 41 of the financial statements. Accounting for the acquisition has involved judgment in order to: • determine whether the acquisition constitutes a business; • determine the fair value of consideration transferred; • identify and measure the fair value of the identifiable assets acquired and liabilities assumed; • allocate the purchase consideration between identifiable assets and liabilities and goodwill; This is a material acquisitions for the Group and given the level of estimation and judgement required, we considered it to be a key audit matter. The most significant judgements relate to the identification and valuation of intangible assets acquired. The identified intangible assets are the brands and distribution rights. This includes complex valuation considerations and requires the use of specialists. Refer Note 2.2(a) and note 2.3 to the Financial Statements	Our procedures included but were not limited to: • We examined the terms and conditions of the scheme of arrangement in order to challenge the Company's assessment of whether the acquisition comprises a business. • We tested the completeness of the identified assets and liabilities acquired by comparison to the scheme of arrangement, through discussions with the Company. • We assessed the Company's determinations of fair values for assets and liabilities acquired and the methods used to value the underlying assets by: o Reading the valuation report prepared by the appointed external valuation specialists. o Evaluating the competence, objectivity and integrity of the appointed external valuation specialists. o Involving our internal valuation specialists in assessing the appropriateness of the methods used to determine the fair values of the brands and distribution rights and including assumptions such as the discount rates applied. • Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.
2.	**Impairment of the carrying value of Goodwill on consolidation** - On account of competitive pressure and decline in black tea demand in developed markets there is a risk that the Group's goodwill, may be impaired. The Group annually carries out an impairment assessment of goodwill using a value-in-use model which is based on the net present value of the forecast earnings of the cash-generating units. This is calculated using certain assumptions around discount rates, growth rates and cash flow forecasts. Focus was on the goodwill carried in books for cash generating units with lower headroom. Refer Note 6 and note 2.3 of the financial statements	The goodwill has been recorded in the books of an overseas component. The Principal Auditors have used the work of Component Auditors. The Component Auditor has reported that they have performed these procedures: Besides obtaining an understanding of Management's processes and controls with regard to testing the goodwill for impairment the Component Auditor's procedures included the following: • Engaged internal fair valuation experts to challenge management's underlying assumptions and appropriateness of the valuation model used. • Compared the Group's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates. • Assessed the appropriateness of the forecast cash flows within the budgeted period based on their understanding of the business and sector experience. • Considered historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved. • Performed a sensitivity analysis in relation to key assumptions. We also assessed whether the Group's disclosures regarding the sensitivity of the impairment assessment to changes in key assumptions, appropriately reflected the risk inherent in the valuation of Goodwill.

Independent Auditor's Report (continued)

Sr. No.	Key Audit Matter	Auditor's Response
3.	**Inventory of raw tea, blended tea and salt (Existence)** – Parent Company – Management's physical verification of raw tea, blended tea and salt was not physically observed by us subsequent to the year-end due to the restrictions imposed on account of COVID-19. Refer Note 11 of the financial statements	We have carried out following procedures with respect to the existence of tea and salt as at the year-end: • Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls during the interim periods. • Management had carried out the physical verification of inventory on February 29, 2020. On account of COVID – 19 related nationwide lockdown, we were unable to carry out inventory verification at the year end. Consequently, we have performed the following alternate procedures to audit the existence of inventory: o Participated in the physical verification of inventory of tea and salt conducted by the management subsequent to the year end, through video calls and performed roll back procedures. o In case of tea and salt, for the stock held at third party locations, obtained direct confirmation of the inventory held by third party locations subsequent to the year end and performed roll back procedures. o Obtained verification reports of the independent chartered accountant firms which were engaged by the Company for the Management inventory verification process. Verified the instructions provided by the management to those independent firms. Evaluated the differences identified by these independent firms during their physical verification of inventories and it was noted that there were no major deviations found.
4	**Inventory of raw / cured coffee beans ("green coffee beans"), tea and pepper (Existence and Valuation)** – Tata Coffee Limited - Physical verification of green coffee beans, tea and pepper was performed by the management subsequent to the year-end due to the restrictions imposed on account of COVID-19. Finished goods inventory are valued at lower of cost and net realizable value (estimated selling price less estimated cost to sell). Considering that there is always a volatility in the selling price of green coffee beans, tea and pepper, which is dependent upon various market conditions and the possible impact of COVID-19, determination of the net realizable value for green coffee beans, tea and pepper involves significant management judgement and therefore has been considered as a key audit matter.	This matter is in respect of the Tata Coffee Limited component. The Principal Auditors have used the work of Component Auditors. The Component Auditor has reported that they have performed the following procedures: With respect to the existence of green coffee beans, tea and pepper as at the year end: • Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls during the interim periods. • Due to the COVID-19 related lock-down we were not able to participate in the physical verification of inventory that was carried out by the management subsequent to the year end. Consequently, we have performed the following alternate procedures to audit the existence of inventory:

Sr. No.	Key Audit Matter	Auditor's Response
	The total value of finished goods (commodities) as at 31 March, 2020 is Rs.114.76 crore.	• Participated in the physical verification of inventory of green coffee beans, tea and pepper conducted by the management subsequent to the year end, through video calls and performed roll back procedures. • Compared the sum of disaggregated data of quantity of fruit coffee and pepper that was picked by the workers during the season ongoing as at the balance sheet date, with the aggregate quantity of harvested produce of fruit coffee and pepper considered by the management and obtained and tested the explanations for material differences, if any, between the two sets of data. • Compared the sum of disaggregated data of quantity of raw coffee transferred by the plantations to the curing unit and obtained and tested the explanations for material differences, if any, between such data and the quantity considered as physical inventory as at the Balance Sheet date. • Verified the following conversions: (a) the quantity of fruit coffee picked into raw coffee and (b) the raw coffee received at curing unit into cured coffee and (c) the quantity of fruit coffee into cured coffee, each by applying the established conversion norms and ensured that the quantity of coffee considered as inventory by the management agreed with such converted quantities. • In case of pepper, verified the management estimate of grades of the harvested produce of pepper and compared the same with the historical pattern of grades of harvested pepper and developed a sensitivity analysis to understand whether a material variation to the value of inventory would be caused due to changes in grades. • In case of tea, for the stock held at estates, which have been subsequently despatched to third party warehouses, obtained direct confirmation of the inventory held by third party warehouses subsequent to the year end and performed roll back procedures. • For stock held at third party warehouses, obtained direct confirmation of the inventory held by them as at the year end. With respect to the net realisable value: • Obtained an understanding of the determination of the net realizable values of green coffee beans, tea and pepper and assessed and tested the reasonableness of the significant judgements applied by the management. • Evaluated the design of internal controls relating to the valuation of green coffee beans, tea and pepper and also tested the operating effectiveness of the aforesaid controls. • To assess the reasonableness of the net realisable value that was estimated and considered by the management: • With respect to the committed stock of green coffee beans for which the Company has entered into contracts with the respective customers, on a sample basis, compared the net realisable value with the rates as per the said contracts; • With respect to the uncommitted stock of green coffee beans, obtained the market information relating to coffee prices and assessed the reasonableness of the adjustments that were made to such market prices to estimate the net realisable value;

Independent Auditor's Report (continued)

Sr. No.	Key Audit Matter	Auditor's Response
		• With respect to the uncommitted stock of tea and pepper, obtained the latest realization rates / market information relating to prices and assessed the reasonableness of the adjustments that were made to such market prices to estimate the net realisable value; • Verified the publicly available market information to assess if there has been significant decrease in the rates subsequent to the year end. • Compared the actual costs incurred to sell based on the latest sale transactions to assess the reasonableness of the cost to sell that was estimated and considered by the management. • Compared the cost of the finished goods with the estimated net realisable value and checked if the finished goods were recorded at net realisable value where the cost was higher than the net realisable value. • Tested the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures is traced from their financial statements audited by the other auditors.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates

and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such business activities included in the consolidated financial statements of which we are the independent auditors. For the business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

Independent Auditor's Report (continued)

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 37 subsidiaries whose financial statements reflect total assets of Rs. 9,965.64 crore as at March 31, 2020, total revenues of Rs. 3,479.23 crore and net cash inflows amounting to Rs. 273.54 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 2.91 crore for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of 4 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which

is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V Pilgaonkar
Partner
(Membership No.039826)
Mumbai, May 14, 2020 UDIN: 20039826AAAACL2036

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Tata Consumer Products Limited (hereinafter referred to as the "Parent") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V Pilgaonkar
Partner
(Membership No.039826)
Mumbai, May 14, 2020 UDIN: 20039826AAAACL2036

Consolidated Balance Sheet

as at March 31, 2020

Rs in Crores

	Note	2020	2019
ASSETS			
Non-Current Assets			
Property Plant and Equipment	3	1207.50	808.80
Capital Work in Progress		87.56	413.30
Investment Property	4	50.04	51.60
Right of Use Assets	5	293.46	-
Goodwill	6	7333.83	3785.07
Other Intangible Assets	6	2771.21	267.84
Intangible Assets under Development		7.79	11.11
Investments accounted for using Equity method	35(c)	228.19	287.60
Financial Assets			
Investments	7	261.11	316.90
Loans	8	22.50	17.09
Other Financial Assets	9	32.17	28.62
Deferred Tax Assets (net)	20 (d)	29.56	58.04
Non-current Tax Assets (net)	20 (c)	146.06	86.26
Other Non Current Assets	10	349.56	258.52
		12820.54	**6390.75**
Current Assets			
Inventories	11	1712.03	1609.86
Financial Assets			
Investments	7	833.55	583.16
Trade Receivables	12	922.41	680.55
Cash and Cash Equivalents	13	1121.67	967.02
Other Bank balances	13	499.79	66.59
Loans	8	116.54	245.01
Other Financial Assets	9	173.24	131.40
Current Tax Assets (net)	20 (c)	1.17	2.38
Other Current Assets	10	301.66	224.83
		5682.06	**4510.80**
Assets of disposal group	40	-	37.17
TOTAL ASSETS		**18502.60**	**10938.72**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14 (a)	92.16	63.11
Other Equity	14 (b)	13722.70	7268.58
Equity attributable to the equity holders of the company		**13814.86**	**7331.69**
Non Controlling Interest		1092.47	1027.68
Total Equity		**14907.33**	**8359.37**
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	794.67	787.24
Lease Liabilities	34	291.96	-
Other Financial Liabilities	16	13.93	7.61
Provisions	17	183.22	152.21
Deferred Tax Liabilities (net)	20 (d)	316.03	145.45
Non Current Tax Liabilities	20 (c)	16.86	16.90
		1616.67	**1109.41**
Current Liabilities			
Financial Liabilities			
Borrowings	15	387.81	329.66
Lease Liabilities	34	37.97	-
Trade Payables	18	943.99	664.90
Other Financial Liabilities	16	382.55	304.77
Other Current Liabilities	19	100.25	81.38
Provisions	17	92.41	49.51
Current Tax Liabilities (net)	20 (c)	33.62	27.95
		1978.60	**1458.17**
Liabilities of disposal group	40	-	11.77
TOTAL EQUITY AND LIABILITIES		**18502.60**	**10938.72**

The accompanying notes are an integral part of the Consolidated Financial Statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, May 14, 2020

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

S. Santhanakrishnan
Director
(DIN 00032049)

Sunil D'Souza
Managing Director & CEO
(DIN: 07194259)

L. KrishnaKumar
Executive Director
(DIN 00423616)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

Rs in Crores

	Note	2020	2019
INCOME			
Revenue from Operations	21	9637.42	7251.50
Other Income	22	111.59	157.13
Total Income		**9749.01**	**7408.63**
EXPENSES			
Cost of Materials Consumed	23	3606.66	3294.18
Purchase of Stock in Trade		1796.24	727.87
Change in Inventories of Finished Goods/Work-in-progress/ Stock in Trade	24	7.78	(14.41)
Employee Benefits Expense	25	884.80	806.30
Finance Costs	26	77.86	52.47
Depreciation and Amortisation Expense		241.71	122.57
Advertisement and Sale Charges		676.72	547.52
Other Expenses	27	1373.07	1104.13
Total Expenses		**8664.84**	**6640.63**
Profit before Exceptional Items and Tax		**1084.17**	**768.00**
Exceptional Items (net)	28	(274.79)	(33.29)
Profit before Tax		**809.38**	**734.71**
Tax expenses	20 (a)		
Current tax		89.05	256.03
Deferred tax		185.14	4.85
		274.19	**260.88**
Profit after Taxation before share of results of investments accounted using equity method		535.19	473.83
Share of net profit/(loss) in Associates and Joint Ventures using equity method		(75.08)	(16.85)
Profit for the year		**460.11**	**456.98**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plan		31.18	86.47
Changes in fair valuation of equity instruments		12.50	(5.20)
		43.68	**81.27**
Tax impact on above items		(3.31)	(13.27)
		40.37	**68.00**
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		225.69	17.04
Gains/(loss) on Effective portion of cash flow hedges		13.48	(12.06)
		239.17	**4.98**
Tax impact on above items		1.94	0.88
		241.11	**5.86**
Total Other Comprehensive Income		**281.48**	**73.86**
Total Comprehensive Income		**741.59**	**530.84**
Net Profit for the year - attributable to :			
Owners of Parent		459.76	408.19
Non Controlling Interest		0.35	48.79
Net profit for the year		**460.11**	**456.98**
Other Comprehensive Income - attributable to :			
Owners of Parent		233.89	70.58
Non Controlling Interest		47.59	3.28
Other Comprehensive Income		**281.48**	**73.86**
Total Comprehensive Income - attributable to :			
Owners of Parent		693.65	478. 77
Non Controlling Interest		47.94	52.07
Total Comprehensive Income		**741.59**	**530.84**
Earnings Per Share			
Equity share of nominal value of Re. 1 each			
Basic and Diluted	29	4.99	6.47

The accompanying notes are an integral part of the Consolidated Financial Statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, May 14, 2020

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

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Director
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Sunil D'Souza
Managing Director & CEO
(DIN: 07194259)

L. KrishnaKumar
Executive Director
(DIN 00423616)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

Consolidated Statement of Changes in Equity

as at March 31, 2020

Equity Share Capital and Other Equity (Refer Note 14)

Rs in Crores

Particulars	Equity Share Capital	Reserve and Surplus								Other Comprehensive Income			Total Other Equity	Non Controlling Interests	Total Equity
		Capital Reserve	Securities Premium	Capital Redemption Reserve	Contingency Reserve	Amalgamation Reserves	Revaluation Reserve	General Reserve	Retained Earnings	Effective portion of Cash Flow Hedge	Fair value gains/(loss) on Equity Instruments	Foreign Currency Translation Reserve			
Balance as at April 1, 2018	**63.11**	**15.79**	**361.05**	**0.10**	**1.00**	**8.33**	**21.86**	**1162.45**	**5375.29**	**(2.52)**	**40.74**	**(15.60)**	**6968.49**	**1009.04**	**8040.64**
Profit for the year	-	-	-	-	-	-	-	-	408.19	-	-	-	408.19	48.79	456.98
Other Comprehensive Income	-	-	-	-	-	-	-	-	66.04	(7.41)	(4.77)	16.72	70.58	3.28	73.86
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**474.23**	**(7.41)**	**(4.77)**	**16.72**	**478.77**	**52.07**	**530.84**
Transaction with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (including tax on dividend)	-	-	-	-	-	-	-	-	(178.68)	-	-	-	(178.68)	(33.43)	(212.11)
Realised gain on equity shares carried at Fair Value through Other Comprehensive Income	-	-	-	-	-	-	-	-	0.99	-	(0.99)	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	4.50	(4.50)				-	-	-
Balance as at March 31, 2019	**63.11**	**15.79**	**361.05**	**0.10**	**1.00**	**8.33**	**21.86**	**1166.95**	**5667.33**	**(9.93)**	**34.98**	**1.12**	**7268.58**	**1027.68**	**8359.37**
Profit for the year									459.76				459.76	0.35	460.11
Other Comprehensive Income									22.51	16.64	11.37	183.37	233.89	47.59	281.48
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**482.27**	**16.64**	**11.37**	**183.37**	**693.65**	**47.94**	**741.59**
Transaction with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (including tax on dividend)	-	-	-	-	-	-	-	-	(189.43)	-	-	-	(189.43)	(31.34)	(220.77)
Issue of shares pursuant to the Scheme [Refer Note 41(i)]	29.05		6069.82	-	-	-	-	-	-	-	-	-	6069.82	-	6098.87
Transitional adjustments of Ind AS 116 (Refer No 34)	-	-	-	-	-	-	-	-	(63.29)	-	-		(63.29)	(4.91)	(68.20)
Realised gain on equity shares carried at Fair Value through Other Comprehensive Income	-	-	-	-	-	-	-	-	54.52	-	(54.52)	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	3.78	(3.78)	-	-	-	-	-	-
Adjustment on disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(3.15)	(3.15)	(0.38)	(3.53)
Adjustment on change in ownership (Refer Note 35a)	-	-	-	-	-	-	-		(45.67)	-	-	(7.81)	(53.48)	53.48	-
Balance as at March 31, 2020	**92.16**	**15.79**	**6430.87**	**0.10**	**1.00**	**8.33**	**21.86**	**1170.73**	**5901.95**	**6.71**	**(8.17)**	**173.53**	**13722.70**	**1092.47**	**14907.33**

The accompanying notes are an integral part of the Consolidated Financial Statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, May 14, 2020

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

S. Santhanakrishnan
Director
(DIN 00032049)

Sunil D'Souza
Managing Director & CEO
(DIN: 07194259)

L. KrishnaKumar
Executive Director
(DIN 00423616)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

Consolidated Statement of Cash Flow

for the year ended March 31, 2020

Rs in Crores

		2020		2019	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before Tax		809.38		734.71
	Adjusted for :				
	Depreciation and amortisation	241.71		122.57	
	Finance Cost	77.86		52.47	
	Dividend Income	(3.47)		(3.65)	
	Profit on sale of Current Investments (net)	(25.50)		(33.36)	
	Fair value movement in Financial instruments at fair value through profit and loss	(2.57)		(5.95)	
	Interest Income	(61.81)		(62.63)	
	Unrealised foreign exchange (gain) / loss	(7.18)		2.17	
	Impairment loss recognised in trade receivables & advances (net of reversal)	(3.41)		2.04	
	Other non operating income	-		(25.21)	
	(Profit) / Loss on sale of Property, Plant & Equipment including investment property (net)	(4.03)		(15.26)	
	Rental Income from Investment Property	(3.14)		(2.40)	
	Gain on disposal of a Subsidiary	(10.38)		-	
	Impairment of Goodwill	222.94		-	
	Other Exceptional Items	62.23		33.29	
			483.25		**64.08**
	Operating Profit before working capital changes		**1292.63**		**798.79**
	Adjustments for:				
	Trade Receivables & Other Assets	(177.30)		(132.69)	
	Inventories	81.46		(155.54)	
	Trade Payables & Other Liabilities	13.82		(133.31)	
			(82.02)		(421.54)
	Cash generated from operations		**1210.61**		**377.25**
			-		-
	Direct taxes paid (net)		(128.38)		(167.38)
	Net Cash from Operating Activities		**1082.23**		**209.87**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Payment for Property, Plant and Equipment and Intangibles assets	(159.58)		(282.28)	
	Sale of Property, Plant and Equipment	8.82		25.70	
	Acquisition of Business	(101.01)		-	
	Rental Income from Investment Property	3.14		2.40	
	Sale of Non Current Investments carried at Fair value through OCI	65.27		1.15	
	Proceeds from disposal of a Subsidiary	30.38		-	
	Investments in Joint Ventures	(53.00)		(35.80)	
	Purchase of Non-Current Investments	(0.16)		-	
	(Purchase) / Sale of Current Investments (net)	(222.00)		24.69	
	Dividend Income received (including dividend from associates & Joint Ventures)	5.31		5.22	
	Interest Income received	51.13		48.70	
	(Placement) / Redemption Fixed deposits (net)	(433.53)		240.00	
	Inter Corporate Loans and Deposits (net)	132.46		43.50	
	Net cash (used in) / from Investing Activities		**(672.77)**		**73.28**

Rs in Crores

	2020	2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from / (Repayment of) Long term borrowings (net)	(18.14)	101.14
Proceeds from / (Repayment of) Short term borrowings (net)	50.25	(65.31)
Payment of Lease Liabilities	(48.56)	-
Dividend & Dividend Tax paid	(221.62)	(215.82)
Finance Cost paid	(70.26)	(43.74)
Net Cash (used in) / from Financing Activities	**(308.33)**	**(223.73)**
Net increase / (decrease) in Cash and Cash Equivalents	**101.13**	**59.42**
D. Cash and Cash Equivalents		
Balances at the beginning of the year	737.48	698.17
Exchange Gain/ (Loss) on translation of foreign currency cash/ cash equivalents	50.73	(20.11)
Balances at the end of the year	**889.34**	**737.48**

Rs in Crores

	2020	2019
Reconciliation with Balance Sheet		
Cash and Cash Equivalents	889.34	737.48
Add : Bank Overdraft	232.33	229.55
Less : Cash and Cash Equivalents relating to disposal group	-	(0.01)
Balances at the end of the year (Refer Note 13)	**1121.67**	**967.02**

The accompanying notes are an integral part of the Consolidated Financial Statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, May 14, 2020

For and on behalf of the Board

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L. KrishnaKumar
Executive Director
(DIN 00423616)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

Notes to Consolidated Financial Statements

1. General Information

Tata Consumer Products Limited ("the Parent Company") (formerly Tata Global Beverages Limited) and its subsidiaries (together referred to as 'the Group') and the Group's associates and joint ventures are engaged in the trading, production and distribution of Consumer products mainly Tea, Coffee and Water collectively termed as branded beverage business, and Salt, Pulses, Spices, Snacks etc. collectively termed as branded foods business (Refer Note 41, Business Combination). The Group has branded beverage business mainly in India, Europe, US, Canada and Australia and foods business is in India. The non-branded plantation business in India and tea and coffee extraction businesses are mainly in India, Vietnam and the US.

The Parent Company is a public limited company incorporated and domiciled in India and has its registered office at Kolkata, West Bengal, India. The Parent Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India.

The financial statements for the year ended March 31, 2020 were approved for issue by Company's Board of Directors on May 14, 2020.

2. Preparation and Presentation of Consolidated Financial Statement

2.1 Basis of preparation and measurement

(a) Basis of preparation

The consolidated financial statements are prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of the Consolidated Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

(b) Basis of measurement

The consolidated financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/settlement within a twelve month period from the balance sheet date.

(c) Basis of consolidation

The consolidated financial statements have been prepared on the following basis:

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and ceases to be consolidated when the Group loses control of the subsidiary. Fully consolidated means recognition of like items of assets, liabilities, equity, income and expense. Thereafter the portion of net profit or loss and equity is segregated between the Group's share and share of non-controlling stake holders.

Inter-company transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Investment in Associates and Joint Ventures

Associates include all entities where the Group has the power to exercise a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities required unanimous consent of parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Notes to Consolidated Financial Statements (continued)

The Group's investment in associates and joint Ventures are accounted using the equity method. Goodwill relating to associate or a joint Venture is included in the carrying value of the investments and is not tested for impairment separately. Under equity method of accounting, the investments are initially recorded at cost and adjusted thereafter to recognise the Group's share of post-acquisition profit and loss, and the Group's share of other comprehensive income. Dividend received from associates and joint ventures are recognised as a reduction in the carrying amount of the investments. Unrealised gains on transactions between the Group and its associate and joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or a joint Venture is impaired. If there is such evidence, the carrying amount is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and impairment, if any, is recognised as 'Share of profit/(loss) in Associates and Joint Ventures' in the consolidated statement of profit and loss.

2.2 Significant Accounting Policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Business Combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises of the,

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group, and
- fair value of any asset or liability resulting from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the fair value of consideration over the identifiable net asset acquired is recorded as goodwill, if the consideration is lower, the gain is recognised directly in equity as capital reserve. In case, business acquisition is classified as bargain purchase, the aforementioned gain is recognised in the other comprehensive income and accumulated in equity as capital reserve. The Group recognises any non-controlling interest in the acquired entity at fair value.

Changes in ownership that do not result in a change of control are accounted for as equity transactions and therefore do not have any impact on goodwill. The difference between consideration and the non-controlling share of net assets acquired is recognised within equity.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss or other comprehensive income, as appropriate.

If the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the business combination is accounted for using provisional amounts. Adjustments to provisional amounts, and the recognition of newly identified asset and liabilities, must be made within the 'measurement period' where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date. The measurement period cannot exceed one year from the acquisition date and no adjustments are permitted after one year except to correct an error.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition

date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the statement of profit and loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

(b) Property, Plant and Equipment

i) Recognition and measurement: Property, plant and equipment including bearer assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure directly attributable to the acquisition of the items. Subsequent expenditure related to an asset is added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of replacements are derecognised. All repairs and maintenance are charged to the statement of profit and loss during the financial year in which they are incurred.

ii) Depreciation: Depreciation is provided on assets to get the initial cost down to the residual value, including on asset created on lands under lease and recognised in the statement of profit and loss. Land is not depreciated. Depreciation is provided on a straight line basis over the estimated useful life of the asset as prescribed in Schedule II to the Companies Act, 2013 or based on a technical evaluation of the asset.

iii) Cost incurred on assets under development are disclosed under capital work in progress and not depreciated till asset is ready to use.

The residual values and useful lives for depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or exchange.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised in the statement of profit and loss.

iv) Estimated useful lives of items of property, plant and equipment are as follows:

Category	Useful life
Leasehold buildings / improvements	Lower of lease term or useful life
Buildings	28 to 60 years
Plant and Machinery	3 to 25 years
Furniture and Fixtures	5 to 16 years
Office Equipment	2 to 16 years
Motor vehicles	4 to 10 years

(c) Biological Assets

Biological assets are classified as bearer biological assets and consumable biological assets. Consumable biological assets are those that are to be harvested as agricultural produce. Bearer biological assets which are held to bear agricultural produce are classified as Bearer plants. The Group recognises tea bushes, coffee bushes, pepper vines and shade trees as bearer assets, with further classification as mature bearer assets and immature bearer assets. Mature bearer plants are those that have attained harvestable stage.

Bearer assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure on bearer assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost incurred for new plantations and immature areas are capitalised. The cost of immature areas coming into bearing is transferred to mature plantations and depreciated over their estimated useful life which has been ascribed to be within the range of 30 – 65 years.

Tea, Coffee, Pepper and minor crops are designated as agricultural produce at the point of harvest and are measured at their fair value less cost to sell. Any

Notes to Consolidated Financial Statements (continued)

changes in fair value upto the point of harvest are recognised in the statement of profit and loss in the year in which they arise.

(d) Investment Property

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group, are classified as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to investment properties are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Investment properties are depreciated using the straight line method over the useful lives. Depreciable investment properties have been ascribed a useful life in the range of 60 years.

(e) Intangible Assets

(i) Goodwill

Goodwill arising on a business combination represents the excess of the fair value of consideration over the identifiable net asset acquired. Fair value of consideration represents the aggregate of the consideration transferred, a reliable estimate of contingent consideration payable, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree on the acquisition date. Net assets acquired represents the fair value of the identifiable assets acquired and liabilities assumed.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the acquisition itself or from the synergies of the combination or both. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill is not amortised but is tested for impairment. Goodwill impairment reviews are generally undertaken annually. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed unless the CGU is classified as "Asset held for sale" and there is evidence of reversal. Goodwill is subsequently measured at cost less amounts provided for impairment.

(ii) Brands and Trademarks

Brands/trademarks acquired separately are measured on initial recognition at the fair value of consideration paid. Following initial recognition, brands/trademarks are carried at cost less any accumulated amortisation and impairment losses if any. A brand/trademark acquired as part of a business combination is recognised outside goodwill, at fair value at the date of acquisition, if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

The useful lives of brands/trademarks are assessed to be either finite or indefinite. The assessment includes whether the brand/trademark name will continue to trade and the expected lifetime of the brand/trademark. Amortisation is charged on assets with finite lives on a straight-line basis over a period appropriate to the asset's useful life. The carrying values of brands/trademarks with finite and indefinite lives are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Brands/trademark with indefinite useful lives are also tested for impairment annually either individually or, if the intangible asset does not generate cash flows that are largely independent of those from other assets or groups of assets, as part of the cash-generating unit to which it belongs. Such intangibles are not amortised. The useful life of a brand with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Brands and trademarks having finite lives have been ascribed a useful life within a range of 3 – 35 years.

(iii) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the estimated useful life of the customer relationship. Customer intangibles have been ascribed a useful life within a range of 7 – 30 years.

(iv) Distribution network

Distribution network acquired in a business combination are recognised at fair value at the acquisition date. The distribution networks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the estimated useful life of the distribution network. Distribution networks have been ascribed a useful life within a range of 8 – 10 years.

(v) Patent / knowhow

Product development cost incurred on new products having enduring benefits is recognised as Intangible Assets and are amortised over a period of 10 years.

(vi) Computer software / Website

Software development costs are expensed unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to develop and sell or use the software and the costs can be measured reliably. Directly attributable costs that are capitalised as part of the software product include the software development cost, related employee costs and an appropriate portion of relevant overheads. Other expenditure that do not meet these criteria are recognised as an expense as and when incurred, costs previously recognised as an expense are not recognised as an asset in a subsequent period. The cost incurred for acquisition of website is capitalised.

In case of internally generated website, the cost is capitalised only if the future economic benefits are expected to flow to the entity and if the asset can be controlled by entity as a result of past events.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which range between 3 to 5 years. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and put to use the specific software. These costs are amortised over their estimated useful lives of 3 to 5 years. Website costs are amortised over a period of 5 years.

(vii) Research and Development

Research expenditure is recognised in the statement of profit and loss as and when incurred. Development expenditure is capitalised only if the costs can be reliably measured, future economic benefits are probable, the product is technically feasible and the Group has the intent and the resources to complete the project. Development assets are amortised based on the estimated useful life, as appropriate.

(f) Impairment of tangible and intangible assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest possible levels for which there are independent cash inflows (cash-generating units). Prior impairment of non-financial assets (other than goodwill) are reviewed for possible reversal of impairment losses at each reporting date. Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment.

(g) Assets held for sale and disposal groups

Non-current assets held for sale and disposal groups are presented separately in the balance sheet when the following criteria are met:

Notes to Consolidated Financial Statements (continued)

- the Group is committed to selling the asset or disposal group;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

(h) Financial Instruments

Financial assets

The Group classifies its financial assets in the following categories:

i) **Financial assets at amortised cost-** Assets that are held for collection of contractual cash flows on specified dates where those cash flows represent solely payments of principal and interest are measured at amortised cost.

These are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently, if maturing after 12 months period, using the effective interest method, less any impairment loss.

Debt instruments which do not meet the criteria of amortised cost are measured at fair value and classified as fair value through profit and loss or through other comprehensive income, as applicable.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalent, employee and other advances.

ii) **Financial assets at fair value through other comprehensive income (FVTOCI) -** All equity investments and unquoted debentures are measured at fair values. Investments which are not held for trading purposes and where the Group has exercised the option to classify the investment as at FVTOCI, all fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments.

Debt instruments that are held within a business model whose objectives are achieved by both, collecting contractual cash flows and selling the debt instruments and the contractual terms of which give rise to cash flows that are solely payment of principal and interest on specified dates are subsequently measured at fair value through other comprehensive income. All other debt instruments are measured at fair value and classified as fair value through profit or loss.

iii) **Financial assets at fair value through profit or loss (FVTPL) -** Financial assets which are not classified in any of the categories above are FVTPL.

iv) **Impairment of financial assets -** The Group assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Group's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in case of loans and borrowings net of directly attributable costs.

Financial liabilities are subsequently measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these investments.

Derivative financial instruments and hedging activities

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

(a) hedges of the fair value of recognised assets or liabilities (fair value hedge); or

(b) hedges of a particular risk associated with a firm commitment or a highly probable forecasted transaction (cash flow hedge);

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

Movements in the hedging reserve are accounted in other comprehensive income and are reported within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group only applies fair value hedge accounting for hedging foreign exchange risk on recognised assets and liabilities.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

Gains or losses accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss.

When a hedging instrument expires or is swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss in other equity remains there and is reclassified to statement of profit and loss when the forecasted cash flows affect profit or loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to the statement of profit and loss.

Fair value measurement

The Group classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

iii) Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

Notes to Consolidated Financial Statements (continued)

Interest and dividend income

Interest income is recognised within finance income using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Dividend income is recognised when the right to receive payment is established. Incomes from investments are accounted on an accrual basis.

(i) Inventories

Raw materials, work in progress, traded and finished goods are stated at the lower of cost and net realisable value, Net realisable value represents the estimated selling price less all estimated cost of completion and selling expenses. Stores and spares are carried at cost. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

Cost is determined on weighted average method for all categories of inventories other than for auction/ privately bought teas wherein cost is measured at actual cost of each lot. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition, where applicable, include appropriate overheads based on normal level of activity. Agricultural produce included within inventory largely comprises stock of tea and coffee and in accordance with Ind AS 41, on initial recognition, agricultural produce are measured at fair value less estimated point of sale costs.

(j) Employee Benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution plans and post-employment medical plans. Short term employee benefits are recognised on an undiscounted basis whereas Long term employee benefits are recognised on a discounted basis.

i) Post retirement employee benefits:

Contribution to post retirement defined benefit and contribution schemes like Provident Fund (PF), Superannuation Schemes and other such schemes are accounted for on accrual basis by the Group. With regard to PF contribution made by the Group to a Self-Administered Trust, the Group is generally liable for annual contributions and for any shortfall in the fund assets based on the government specified minimum rates of return. Such contributions and shortfalls are recognised as an expense in the year incurred.

Post retirement defined benefits including gratuity, pension and medical benefits for qualifying executives/whole time directors as provided by the Group are determined through independent actuarial valuation at year end and charge recognised in the statement of profit and loss. Interest costs on employee benefit schemes have been classified within finance cost. For schemes, where funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. Such accumulated re-measurement balances are never reclassified into the statement of profit and loss.

The Group recognises in the statement of profit and loss, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

ii) Other employee benefits:

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent actuarial valuation at year end and charge is recognised in the statement of profit and loss.

iii) Employee termination benefits:

Payments to employees on termination along with additional liabilities towards retirement benefits arising pursuant to the termination are charged to the statement of profit and loss in the year in which it is incurred.

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group

recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of "Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(k) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised till the realisation of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is possible.

(l) Income Tax

i) Current Income Tax:

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with local laws of various jurisdiction where the Group operates.

ii) Deferred Tax:

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date. Current income tax and deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries except for deferred income tax liabilities where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Only where there is an agreement in place that gives the Group the ability to control the reversal, the temporary difference is not recognised. Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is

Notes to Consolidated Financial Statements (continued)

sufficient taxable profit available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

iii) Minimum Alternate Tax:

According to section 115JAA of the Income Tax Act, 1961, Minimum Alternative Tax ('MAT') paid over and above the normal income tax in a subject year is eligible for carry forward for fifteen succeeding assessment years for set-off against normal income tax liability. The MAT credit asset is assessed against the relevant entities' normal income tax during the specified period.

(m) Foreign Currency and translations

i) Functional and presentation currency

Items included in the consolidated financial statements of the Group's and its associates and joint ventures are measured using the currency of the primary economic environment in which each entity operates (" functional currency"). The consolidated financial statements are presented in Indian Rupees (INR), which is the functional currency of the Parent Company.

ii) Foreign currency transactions and balances

In standalone entities, transactions in foreign currencies are recorded at the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the year-end rate. Any resultant exchange differences are taken to the statement of profit and loss, except when deferred in other comprehensive income as qualifying cash flow hedges. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

iii) Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency of the Group are translated as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit and loss are translated at monthly exchange rates, and
- all resulting exchange differences are recognised in other comprehensive income.

On disposal of a foreign operation, the associated exchange differences are reclassified to the statement of profit and loss, as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

(n) Revenue from contracts with customer

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations maybe satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset or when services are rendered.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A refund liability is recognised for expected sale returns and corresponding assets are recognised for the products expected to be returned.

The Group recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Group expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer.

(o) Government Grant

Government grants including any non-monetary grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the related costs, which the grants are intended to compensate, are recognised as expenses. Government grants related to property, plant and equipment are presented at fair value and grants are recognised as deferred income.

(p) Leases

As a lessee

At inception of a contract, the group assesses whether a contract is or contains a lease. A contract is, or contains, a lease if a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- the contract conveys the right to use an identified asset;
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the identified asset.

At the date of commencement of a lease, the Group recognises a right-of-use asset ("ROU assets") and a corresponding lease liability for all leases, except for leases with a term of twelve months or less (short-term leases) and low value leases. For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Group has considered all leases where the value of an underlying asset does not individually exceed Rs.0.05 Crores or equivalent as a lease of low value assets.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Lease payments to be made under such reasonably certain extension options are included in the measurement of ROU assets and lease liabilities.

Lease liability is measured by discounting the lease payments using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and restoration costs. These are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated on a straight-line basis over the asset's useful life (refer 2.2(b)) or the lease term whichever is shorter.

Impairment of ROU assets is in accordance with the Group's accounting policy for impairment of tangible and intangible assets.

As a lessor

Lease income from operating leases where the group is a lessor is recognised in the statement of profit and loss on a straight- line basis over the lease term.

Notes to Consolidated Financial Statements (continued)

(q) Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Group incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

(r) Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. These are material items of income or expense that have to be shown separately due to their nature or incidence.

(s) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(t) Segment Reporting

Segments are identified based on the manner in which the Group's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets including goodwill.

(u) Cash and Cash equivalents

Cash and cash equivalents for the purpose of presentation in the statement of cash flows comprises of cash at bank and in hand, bank overdraft and short term highly liquid investments/ bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(v) Offsetting instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(w) Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed, if material.

2.3 Key accounting judgement, estimates and assumptions

The preparation of the consolidated financial statements requires Group management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision

affect only that period, or in the period of the revision and future periods if the revision affects both current and future period.

The areas involving critical estimates or judgements are:

Goodwill and Intangibles

The Group records all intangible assets acquired including goodwill as part of a business combination at fair values. In relation to business combinations, judgement is required to be exercised on determining the fair values, identification and measurement of assets acquired and liabilities assumed, in allocation of purchase consideration, in deciding the amortisation policy and on tax treatment of Goodwill and intangible assets acquired. Appropriate independent professional advice is also obtained, as necessary. Goodwill is assigned an indefinite useful life whilst intangible assets are assigned an indefinite or finite useful life. Goodwill and intangible assets assigned an indefinite useful life are as a minimum subject to annual tests of impairment in line with the accounting policy whereas all other intangible assets are amortised. (Refer Note 6).

Depreciation and amortisation

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges. (Refer Note 3, 4, 5 and 6)

Taxation

The Group is subject to taxes in numerous jurisdictions. Significant judgement is required in examining applicability and determining the provision required for taxes. (Refer Note 20).

Employee Benefits

The present value of the define benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds/Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions. (Refer Note 37)

Carrying value of derivatives and other financial instruments

All financial instruments are required to be fair valued as at the balance sheet date, as provided in Ind AS 109 and Ind AS 113. Being a critical estimate, judgement is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc., as applicable. (Refer Note 36)

Revenue recognition and marketing accrual

Generally in the International markets, products are often sold with sales related discounts, rebate, trade support etc. Sales are recorded based on the price specified in the sales contract, however simultaneously amount of sales promotions expenditure that would need to be incurred are also estimated and netted off from sales. Judgement is required to be exercised in determining the level of provisions that would need to be accrued. Accumulated experience is used for estimating and providing for such expenditure.

Notes to Consolidated Financial Statements (continued)

3. Property, Plant & Equipment

Rs in Crores

	Land	Bearer Assets	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipment	Motor Vehicles	Total Tangibles Assets
COST								
As at April 1, 2018	**58.92**	**1.04**	**253.89**	**1409.33**	**178.06**	**6.51**	**22.73**	**1930.48**
Additions	4.46	4.14	60.72	63.06	14.40	0.73	3.09	**150.60**
Disposal	-	-	-	(13.19)	(1.13)	(0.26)	(3.70)	**(18.28)**
Translation exchange difference	(0.04)	-	1.03	5.85	(0.87)	0.11	0.05	**6.13**
As at March 31, 2019	**63.34**	**5.18**	**315.64**	**1465.05**	**190.46**	**7.09**	**22.17**	**2068.93**
Acquisition through Business Combination	-	-	-	-	0.19	-	-	**0.19**
Additions	0.45	10.03	15.37	411.22	22.07	0.62	3.80	**463.56**
Disposal	(0.05)	-	(0.41)	(8.55)	(1.87)	(0.20)	(2.96)	**(14.04)**
Adjustments / Transfer	-	-	1.02	-	-	-	-	**1.02**
Translation exchange difference	0.16	-	9.65	72.75	5.92	0.50	0.11	**89.09**
As at March 31, 2020	**63.90**	**15.21**	**341.27**	**1940.47**	**216.77**	**8.01**	**23.12**	**2608.75**
ACCUMULATED DEPRECIATION								
As at April 1, 2018	**-**	**0.04**	**104.30**	**934.22**	**136.46**	**4.39**	**11.36**	**1190.77**
Depreciation/Amortisation for the year	-	0.16	10.18	58.14	11.47	0.75	1.87	**82.57**
Disposal	-	-	-	(11.78)	(1.06)	(0.15)	(1.64)	**(14.63)**
Translation exchange difference	-	-	1.35	0.62	(0.67)	0.11	0.01	**1.42**
As at March 31, 2019	**-**	**0.20**	**115.83**	**981.20**	**146.20**	**5.10**	**11.60**	**1260.13**
Depreciation/Amortisation for the year	-	0.46	12.44	81.65	12.87	0.75	1.74	**109.91**
Disposal	-	-	(0.25)	(8.11)	(1.59)	(0.20)	(1.39)	**(11.54)**
Adjustments / Transfer	-	-	0.37	-	-	-	-	**0.37**
Translation exchange difference	-	-	5.00	32.45	4.68	0.19	0.06	**42.38**
As at March 31, 2020	**-**	**0.66**	**133.39**	**1087.19**	**162.16**	**5.84**	**12.01**	**1401.25**
NET CARRYING VALUE								
As at March 31, 2019	**63.34**	**4.98**	**199.81**	**483.85**	**44.26**	**1.99**	**10.57**	**808.80**
As at March 31, 2020	**63.90**	**14.55**	**207.88**	**853.28**	**54.61**	**2.17**	**11.11**	**1207.50**

Land includes leasehold land of Rs. 2.02 Crores (Rs. 2.02 Crores) belonging to the Parent Company and an Indian subsidiary. Buildings include Rs. 5.90 Crores (Rs. 5.90 Crores) represented by shares in Co-operative Housing Societies / a Company. Certain plantation land meant for usage as tea plantations and for ancillary activities has been leased by the Parent Company to its associate company Kanan Devan Hills Plantations Company Private Limited for a period of 30 years as part of the restructure in 2005, of its South India Plantation Operations. The additions to bearer assets represents capitalisation of coffee plants which have attained maturity during the year. Capital work-in-progress includes immature plants amounting to Rs 46.33 Crores (Rs 41.47 Crores). Borrowing cost capitalised during the year – Rs 1.24 Crores (Rs 20.98 Crores).

4. Investment Property

Investment properties of the Group comprises of land, commercial and residential property.

Rs in Crores

	2020	2019
COST		
Opening Balance	**56.06**	**53.86**
Additions	-	-
Transfer	(1.02)	-
Adjustment	-	2.20
Closing Balance	**55.04**	**56.06**
ACCUMULATED DEPRECIATION		
Opening Balance	**4.46**	**3.53**
Depreciation for the year	0.91	0.93
Deductions / Adjustments	(0.37)	-
Closing Balance	**5.00**	**4.46**
NET CARRYING VALUE	**50.04**	**51.60**

Amount recognised in the statement of profit and loss for investment property:

Rs in Crores

	2020	2019
Rental Income	3.14	2.40
Direct operating expenses	(0.34)	(0.29)
Profit from investment property before depreciation	**2.80**	**2.11**
Depreciation for the year	(0.91)	(0.93)
Profit/(loss) from Investment Property	**1.89**	**1.18**

Fair value:

Fair valuation of the Land is Rs 96.14 Crores and Buildings is Rs 53.40 Crores based on valuation (sales comparable approach – level 2) by recognised independent valuers.

Leasing arrangements:

For investment property leased to tenants under long term operating lease, the minimum lease payment receivable under non-cancellable operating leases are:

Rs in Crores

	2020
Within one year	3.93
Later than one year but not later than five years	8.26

Notes to Consolidated Financial Statements (continued)

5. Right of Use Assets

Rs in Crores

	Land	Buildings	Plant and Machinery	Office Equipment	Motor Vehicles	Total Right of Use Assets
COST						
As at April 1, 2019	**-**	**-**	**-**	**-**	**-**	**-**
Recognition on transition to Ind AS 116 - Lease (Refer Note 34)	82.31	165.17	3.67	0.36	4.11	255.62
Acquisition through Business Combination	-	-	3.50	-	-	3.50
Additions	-	57.72	11.63	-	2.52	71.87
Disposal	-	(1.06)	-	-	-	(1.06)
Translation exchange difference	6.37	4.84	-	0.03	0.08	11.32
As at March 31, 2020	**88.68**	**226.67**	**18.80**	**0.39**	**6.71**	**341.25**
ACCUMULATED DEPRECIATION						
As at April 1, 2019	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	2.04	39.51	3.39	0.15	2.59	47.68
Disposal	-	(0.17)	-	-	-	(0.17)
Translation exchange difference	0.14	0.30	-	-	(0.16)	0.28
As at March 31, 2020	**2.18**	**39.64**	**3.39**	**0.15**	**2.43**	**47.79**
NET CARRYING VALUE						
As at March 31, 2020	**86.50**	**187.03**	**15.41**	**0.24**	**4.28**	**293.46**

6. Goodwill and Other Intangible Assets

Rs in Crores

	Goodwill	Brands / Trademarks	Customer Intangibles	Patent / Knowhow	Capitalised Software / Website	Distribution Network	Non Compete Fee	Total Other Intangible Assets
COST								
As at April 1, 2018	**4072.24**	**317.98**	**104.27**	**17.64**	**169.06**	**-**	**3.00**	**611.95**
Additions	-	-	-	-	7.43	-	-	7.43
Disposal	-	-	-	-	(0.78)	-	(3.00)	(3.78)
Translation exchange difference	61.69	15.74	6.37	-	1.09	-	-	23.20
As at March 31, 2019	**4133.93**	**333.72**	**110.64**	**17.64**	**176.80**	**-**	**-**	**638.80**
Acquisition through Business Combination	3578.51	2273.45	-	-	0.46	270.46	-	2544.37
Additions	-	-	-	-	22.04	-	-	22.04
Disposal	-	-	-	-	(0.05)	-	-	(0.05)
Translation exchange difference	199.89	28.59	10.42	-	6.58	-	-	45.59
As at March 31, 2020	**7912.33**	**2635.76**	**121.06**	**17.64**	**205.83**	**270.46**	**-**	**3250.75**
ACCUMULATED DEPRECIATION / IMPAIRMENT								
As at April 1, 2018	**348.74**	**170.68**	**10.43**	**15.36**	**127.84**	**-**	**3.00**	**327.31**
Depreciation/Amortisation for the year	-	12.68	7.42	0.58	18.39	-	-	39.07
Disposal	-	-	-	-	(0.15)	-	(3.00)	(3.15)
Translation exchange difference	0.12	6.65	0.59	-	0.49	-	-	7.73
As at March 31, 2019	**348.86**	**190.01**	**18.44**	**15.94**	**146.57**	**-**	**-**	**370.96**
Depreciation/Amortisation for the year	-	25.27	7.52	0.58	16.03	33.81	-	83.21
Disposal	-	-	-	-	0.05	-	-	0.05
Impairment	222.94	-	-	-	-	-	-	-
Translation exchange difference	6.70	15.96	2.29	-	7.07	-	-	25.32
As at March 31, 2020	**578.50**	**231.24**	**28.25**	**16.52**	**169.72**	**33.81**	**-**	**479.54**
NET CARRYING VALUE								
As at March 31, 2019	**3785.07**	**143.71**	**92.20**	**1.70**	**30.23**	**-**	**-**	**267.84**
As at March 31, 2020	**7333.83**	**2404.52**	**92.81**	**1.12**	**36.11**	**236.65**	**-**	**2771.21**

Brands acquired during the year include an amount of Rs 2093.33 Crores which has been categorised as brand with indefinite life and will be annually tested for impairment. Based on analysis of all relevant factors such as market share, stability, potential obsolescence, profitability etc, the brand is expected to provide cash inflows to the Group over an indefinite period.

Notes to Consolidated Financial Statements (continued)

Impairment of Goodwill and intangible assets

Management reviews the carrying value of goodwill and indefinite life intangibles annually to determine whether there has been any impairment. This involves making an assessment of the value of goodwill for each cash generating unit (CGU) and comparing it to the carrying value. If the assessed value is lower than the carrying value, then an impairment charge is recognised to reduce the carrying value to this amount. Management reviews the business performance based on the geography and type of business. The Group has identified businesses within each country as its main CGU for the purpose of allocation and monitoring of goodwill.

The following is a summary of the goodwill allocation to each CGU as mentioned above:

Rs in Crores

2020	Opening	Addition	Impairment	Foreign exchange	Closing
Branded Business					
Beverages					
UK & Europe	1577.55	-	-	51.45	1629.00
US	1427.59	-	(119.08)	128.66	1437.17
Canada	583.74	-	-	17.61	601.35
Australia	108.39	-	(103.86)	(4.53)	-
India	-	16.10	-	-	16.10
Foods					
India	-	3562.41	-	-	3562.41
Non Branded Business					
India	87.80	-	-	-	87.80
	3785.07	**3578.51**	**(222.94)**	**193.19**	**7333.83**

Rs in Crores

2019	Opening	Addition	Impairment	Foreign exchange	Closing
Branded Business					
Beverages					
UK & Europe	1606.46	-	-	(28.91)	1577.55
US	1345.33	-	-	82.26	1427.59
Canada	573.29	-	-	10.45	583.74
Australia	110.62	-	-	(2.23)	108.39
Non Branded Business					
India	87.80	-	-	-	87.80
	3723.50	**-**	**-**	**61.57**	**3785.07**

Value in use i.e. the enterprise value for each CGU is calculated using cash flow projections over a period of 3 - 5 years, with amounts based on medium term strategic plans. Variations to strategic plan are incorporated in the calculations based on past experience. Cash flows beyond the 3 – 5 year period are extrapolated using a long term growth rate.

Key assumptions in the business plans include future revenue, associated future levels of marketing support and other relevant costs. These assumptions are based on historical trends and future market expectations specific to each CGU and the markets and geographies in which they operate.

Other key assumptions applied in determining value in use are:

- Long term growth rate – Cash flows beyond the 3 - 5 year period are extrapolated using the estimated long-term growth rate applicable for the geographies in which the CGUs operate.

- Discount rate – The discount rate is based on a Weighted Average Cost of Capital (WACC) for comparable companies operating in similar markets and geographies adjusted for country specific risk affecting where each CGU operates.

The long term growth rates and discount rates applied in the value in use calculations as at March 31, 2020 are given below:

	Pre-tax discount rate	Long-term growth rate
UK & Europe	9.05%	1.75%
US	8.70% - 13.10%	2.2% - 3.60%
Canada	8.97%	3.70%
Australia	9.74%	1.70% - 3.40%
India	13.40%	5.00% - 6.00%

Impairment charges

During the year, the group recognised a non-cash impairment loss on goodwill relating to its tea business in the US and to its business in Australia. The accounting impairment has been recognised due to a combination of factors like Covid related impact on specific out of home business segments, changes to discount rates due to market conditions and revision in business plan sensitivities.

Resultantly, an impairment charge of Rs 222.94 Crores has been charged to the Statement of Profit and Loss under 'Exceptional Items'. These CGUs have a pre-tax discount rate within a range of 8.70% to 9.74%.

Sensitivity Analysis

We have performed sensitivity analysis around the base assumptions and have concluded that no reasonable possible changes in key assumptions based on current recent trends would cause the recoverable amount of the CGUs to be less than the carrying value.

Notes to Consolidated Financial Statements (continued)

7. Investments

Rs in Crores

		2020	2019
NON-CURRENT INVESTMENTS			
Quoted Equity Instruments	a	9.73	63.17
Unquoted Equity Instruments	b	139.52	138.56
Unquoted Preference Shares	c	111.86	115.17
Unquoted Debentures	d	-	-
Unquoted Government Securities	d	-	-
		261.11	**316.90**
CURRENT INVESTMENTS			
Mutual Funds - Unquoted (Carried at Fair value through Profit or Loss)		833.55	583.16
		833.55	**583.16**
Total Investments		**1094.66**	**900.06**

Quoted investments are carried in the financial statements at market value.

Details of investments are as follows:

a) Quoted Equity Instruments

Carried at fair value through Other Comprehensive Income

Rs in Crores

	Face Value	Nos.			
		2020	2019	2020	2019
Tata Chemicals Ltd. $	Rs. 10	150	865522	-	50.87
Tata Investment Corporation Ltd.	Rs. 10	146872	146872	9.73	12.30
SBI Home Finance Ltd. (Under liquidation) ^	Rs. 10	100000	100000	-	-
				9.73	**63.17**

$ Investment carrying values are below Rs 0.01 Crores.
^ Investment is fully impaired.

During the year, the Group has sold a significant portion of its holding in Tata Chemicals Limited. Realised gain arising on this transaction amounting to Rs. 57.85 Crores has been accounted under retained earnings.

b) Unquoted Equity Instruments

Carried at fair value through other comprehensive income

	Face Value	Nos.		Rs. in Crores	
		2020	2019	2020	2019
Tata Sons Private Ltd. *	Rs. 1000	1755	1755	9.75	9.75
Tata Capital Ltd.	Rs. 10	613598	613598	3.07	3.10
Tata Services Ltd.	Rs. 1000	475	475	0.05	0.05
Tata Industries Ltd. *	Rs. 100	6519441	6519441	115.82	115.82
Taj Air Ltd.	Rs. 10	22200000	22200000	5.91	5.76
Southern Scribe Instruments Pvt Ltd #	Rs. 100	7280	7280	0.07	0.07
Armstrong Power Private Limited #	Rs. 100	600	600	0.01	0.01
Armstrong Power Systems Private Limited #	Rs. 100	900	900	0.01	0.01
K.T.V Oil Mills Private Limited #	Rs. 100	1450	1450	0.01	0.01
Mytrah Vayu (Manjira) Private Limited #	Rs. 10	162500	-	0.16	-
ABC Tea Workers Welfare Services	Rs. 10	20000	20000	0.02	0.02
Assam Hospitals Ltd	Rs. 10	200000	200000	3.74	2.84
GNRC Ltd	Rs. 10	50000	50000	0.30	0.30
IFCI Venture Capital Funds Ltd	Rs. 10	250000	250000	0.60	0.82
The Annamallais Ropeways Company Ltd.^	Rs. 10	2092	2092	-	-
The Valparai Co-operative Wholesale Stores Ltd.^	Rs. 10	350	350	-	-
Suryakiran Apartment Services Private Ltd. $	Rs. 10	2146	2146	-	-
Jalpaiguri Club Ltd. (Cost Re 1) $	Rs. 10	60	60	-	-
Ritspin Synthetics Ltd.^	Rs. 10	100000	100000	-	-
Coorg Orange Growers Co-operative Society Ltd. $	Rs. 100	4	4	-	-
Tata Coffee Co-operative Stores Ltd.$	Rs. 5	20	20	-	-
Coorg Cardamom Co-operative Marketing Society Ltd.	Rs. 100	1	1	-	-
TEASERVE $ (The Tamil Nadu Tea Manufacturers' Service Industrial Co-Op Society Ltd)	Rs. 5000	1	1	-	-
Woodlands Hospital & Medical Res. Centre Ltd. $	Rs. 10	12280	12280	-	-
				139.52	**138.56**

$ Investment carrying values are below Rs 0.01 Crores.
^ Investments are fully impaired.
# relating to power purchase agreement entered into by an Indian subsidiary.
* Costs of these unquoted equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Notes to Consolidated Financial Statements (continued)

c) Unquoted Preference Shares

	Face Value	Nos.		Rs. in Crores	
		2020	2019	2020	2019
Investment in Associates					
Amalgamated Plantations Pvt Ltd.	Rs. 10	67000000	67000000	45.11	48.42
TRIL Constructions Ltd.	Rs. 10	66751852	66751852	66.75	66.75
Other					
Thakurbari Club Ltd (Cost Re 1) $	Rs. 100	26	26	-	-
				111.86	**115.17**

$ Investment carrying values are below Rs 0.01 Crores.

Investment in preference shares of Amalgamated Plantations Pvt. Ltd, are redeemable with a special redemption premium, on fulfilment of certain conditions, within 13-15 years from the date of the issue and is designated as fair value through profit or loss. Preference shares of TRIL Constructions Ltd are non-cumulative and mandatorily fully convertible within 12 years from the issue date, the same is carried at cost.

d) Unquoted Debentures and Government Securities

Carried at fair value through other comprehensive income

	Face Value	Nos.		Rs. in Crores	
		2020	2019	2020	2019
Unquoted Debentures:					
The Bengal Chamber of Commerce & Industry - 6 1/2% Debentures $	Rs. 1000	7	7	-	-
Shillong Club Ltd - 5% Debentures - (Cost Rs. 2) $	Rs. 100	31	31	-	-
				-	-
Unquoted Government Securities:					
W.B. Estates Acquisition Compensation Bond $				-	-
				-	-

$ Investment carrying values are below Rs 0.01 Crores.

8. Loans

Rs in Crores

	2020	2019
NON-CURRENT LOANS		
Inter Corporate Loans	4.25	-
Inter Corporate Loans to related party	17.00	15.25
Employee Loans and Advances	1.25	1.84
	22.50	**17.09**
CURRENT LOANS		
Inter Corporate Loans	112.69	223.78
Inter Corporate Loans to related party	-	18.50
Employee Loans and Advances	3.85	2.73
	116.54	**245.01**
Total Loans	**139.04**	**262.10**

Rs in Crores

	2020	2019
SUB-CLASSIFICATION OF LOANS		
Non-current Loans		
Loan Receivables considered good - Secured	21.25	15.25
Loan Receivables considered good - Unsecured	1.25	1.84
	22.50	**17.09**
Current Loans		
Loan Receivables considered good - Secured	106.12	220.23
Loan Receivables considered good - Unsecured	10.42	24.78
	116.54	**245.01**

Non-current loans
Inter Corporate loans amounting to Rs. 4.25 Crores (Nil) is backed by mortgage over immoveable assets, and Inter Corporate Loans to a related party amounting to Rs 17.00 Crores (Rs 15.25 Crores) is secured by way of mortgage of rights on immovable assets.

Current loans
Inter Corporate Loans – (a) amounting to Rs 106.12 Crores (Rs. 212.48 Crores) is secured by way of pledge of shares of the borrower and by a corporate guarantee, (b) amounting to Nil (Rs. 4.25 Crores) is secured by way of mortgage over immovable assets, and (c) amounting to Nil (Rs. 3.50 Crores) is given to a related party and is secured by way of mortgage of rights on immoveable assets.

Notes to Consolidated Financial Statements (continued)

9. Other Financial Assets

Rs in Crores

	2020	2019
NON-CURRENT		
(unsecured and considered good unless otherwise stated)		
Security Deposit	24.68	21.12
Other Deposits	-	7.50
Lease Receivables	7.49	-
	32.17	**28.62**
CURRENT		
(unsecured and considered good unless otherwise stated)		
Interest Accrued	46.68	31.63
Export Incentive receivable	20.37	25.64
Receivable pursuant to business transfer from Tata Chemicals Ltd.	40.06	-
Deposits	9.24	9.40
Lease Receivables	1.08	-
Derivative Financials Assets / Margin on Contracts		
Currency Hedges	16.55	9.77
Commodity Hedges	31.62	40.99
Others	7.64	13.97
	173.24	**131.40**
Total Other Financial Assets	**205.41**	**160.02**

Non-current security deposits include deposit to related party - Nil (Rs. 1.23 Crores) and doubtful deposits which are fully provided - Rs 0.29 Crores (Rs 0.29 Crores). Current deposits include doubtful balances which are fully provided - Rs 0.38 Crores (Rs 0.38 Crores). Others include receivable from related parties – Rs 2.37 Crores (Rs 1.13 Crores). Interest accrued includes due from related party – Nil (Rs 0.31 Crores).

10. Other Assets

Rs in Crores

	2020	2019
NON CURRENT ASSETS		
(unsecured and considered good unless otherwise stated)		
Property rights pending development	70.50	70.50
Capital Advance	11.54	7.71
Pension Surplus	257.98	127.63
Prepaid Expenses	1.58	32.36
Others	7.96	20.32
	349.56	**258.52**
CURRENT ASSETS		
(unsecured and considered good unless otherwise stated)		
Prepaid Expenses	58.40	43.57
Taxes Receivables	173.99	141.86
Other Trade Advance	69.27	40.72
Less: Transferred to disposal group	-	(1.32)
	301.66	**224.83**
Total Other Assets	**651.22**	**483.35**

Property rights pending development represents constructed office space to be delivered to the Parent Company by TRIL Constructions Limited, consequent to a development agreement. Other trade advance includes doubtful advances which are fully provided – Rs 1.19 Crores (Rs 2.36 Crores). Other trade advance include advance paid to related party – Rs 14.14 Crores (Rs 1.57 Crores).

11. Inventories

Rs in Crores

	2020	2019
(At lower of cost and net realisable value)		
Raw Material	879.61	895.60
Finished Goods	598.96	547.93
Stock in Trade	184.39	129.86
Work in Progress	12.28	9.80
Stores and Spare Parts	36.79	39.43
Less: Transferred to disposal group	-	(12.76)
Total Inventories	**1712.03**	**1609.86**

Raw material includes in-transit inventory of Rs. 15.21 Crores (Rs. 17.82 Crores) and finished goods includes in-transit inventory of Nil (Rs. 9.47 Crores). During the year ended March 31, 2020 - Rs 26.15 Crores (Rs 20.08 Crores) was charged to the statement of profit and loss for slow moving and obsolete inventories.

12. Trade Receivables

Rs in Crores

	2020	2019
Trade Receivables considered good - Secured	88.13	37.19
Trade Receivables considered good - Unsecured	834.28	648.81
Trade Receivables - Credit Impaired	14.92	6.88
	937.33	**692.88**
Less : Allowance for Impairments	(14.92)	(6.88)
	922.41	**686.00**
Less: Transferred to disposal group	-	(5.45)
Total Trade Receivables	**922.41**	**680.55**

Secured receivables are backed by security deposits. Trade receivables considered good – Unsecured includes receivables amounting to Rs 14.77 Crores (Rs 7.13 Crores) due from a related party.

13. Cash and Cash Equivalents and Other Bank Balances

Rs in Crores

	2020	2019
CASH AND CASH EQUIVALENTS		
Balances with Bank		
Current Account	368.35	362.15
Deposit Account	753.20	604.82
Cash/Cheques in hand	0.12	0.06
Less: Transferred to disposal group	-	(0.01)
	1121.67	**967.02**
OTHER BANK BALANCES		
Deposit Account	488.53	55.00
Unclaimed Dividend Account	11.26	11.59
	499.79	**66.59**
	1621.46	**1033.61**

Balances in current accounts mainly pertain to the International markets and are interest bearing.

Notes to Consolidated Financial Statements (continued)

14. Equity Share Capital and Other Equity

a) Equity Share Capital

Rs in Crores

	2020	2019
AUTHORISED		
1250000000 (1100000000) Equity Shares of Re.1 each	125.00	110.00
ISSUED, SUBSCRIBED AND PAID-UP		
921551715 (631129729) Equity Shares of Re.1 each, fully paid-up	92.16	63.11
	92.16	**63.11**

i) Reconciliation of the number of shares as at March 31, 2020:

Rs in Crores

	2020	2019
Number of shares as at the beginning and end of the year	631129729	631129729
Add: Shares issued during the year pursuant to the Scheme of arrangement	290421986	-
Number of shares as at the end of the year	**921551715**	**631129729**

As a part of Scheme of arrangement [Refer Note 40(i)], the Authorised Share Capital of the Parent Company stand increased to Rs. 125 Crores made up of 1250000000 Equity Shares of Re. 1/- each with effect from February 7, 2020 (effective date of Merger). Pursuant to the said scheme, the Parent Company during the financial year 2019-20 has also issued 290421986 equity shares.

ii) Rights, preferences and restrictions of equity shares:
The Parent Company has one class of equity shares having a par value of Re 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Parent Company after distribution of all preferential amounts, in proportion to their shareholding.

iii) Equity shares allotted as fully paid-up (during 5 year preceding March 31, 2020) pursuant to contracts without payment being received in cash:
12731159 equity shares were issued during the financial year 2015-16, consequent to and as part of the amalgamation of the erstwhile Mount Everest Mineral Water Limited with the Parent Company.

iv) Details of Shareholders holding more than 5% shares:

Name of Shareholder	No of shares / % of holding	
	2020	2019
Tata Sons Private Limited	270557128	186029710
	29.36%	**29.48%**

v) **Dividend paid:**

	2020	2019
Dividend paid (Rs in Crores)	157.78	157.78
Dividend per share (Rs.)	2.50	2.50

The Board of Directors in its meeting held on May 14, 2020 has recommended a final dividend payment of Rs 2.70 per share for the financial year ended March 31, 2020.

b) Other Equity

Rs in Crores

	2020	2019
Capital Reserve	15.79	15.79
Securities Premium	6430.87	361.05
Capital Redemption Reserve	0.10	0.10
Contingency Reserve	1.00	1.00
Amalgamation Reserves	8.33	8.33
Revaluation Reserve	21.86	21.86
General Reserve	1170.73	1166.95
Retained Earnings	5901.95	5667.33
Other Comprehensive Income		
- Effective portion of Cash Flow Hedge	6.71	(9.93)
- Fair value gains/(loss) on Equity Instruments	(8.17)	34.98
- Foreign Currency Translation Reserve	173.53	1.12
	13722.70	**7268.58**

Nature and purpose of reserves:

i) Capital Reserve
Capital Reserve was created consequent to the acquisition of certain plantation businesses.

ii) Securities Premium Account
Securities Premium Account had been created consequent to issue of shares at a premium. These reserves can be utilised in accordance with Section 52 of Companies Act 2013.

iii) Contingency Reserve
Contingency Reserve is in the nature of free reserves.

iv) Amalgamation Reserves
Amalgamation reserve was created pursuant to the scheme of amalgamation of Asian Coffee Ltd., Coffee Land Ltd., SIFCO Ltd and Tata Coffee Ltd.

v) Revaluation Reserve
Revaluation Reserve was created on acquisition of shares of an Indian subsidiary.

Notes to Consolidated Financial Statements (continued)

15. Borrowings

Rs in Crores

	2020	2019
(secured unless otherwise stated)		
NON CURRENT		
Loan From Banks		
Term Loan	868.58	811.44
	868.58	**811.44**
Less : Maturing within the next 12 months	(73.91)	(24.20)
Total Non current Borrowings	**794.67**	**787.24**
CURRENT		
Loan from Banks		
Bank Overdraft	232.33	229.55
Working Capital Facilities	154.45	101.24
Working Capital Facilities - Unsecured	1.03	-
Less: Transferred to disposal group	-	(1.13)
Total Current Borrowings	**387.81**	**329.66**
Total Borrowings	**1182.48**	**1116.90**

Note: Change in liabilities is on account of financing activities which have been disclosed in the Statement of Cash Flow. The liabilities as at the year-end are also impacted by the translation of overseas financial statements for consolidation purposes.

Non-Current Borrowings

Term Loan

Debt amounting to Rs 473.31 Crores (Rs 456.30 Crores) is repayable within March 28, 2022 and is secured over all assets of an overseas subsidiary, interest being charged at the Libor plus a margin. The agreement requires compliance with various financial covenants, including restrictions on capital expenditures, additional indebtedness, acquisitions and distributions to stockholders.

Debt amounting to Rs 395.27 Crores (Rs 355.14 Crores) is repayable over a period of 8 years in half yearly instalments commencing from Financial year 2020-21, interest being charged at the Libor plus a margin. The borrowing is secured by a charge over the plant and machinery of an overseas subsidiary and guarantee given by its immediate parent. The agreement requires compliance with various financial covenants, including restrictions on capital expenditures, additional indebtedness, acquisitions, distributions to shareholders and networth.

Current Borrowings

Bank Overdraft

Bank overdraft amounting to Nil (Rs 4.53 Crores) is secured by way of hypothecation of raw materials, finished goods, stores and spares and book debts on pari passu basis.

The remaining bank overdrafts totalling Rs 232.33 Crores (Rs 225.02 Crores) are part of a Group's cash-pooling arrangement with interest charged at a margin over I.C.E. benchmark administration settlement rate.

Working Capital Facilities

Working capital facilities totalling Rs 154.45 Crores (Rs 101.24 Crores) are repayable on demand and secured by way of hypothecation of inventories and book debts, Further a part of the working capital facilities of an Indian subsidiary is also secured by hypothecation of coffee crop and deposit of title deeds of a coffee estate and the working capital of an overseas subsidiary is also secured by a guarantee given by its immediate parent.

16. Other Financial liabilities

Rs in Crores

	2020	2019
NON-CURRENT		
Deposits	-	0.36
Others	4.10	5.43
Derivative Financial Liabilities		
Interest rate swap	9.83	1.82
	13.93	**7.61**
CURRENT		
Current Maturities of Long Term Borrowings (Refer Note 15)	73.91	24.20
Security Deposits from Customers	57.00	47.20
Unpaid Dividends	11.26	11.59
Interest Accrued but not due	0.32	0.18
Derivative Financial Liabilities		
Currency Hedges	8.99	4.94
Commodity Hedges	0.42	24.94
Interest rate swap	22.35	7.18
Other Payables	208.30	184.54
	382.55	**304.77**
Total Financial Liabilities	**396.48**	**312.38**

There are no amounts due to and outstanding to be credited to the Investor Education and Protection Fund.

17. Provisions

Rs in Crores

	2020	2019
NON CURRENT		
Employee Benefits	183.22	152.21
	183.22	**152.21**
CURRENT		
Employee Benefits	52.38	34.50
Other Provisions	40.03	15.01
	92.41	**49.51**
Total Provisions	**275.63**	**201.72**

Rs in Crores

MOVEMENT OF OTHER PROVISIONS – CURRENT:	2020	2019
Reorganisation Cost		
Opening Balance	13.27	35.28
Provision made during the year	43.11	25.34
Amount paid / adjusted during the year	(18.54)	(47.38)
Translation exchange difference	0.45	0.03
Closing Balance	**38.29**	**13.27**
Provisions for Trade Obligation		
Opening Balance	1.74	26.95
Provision made during the year	-	-
Amount paid / adjusted during the year	-	(25.21)
Closing Balance	**1.74**	**1.74**
Total Closing Balance	**40.03**	**15.01**

Notes to Consolidated Financial Statements (continued)

18. Trade Payables

Rs in Crores

	2020	2019
Trade Payables	943.99	675.54
Less: Transferred to disposal group	-	(10.64)
Total Trade Payables	**943.99**	**664.90**

Trade payables include dues to related parties – Rs 30.75 Crores (Rs 43.23 Crores).

19. Other Current Liabilities

Rs in Crores

	2020	2019
Statutory Liabilities	20.65	18.63
Advance from Customers	13.23	5.66
Others	66.37	57.09
Total Other Current Liabilities	**100.25**	**81.38**

20. Taxation

(a) Tax charge in the statement of profit and loss

Rs in Crores

	2020	2019
Current tax		
Current year	89.27	261.19
Adjustment relating to earlier years	(0.22)	(5.16)
	89.05	**256.03**
Deferred tax charge / (credit)	**185.14**	**4.85**
Income tax expenses for the year	**274.19**	**260.88**

(b) Reconciliation of tax expense and tax based on accounting profit:

Rs in Crores

	2020	2019
Profit before tax	**809.38**	**734.71**
Tax at Indian tax rate of 25.17% (PY - 34.94%)	203.70	256.74
Effects of:		
Difference in tax rate	22.10	(8.60)
Impact of India tax rate change	0.81	-
Non-deductible tax expenses	9.56	11.12
Income exempt from income taxes	(0.24)	(0.66)
Non-creditable taxes	5.91	1.91
Tax reversals of previous years including deferred tax	(17.20)	(5.16)
Losses for which no deferred tax asset is recognised	44.62	17.21
Recognition of tax effect of previously unrecognised tax losses	-	(13.11)
Others	4.93	1.43
	274.19	**260.88**

(c) Income tax asset / liabilities

Rs in Crores

	2020	2019
Non-current tax assets		
Income Tax	108.79	49.96
Dividend Distribution Tax Credit	37.27	36.30
	146.06	**86.26**
Current tax assets		
Income Tax	1.17	2.38
	1.17	**2.38**
Total Tax Assets	**147.23**	**88.64**
Non-current tax liabilities		
Income Tax	16.86	16.90
	16.86	**16.90**
Current tax liabilities (Net)		
Current Tax	33.62	27.95
	33.62	**27.95**
Total Tax Liabilities	**50.48**	**44.85**
Net Income tax assets / (liabilities)	**96.75**	**43.79**

(d) Analysis of deferred tax assets and deferred tax liabilities:

Rs in Crores

	2020	2019
Deferred Tax Assets	29.56	58.04
Deferred Tax Liabilities	(316.03)	(145.45)
Net Deferred Tax (Liabilities) / Assets	**(286.47)**	**(87.41)**

Notes to Consolidated Financial Statements (continued)

(e) The movement in deferred tax assets and (liabilities) during the year:

Rs in Crores

	Depreciation & Amortisation (including unabsorbed depreciation) #	Employee Benefits Obligation	Tax losses and other timing differences	MAT Credit	Total
As at April 1, 2018	**(159.91)**	**63.50**	**31.47**	**65.26**	**0.32**
Statement of Profit and Loss (charge) /credit	(7.07)	(7.25)	9.47	-	(4.85)
(Charge)/credit relating to other comprehensive income	-	(23.78)	1.37	-	(22.41)
MAT Credit adjustment	-	-	-	(56.54)	(56.54)
Transalation exchange difference	(6.82)	0.48	2.41	-	(3.93)
As at March 31, 2019	**(173.80)**	**32.95**	**44.72**	**8.72**	**(87.41)**
Acquistion through business combination	0.04	1.85	3.95	-	5.84
Statement of Profit and Loss (charge) /credit	(185.94)	(12.69)	22.21	-	(176.42)
MAT Credit reversal to Statement of Profit and Loss	-	-	-	(8.72)	(8.72)
(Charge)/credit relating to other comprehensive income	-	(18.33)	(7.16)	-	(25.49)
(Charge)/credit to Retained earnings	15.02	-	-	-	15.02
Translation exchange difference	(11.61)	(2.07)	4.39	-	(9.29)
As at March 31, 2020	**(356.29)**	**1.71**	**68.11**	**-**	**(286.47)**

Amounts charged to the Statement of Profit and Loss include, with respect to acquisitions made during the year (Refer Note 41), deferred tax on difference in tax base as compared to carrying value of Intangibles acquired including Goodwill, net of deferred tax recognised on unabsorbed depreciation as per the Income Tax Act.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities only if they relate to income taxes levied by the same authority.

(f) Unrecognised tax items

As at March 31, 2020, unrecognised deferred tax assets on account of tax losses amount to Rs 117.58 Crores (Rs 129.62 Crores) in various jurisdictions, which can be carried forward up to a specified period or indefinitely. The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future.

(g) Deferred tax of unremitted earnings

As at March 31, 2020, deferred tax liability amounting to Nil (Rs 11.21 Crores) was recognised for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associate and joint venture. The deferred tax liability is based on Group's estimate of distribution of the profits in the foreseeable future and the tax incidence on the same.

21. Revenue from Operations

Rs in Crores

	2020	2019
Revenue from contract with customers		
Revenue from sale of goods	9542.07	7152.66
Revenue from sale of services	5.38	4.57
	9547.45	**7157.23**
Other Operating Revenues		
Royalty Income	26.36	23.53
Export Incentive	40.82	42.15
Miscellaneous Receipts	22.79	28.59
	89.97	**94.27**
	9637.42	**7251.50**

22. Other Income

Rs in Crores

	2020	2019
Interest Income		
Interest Income on Advances and Deposits carried at amortised cost	59.56	57.35
Interest on tax refund	2.25	5.28
Dividend income		
Non-current investments designated at fair value through OCI	3.47	3.65
Others		
Fair value movement in Financial instruments at fair value through profit or loss	2.57	5.95
Gains on Current Investments (net)	25.50	33.36
Other non operating income	18.24	51.54
	111.59	**157.13**

Dividend from equity investments sold during the year – Rs 1.08 Crores (Rs 0.02 Crores).

23. Cost of Materials Consumed

Rs in Crores

	2020	2019
Raw Materials Consumed	3050.86	2923.10
Packing Materials Consumed	555.80	371.08
	3606.66	**3294.18**

Notes to Consolidated Financial Statements (continued)

24. Changes in Inventories of Finished Goods/Work-in-Progress/Stock-in-Trade

Rs in Crores

	2020	2019
Stock as at April 1		
Finished Goods	547.93	559.05
Stock-in-Trade	129.86	101.63
Work-in-Progress	9.80	12.50
	687.59	**673.18**
Stock as at March 31		
Finished Goods	598.96	547.93
Stock-in-Trade	184.39	129.86
Work-in-Progress	12.28	9.80
	795.63	**687.59**
	(108.04)	**(14.41)**
Less: Acquired on Business Combination	(115.82)	-
	7.78	**(14.41)**

25. Employee Benefits Expense

Rs in Crores

	2020	2019
Salaries, Wages and Bonus	795.89	723.71
Contribution to Provident Fund and other Funds	58.41	55.29
Workmen and Staff Welfare Expenses	30.50	27.30
	884.80	**806.30**

26. Finance Costs

Rs in Crores

	2020	2019
Interest Expense on financial liabilities valued at amortised cost	51.14	40.26
Interest expense on lease liabilities	18.67	-
Net Interest on defined benefit plans	7.55	9.74
Other Borrowing Cost	0.50	0.49
Exchange differences (net)	-	1.98
	77.86	**52.47**

27. Other Expenses

Rs in Crores

	2020	2019
Manufacturing and Contract Packing Expenses	111.07	98.21
Consumption of Stores and Spare Parts	55.84	48.19
Power and Fuel	103.84	89.28
Repairs and Maintenance	71.56	63.19
Rent	48.07	76.73
Freight	396.56	191.86
Legal and Professional Expenses	156.81	152.12
Miscellaneous Expenses	429.32	384.55
	1373.07	**1104.13**

Miscellaneous expenses include exchange gain of Rs. 10.16 Crores (PY Loss - Rs 16.79 Crores) against which offsets are available elsewhere in the statement of profit and loss, and contribution to an electoral fund- Nil (Rs 10 Crores).

28. Exceptional Items

Rs in Crores

	2020	2019
Income		
Gain on disposal of Czech business (Refer Note 40)	10.38	-
	10.38	**-**
Expenditure		
Re-organisation/Business Restructure costs	(10.42)	(24.90)
Past service cost relating to UK defined benefits pension scheme	-	(8.39)
Expenses in connection with the acquisition of businesses (Refer Note 41)	(51.81)	-
Impairment of Goodwill	(222.94)	-
	(285.17)	**(33.29)**
	(274.79)	**(33.29)**

29. Earnings per Share

	2020	2019
Group Net Profit attributable to owners of parent (Rs in Crores)	459.76	408.19
Numbers of Equity Shares Outstanding	921551715	631129729
Earnings Per Share (Rs.)		
Basic	4.99	6.47
Diluted	4.99	6.47

30. Research & Development Expenditure recognised during the year:

Rs in Crores

	2020	2019
i. Capital	0.14	0.30
ii. Revenue	21.94	10.18
	22.08	**10.48**

Notes to Consolidated Financial Statements (continued)

31. Capital Commitment

a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2020 – Rs 33.55 Crores (Rs 25.37 Crores).

b) Commitment towards Share Capital contributions in Joint Ventures - Rs 94.50 Crores (Rs 25.40 Crores).

32. Contingencies:

a) Statutory and Commercial claims:

Rs in Crores

		2020	2019
i.	Taxes, Statutory Duties/ Levies etc.	30.98	31.20
ii.	Commercial and other Claims	3.07	3.27
		34.05	**34.47**

b) Past service liabilities and certain labour disputes for which amounts are not ascertainable. Labour disputes under adjudication for an Indian subsidiary Rs 0.94 Crores (Rs 0.94 Crores).

c) During the year, the Parent company has extended letters of comfort amounting to Rs 150 Crores to the lenders of its Associate Company engaged in plantation business, who have provided working capital facilities.

33. Litigations

i) Commercial liability claims not established – amounts not ascertainable

ii) Parent Company's overseas subsidiary in US along with several other coffee companies that roast, package, market and/or sell coffee in the State of California are defendants in public interest litigation filed by an organisation named Council of Education and Research on Toxics (CERT). The litigation contends that since coffee contains the chemical acrylamide, warning have to be included for coffee sold in that state pursuant to California state law. Acrylamide is not added to coffee but forms in trace amounts as part of a chemical reaction that occurs in coffee beans when they are roasted. The subsidiary is part of a Joint Defense Group (JDG) that is arguing the case on behalf of several leading coffee companies as defendants. During 2018 the California Office of Environmental Health Hazard Assessment (OEHHA) proposed a new regulation clarifying that cancer warnings are not required for coffee under Proposition 65 list and subsequently in June 2019, the proposed regulation was adopted by the Office of Administrative law which became law on October 1, 2019. The JDG has filed a motion for summary judgment in January, 2020 which is yet to be heard. At this stage of the proceedings, the outcome and potential liability, if any, to the subsidiary on account of their sales in the State of California is not determinable at present till the receipt of judgment, if any, which is appealable in higher courts.

34. Leases

Group's leasing arrangements are for premises (residential, office, factory, godown and Stores), equipment and vehicles, these ranges between 5 months to 60 years and are usually renewable on mutually agreed terms.

Lease liabilities as at March 31, 2020

Rs in Crores

	2020
Current Lease Liabilities	37.97
Non-Current Lease Liabilities	291.96
Total Lease Liabilities	**329.93**

Contractual maturities of lease liabilities on an undiscounted basis:

Rs in Crores

	2020
Less than one year	59.88
One to two years	53.58
Two to five years	116.85
More than five years	279.06
Total	**509.37**

Expenses recognised on account of short-term and low value leases are disclosed under Rent in Other Expense (Refer Note 27).

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are expected to maximise operational flexibility in terms of managing the assets used in Group's operation. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Movement in the net investment in sublease of Right of Use Asset:

Rs in Crores

	2020
On transition to INDAS-116 - Lease	7.35
New additions to net investment during the year	1.29
Interest Income accrued during the year	0.23
Lease Receipts	(0.30)
Balance at the end of the year	**8.57**

Contractual maturities of net investment in sublease of ROU asset on an undiscounted basis:

Rs in Crores

	2020
Less than 1 year	1.21
1 to 2 years	1.22
2 to 3 years	1.10
3 to 4 years	0.74
4 to 5 years	0.74
More than 5 years	4.80
Total	**9.81**

Finance income on the net investment in the sublease recognised in the financial statement is Rs 0.23 Crores.

Adoption of Ind AS 116 - Leases

The Group has adopted Ind AS 116, effective from April 1, 2019 and applied the standard to its leases, retrospectively. The cumulative effect of initially applying the standard was recognised on April 1, 2019 as an adjustment to the retained earnings. The Group has not restated comparative for the year ended March 31, 2019.

On transition, the adoption of new standard resulted in recognition of Right of Use Asset of Rs. 255.62 Crores, Net-investment in sublease of ROU asset of Rs. 7.35 Crores and a lease liability of Rs. 282.29 Crores. The cumulative effect of applying the standard, amounting to Rs. 63.29 Crores including share of transitional adjustment of Joint Venture and Associates was debited to retained earnings, net of deferred tax. The effect of this adoption is insignificant on profit for the year.

Notes to Consolidated Financial Statements (continued)

The principle portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases and reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116.

35. Interest in other entities

a) Subsidiaries

The Group's subsidiaries as at March 31, 2020 are given below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group. The country of incorporation or registration is also their principal place of business and effective ownership are listed below:

Sl No.	Name of entity	Country of incorporation	Principal Activities	Effective ownership (%)		Interest held by non-controlling interests (%)	
				2020	2019	2020	2019
1	Tata Consumer Products UK Group Ltd. (Formerly Tata Global Beverages Group Ltd.)	UK	Holding company	89.10	89.10	10.90	10.90
	Subsidiaries of Tata Consumer Products UK Group Ltd.						
2	Tata Global Beverages Holdings Ltd.	UK	Dormant	89.10	89.10	10.90	10.90
3	Tata Global Beverages Services Ltd.	UK	Dormant	89.10	89.10	10.90	10.90
4	Tata Consumer Products GB Ltd. (Formerly Tata Global Beverages GB Ltd.)	UK	Manufacturing, marketing and distribution of tea	89.10	89.10	10.90	10.90
5	Tata Consumer Products Overseas Holdings Ltd. (Formerly Tata Global Beverages Overseas Holdings Ltd.)	UK	Holding company	89.10	89.10	10.90	10.90
6	Tata Global Beverages Overseas Ltd.	UK	Holding company	89.10	89.10	10.90	10.90
7	Lyons Tetley Ltd.	UK	Dormant	89.10	89.10	10.90	10.90
8	Drassington Ltd.	UK	Dormant	89.10	89.10	10.90	10.90
9	Teapigs Ltd.	UK	Marketing and distribution of tea	89.10	89.10	10.90	10.90
10	Teapigs US LLC	USA	Marketing and distribution of tea	89.10	89.10	10.90	10.90
11	Stansand Ltd.	UK	Dormant	89.10	89.10	10.90	10.90
12	Stansand (Brokers) Ltd.	UK	Dormant	89.10	89.10	10.90	10.90
13	Stansand (Africa) Ltd.	Kenya	Purchase and sale of tea	89.10	89.10	10.90	10.90
14	Stansand (Central Africa) Ltd.	Malawi	Purchase and sale of tea	89.10	89.10	10.90	10.90
15	Tata Global Beverages Polska sp.zo.o	Poland	Marketing and distribution of tea	89.10	89.10	10.90	10.90
16	Tata Global Beverages Czech Republic a.s. (ceased w.e.f January 13, 2020)	Czech Republic	Manufacturing, marketing and distribution of tea	-	89.10	-	10.90
17	Tata Consumer Products US Holdings Inc. (Formerly Tata Global Beverages US Holdings Inc.)	USA	Holding company	89.10	89.10	10.90	10.90

Sl No.	Name of entity	Country of incorporation	Principal Activities	Effective ownership (%)		Interest held by non-controlling interests (%)	
				2020	2019	2020	2019
18	Tetley USA Inc.	USA	Marketing and distribution of tea	89.10	89.10	10.90	10.90
19	Empirical Group LLC	USA	Marketing and distribution of tea	49.90	49.90	50.10	50.10
20	Tata Waters LLC	USA	Marketing and distribution of water	89.10	89.10	10.90	10.90
21	Good Earth Corporation.	USA	Holding company	89.10	89.10	10.90	10.90
22	Good Earth Teas Inc.	USA	Marketing and distribution of tea	89.10	89.10	10.90	10.90
23	Tata Consumer Products Canada Inc. (Formerly Tata Global Beverages Canada Inc.	Canada	Marketing and distribution of tea	89.10	89.10	10.90	10.90
24	Tata Consumer Products Australia Pty Ltd. (Formerly Tata Global Beverages Australia Pty Ltd.)	Australia	Marketing and distribution of tea	89.10	89.10	10.90	10.90
25	Earth Rules Pty Ltd.	Australia	Marketing and distribution of coffee	89.10	89.10	10.90	10.90
26	Tata Global Beverages Investments Ltd.	UK	Holding company	89.10	89.10	10.90	10.90
27	Campestres Holdings Ltd.	Cyprus	Holding company	89.10	89.10	10.90	10.90
28	Kahutara Holdings Ltd.	Cyprus	Holding company	89.10	57.92	10.90	42.08
29	Suntyco Holding Ltd.	Cyprus	Holding company	89.10	57.92	10.90	42.08
30	Onomento Co Ltd.	Cyprus	Holding and assignment of Trademark	89.10	57.92	10.90	42.08
31	Coffee Trade LLC (under liquidation)	Russia	Distribution of coffee and Tea	89.10	57.92	10.90	42.08
32	Tata Consumer Products Capital Ltd. (Formerly Tata Global Beverages Capital Ltd.)	UK	Holding company	100.00	100.00	-	-
33	Tata Coffee Ltd.	India	Manufacturing, marketing and distribution of Coffee & tea	57.48	57.48	42.52	42.52
	Subsidiaries of Tata Coffee Ltd.						
34	Tata Coffee Vietnam Company Ltd.	Vietnam	Manufacturing, marketing and distribution of Coffee	57.48	57.48	42.52	42.52
35	Consolidated Coffee Inc.	USA	Holding company	78.70	78.70	21.30	21.30
	Subsidiaries of Consolidated Coffee Inc.						
36	Eight O'Clock Holdings Inc.	USA	Holding company	78.70	78.70	21.30	21.30
37	Eight O'Clock Coffee Company.	USA	Manufacturing, marketing and distribution of Coffee	78.70	78.70	21.30	21.30
38	Tata Tea Extractions Inc.	USA	Manufacturing, marketing and distribution of tea	100.00	100.00	-	-
39	Tata Tea Holdings Private Ltd.	India	Investment company	100.00	100.00	-	-

During the year, Campestres Holdings Ltd., an overseas subsidiary of the Parent Company has increased its shareholding in Kahutara Holdings Ltd. from 65% to 100%, consequently effective holding has increased from 57.92% to 89.10%, and the said transaction with non-controlling interest is reflected in the Statement of Changes in Equity.

Notes to Consolidated Financial Statements (continued)

(b) Non-Controlling Interest (NCI)

The material non-controlling interests in the Group arise from the Group's 89.10% stake in the Tata Consumer Products UK Group Ltd. (TCP UK Group Ltd.) (Intermediate holding company in the UK) and 57.48% share in Tata Coffee Limited (which is the holding company of Consolidated Coffee Inc., USA and its subsidiaries and Tata Coffee Vietnam Company Ltd.).

Summarised financial information in respect of subsidiaries that has non-controlling interests which are material to the Group are disclosed below, presented before inter-company eliminations with the rest of the Group:

Summarised Balance Sheet:

Rs in Crores

	TCP UK Group Ltd (CFS)		Tata Coffee Ltd (CFS)	
	2020	2019	2020	2019
Non-current assets	3887.52	3784.83	2591.28	2394.45
Current assets	1721.90	1594.88	972.43	794.25
Total Assets	**5609.42**	**5379.71**	**3563.71**	**3188.70**
Non-current liabilities	111.99	18.70	1306.25	1164.57
Current liabilities	666.94	643.95	573.25	481.43
Total Liabilities	**778.93**	**662.65**	**1879.50**	**1646.00**
Net Assets	**4830.49**	**4717.06**	**1684.21**	**1542.70**
Accumulated Non Controlling Interest	559.05	525.87	533.42	501.81

Summarised Statement of Profit & Loss

Rs in Crores

	TCP UK Group Ltd (CFS)		Tata Coffee Ltd (CFS)	
	2020	2019	2020	2019
Revenue	2124.33	2173.61	1956.87	1803.98
Profit / Loss for the year	(86.17)*	36.73	141.01	106.89
Other Comprehensive Income	231.86	31.47	88.69	22.95
Total Comprehensive Income	**145.69**	**68.20**	**229.70**	**129.84**
Profit allocated to NCI	(34.64)	19.42	34.99	29.37
Total Comprehensive Income allocated to NCI	(1.92)	18.36	49.86	33.71
Dividend paid to NCI (including dividend tax)	16.98	24.34	14.36	9.08

* includes non-cash impairment charge of Rs 222.94 Crores

Summarised Statement of Cash Flows:

Rs in Crores

	TCP UK Group Ltd (CFS)		Tata Coffee Ltd (CFS)	
	2020	2019	2020	2019
Cash Flows from operating activities	61.14	(54.35)	260.90	144.87
Cash Flows from investing activities	189.56	29.24	(38.08)	(170.28)
Cash Flows from financing activities	(38.52)	(92.28)	(174.22)	(9.22)
Net increase/ (Decrease) in cash and cash equivalents	212.18	(117.39)	48.60	(34.63)

(c) Interest in Joint Ventures and Associates

Rs in Crores

	2020	2019
Investment in Joint Ventures	200.36	222.22
Investment in Associates	27.83	65.38
	228.19	**287.60**

Joint Ventures

A list of Group's joint ventures is given below. All joint ventures are included in the Group's financial statements using the equity method of accounting:

Sl No.	Name of entity	Country of incorporation	Principal Activities	% holding 2020	% holding 2019
1	NourishCo Beverages Ltd.	India	Marketing and distribution of Water	50.00	50.00
2	Tata Starbucks Private Ltd.	India	Operating Starbucks Cafes in India	50.00	50.00
3	Southern Tea LLC	USA	Manufacturing and distribution of tea	50.00	50.00
4	Tetley ACI (Bangladesh) Ltd.	Bangladesh	Manufacturing, marketing and distribution of tea	50.00	50.00
5	Tetley Clover (Pvt) Ltd.	Pakistan	Manufacturing, marketing and distribution of tea	50.00	50.00
6	Joekels Tea Packers (Proprietary) Ltd.	South Africa	Manufacturing, marketing and distribution of tea	51.70	51.70

An analysis of the Group's investments in joint ventures is as follows:

Rs in Crores

	2020	2019
April 1	222.22	177.92
Transitional adjustment on IndAS 116 - Lease	(29.03)	-
Addition	55.94	35.80
Share of Profits / (Loss)	(49.41)	11.72
Share of Other Comprehensive Income	(0.35)	(0.13)
Dividend Received	(1.52)	(1.25)
Translation exchange difference	2.51	(1.84)
March 31`	**200.36**	**222.22**

Addition relates to additional equity investment in Tata Starbucks Private Ltd. – Rs 53.00 Crores (Rs 35.80 Crores), Tetley ACI (Bangladesh) Ltd – Rs 2.94 Crores (PY - Nil).

Financial information

None of the joint ventures of the Group is individually material, financial information aggregating 100% of the results is as follows:

Rs in Crores

	2020	2019
Profit / (loss) after tax	(99.20)	23.26
Other Comprehensive Income	(0.70)	(0.26)
Total Comprehensive Income	**(99.90)**	**23.00**

With respect to an Indian joint venture, Profit / (loss) after tax for the current year includes an impact of partial reversal of deferred tax asset on account of reduction in tax rate of (Rs 28.69 Crores), impact of adoption of Ind AS 116 of (Rs 16.13 Crores) and, in addition, some adverse impact arising from lockdown associated with Covid 19. Previous year included

Notes to Consolidated Financial Statements (continued)

recognition of deferred tax assets amounting to Rs 74.84 Crores in the said Indian joint venture. Other comprehensive income mainly represents re-measurement losses on defined benefits obligation.

The joint ventures have no significant contingent liabilities to which the Group is exposed, and the Group has no significant contingent liabilities in relation to its interest in the joint ventures and associates. The risks associated with the Group's interest in joint ventures are the same as those identified for the Group.

Associates

A list of Group's associates is given below. All associates are included in the Group's financials statements using the equity method of accounting.

Sl No.	Name of entity	Country of incorporation	Principal Activities	% holding 2020	% holding 2019
1	Amalgamated Plantations Pvt. Ltd.	India	Manufacturing, marketing and distribution of tea	41.03	41.03
2	Kanan Devan Hills Plantation Co. Pvt. Ltd.	India	Manufacturing, marketing and distribution of tea	28.52	28.52
3	Tril Constructions Ltd.	India	Development of real estate and infrastucture facilities	32.50	32.50

An analysis of the Group's investments in associates is as follows:

Rs in Crores

	2020	2019
April 1	65.38	84.92
Addition / Adjustment	-	10.08
Share of Profits / (Loss)	(25.67)	(28.57)
Share of Other Comprehensive Income	(11.49)	(0.67)
Dividend Received (incl dividend tax)	(0.39)	(0.38)
March 31	**27.83**	**65.38**

Financial information

None of the associates of the Group is individually material, financial information aggregating 100% of the results is as follows:

Rs in Crores

	2020	2019
Profit / (loss) after tax	(62.69)	(69.54)
Other Comprehensive Income	(30.22)	(2.56)
Total Comprehensive Income	**(92.91)**	**(72.10)**

Other comprehensive income mainly represents re-measurement losses on defined benefits obligation.

36. Financial Instruments

A. Accounting classification and fair values

Rs. in Crores

2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS								
Investments								
Quoted Equity Investments	-	9.73	-	9.73	9.73	-	-	9.73
Unquoted Equity Investments *	-	139.52	-	139.52	-	8.04	131.48	139.52
Unquoted Preference Shares	45.11	-	-	45.11	-	-	45.11	45.11
Units of Mutual Funds	833.55	-	-	833.55	833.55	-	-	833.55
Loans								
Non-current	-	-	22.50	22.50	-	-	-	-
Current	-	-	116.54	116.54	-	-	-	-
Trade Receivables	-	-	922.41	922.41	-	-	-	-
Cash and Cash Equivalent	-	-	1121.67	1121.67	-	-	-	-
Other Bank balances	-	-	499.79	499.79	-	-	-	-
Other Financial Assets	-	-			-	-	-	-
Non-current	-	-	32.17	32.17	-	-	-	-
Current	3.08	32.71	137.45	173.24	19.24	16.55		35.79
	881.74	**181.96**	**2852.53**	**3916.23**	**862.52**	**24.59**	**176.59**	**1,063.70**
FINANCIAL LIABILITIES								
Borrowings								
Non-current	-	-	794.67	794.67	-	-	-	-
Current	-	-	387.81	387.81	-	-	-	-
Lease Liabilities								
Non-current	-	-	291.96	291.96	-	-		-
Current	-	-	37.97	37.97				-
Trade payables	-	-	943.99	943.99				-
Other Financial Liabilities								
Non-current	-	9.83	4.10	13.93	-	9.83	-	9.83
Current	0.42	31.34	350.79	382.55	0.42	31.34	-	31.76
	0.42	**41.17**	**2811.29**	**2852.88**	**0.42**	**41.17**	**-**	**41.59**

Rs. in Crores

2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS								
Investments								
Quoted Equity Investments	-	63.17	-	63.17	63.17	-	-	63.17
Unquoted Equity Investments *	-	138.56	-	138.56	-	7.23	131.33	138.56
Unquoted Preference Shares	48.42	-	-	48.42	-	-	48.42	48.42
Units of Mutual Funds	583.16	-	-	583.16	583.16	-	-	583.16
Loans								-
Non-current	-	-	17.09	17.09	-	-	-	-
Current	-	-	245.01	245.01	-	-	-	-
Trade Receivables	-	-	680.55	680.55	-	-	-	
Cash and Cash Equivalent	-	-	967.02	967.02	-	-	-	
Other Bank balances	-	-	66.59	66.59	-	-	-	
Other Financial Assets	-	-			-	-	-	-
Non-current	-	-	28.62	28.62	-	-	-	-
Current	0.76	9.01	121.63	131.40	-	9.77	-	9.77
	632.34	**210.74**	**2126.51**	**2969.59**	**646.33**	**17.00**	**179.75**	**843.08**
FINANCIAL LIABILITIES								
Borrowings								
Non-current	-	-	787.24	787.24	-	-	-	-
Current	-	-	329.66	329.66	-	-	-	-
Trade payables			664.90	664.90	-	-	-	-
Other Financial Liabilities								
Non-current	-	1.82	5.79	7.61	-	1.82	-	1.82
Current	-	37.06	267.71	304.77	24.94	12.12	-	37.06
	-	**38.88**	**2055.30**	**2094.18**	**24.94**	**13.94**	**-**	**38.88**

* For certain investments categorised under Level 3, cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Notes to Consolidated Financial Statements (continued)

Measurement of fair values

The basis of measurement in respect to each class of financial asset / liability is disclosed in Note 2.2(h) of the financial statement.

The fair value of liquid mutual funds and long term equity investment is based on active market. Fair values of certain non-current investment are valued based on discounted cash flow/book value / EBITDA multiple approach. Derivative financial instruments are generally valued based on Black-Scholes-Merton approach and Dollar offset principles.

B. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Covid 19 pandemic- Commencing from the second half of March 2020, Covid 19 pandemic had an impact on the Indian and International business environment. The Group continued to manufacture and supply essential food and beverage items in the relevant markets. The demand for the Group's products for in home consumption continues with some short term stocking up. However, extended lock down conditions have caused some adverse impact on sales due to disruptions in market openings and supply chain with impact being more pronounced in out of home sectors. Impact on future operations would to a large extent depend on how the pandemic develops and the resultant impact on businesses. Assessment of impact of Covid 19 pandemic on various elements of the risk management framework has been dealt with in the relevant sections below.

i. Risk management framework

The Risk Management Committee of the Board is entrusted with the responsibility to assist the Board in overseeing and approving the Group's risk management framework. The Group has a comprehensive risk policy relating to the risks that the Group faces under various categories like strategic, operational, reputational and other risks and these have been identified and suitable mitigation measures have also been formulated. The Risk Management Committee reviews the key risks and the mitigation measures periodically. The Audit Committee has additional oversight in the area of financial risks and control.

ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Group's credit risk are spread both geographically as well as across customers. Majority of our customers in the developed markets have good credit rating. In addition, Group has an established credit policy and a credit review mechanism. The Group also covers certain category of its debtors through a credit insurance policy. The insurance provider sets an individual credit limit and also monitors the credit risk of the consumer. The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non-performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Group is certain about the non-recovery.

(a) Trade receivables

The credit worthiness of trade debtors and the credit terms set are determined in individual regions and countries. There are no particular concentrations of credit risk as the Group's customer base is large. Trade receivables are considered a single class of financial assets, and based on the Group's experience of collecting receivables and associated defaults there is a low credit risk across regions and countries. In certain regions adequate insurance cover has been taken on trade receivables to further reduce the risk of default.

The fair values of trade and other receivables, deposits or bank guarantees are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when they become overdue. Management believes that the unimpaired amounts that are past due are collectible in full, based on historical payment pattern and analysis of customer credit risk.

Movement of allowance for impairments of trade receivables are as follows:

Rs in Crores

	2020	2019
As at April 1	6.88	4.84
Acquired on Acquisition	11.43	-
Impairment loss recognised	0.38	2.03
Unused amounts reversed	(3.84)	(0.05)
Translation exchange difference	0.07	0.06
As at March 31	**14.92**	**6.88**

Impact of Covid 19 pandemic- Based on recent trends observed, collection pattern and insurance covers in place, the Group does not envisage any material risks. Future outlook will depend on how the pandemic develops and the resultant impact on businesses.

(b) Financial instruments and cash deposits

The credit risk from balances / deposits with banks, other financial assets and current investments are managed in accordance with the Group's approved policy. Investments of surplus funds are made only with approved counterparties and within the limits assigned to each counterparties. The limits are assigned to mitigate the concentration risks. These limits are actively monitored by the treasury department.

Impact of Covid 19 pandemic- Based on the recent trends observed, type of instruments and strength of the counterparties, the Group does not envisage any material risks. Wherever the underlying assets/ instruments are subject to market risks, the same have been marked to market as at the Balance Sheet date. Future outlook will depend on how the pandemic develops and the resultant impact on businesses.

iii. Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting its obligations. The Group's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time.

Notes to Consolidated Financial Statements (continued)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities (excluding lease liabilities) at the reporting date. The amounts are gross and undiscounted and exclude the impact of netting agreements:

Rs in Crores

2020	Within 1 year	Due from 1 to 2 years	Due from 2 to 5 years	After 5 Years
Borrowings	461.72	507.06	165.75	142.82
Trade payables	922.80	-	-	-
Other financial liabilities	353.18	12.87	-	-
	1737.70	**519.93**	**165.75**	**142.82**

Rs in Crores

2019*	Within 1 year	Due from 1 to 2 years	Due from 2 to 5 years	After 5 Years
Borrowings	354.99	68.04	571.09	173.88
Trade payables	675.54	-	-	-
Other financial liabilities	280.57	7.61	-	-
	1311.10	**75.65**	**571.09**	**173.88**

* Includes balances pertaining to disposal group

The Group ensures that there is adequate finance available to fund growth and has adequate capacity to fund its obligations. The Group monitors rolling forecasts of its liquidity positions on the basis of expected cash flows to ensure sufficient liquidity through its cash reserves and various undrawn third party borrowing arrangements in place. The Group is also confident that if the need arises debt can be raised from the market at attractive terms. The Parent Company carries highest credit rating quality for its short term fund based lines from a reputed rating agency.

Impact of Covid 19 pandemic- Based on recent trends observed, profitability, cash generation, cash surpluses held by the Group and borrowing lines available, the Group does not envisage any material liquidity risks. Future outlook will depend on how the pandemic develops and the resultant impact on businesses.

iv. Market risk

Market risk is the risk that the fair value of the future cash flows will fluctuate because of changes in the market prices such as currency risk, interest rates risk and commodity price risk.

Currency Risk

The Group operates across various geographies and is exposed to foreign exchange risk on its various currency exposures. The risk of changes in foreign exchange rates relates primarily to the Group's operating activities and translation risk, which arises from recognition of foreign currency assets and liabilities and consolidation of foreign subsidiaries.

The Group uses various derivative financial instruments governed by its board approved policy, such as foreign exchange forward and option contracts to mitigate the said risk. The counterparty for these contracts is generally a bank. The Group reports periodically to the Audit Committee of the board, the various foreign exchange risk and policies implemented to manage its foreign exchange exposures.

During the year ended March 31, 2020, the Group has designated certain foreign exchange forward contracts and option contracts as cash flow hedges to mitigate the risk of foreign currency exposure on highly probable forecasted transactions. Hedge effectiveness is determined at inception and periodic prospective effectiveness testing is done to ensure the relationship exist between the hedged items and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedge items.

Impact of Covid 19 pandemic- The pandemic can cause continuing volatility in the currency market and this risk would be mitigated through effective hedging policies. Further, the Group basis the recent trends believe that the probability of the non- occurrence of forecasted transactions is minimal. The Group also does not expect any material deterioration in both counterparty credit risk and own credit risk. Accordingly, the Group continues to believe that there is no impact on effectiveness of its hedges. Future outlook will depend on how the pandemic develops and the resultant impact on the businesses.

The currency profile of financial assets and financial liabilities:

Rs in Crores

2020	USD	GBP	CAD	Other Currencies	Total
Trade Receivable and Other Financial Assets including loans/advances	243.08	-	-	36.82	279.90
Trade Payables and Other Financial Liabilities	44.72	2.57	0.14	16.65	64.08

Rs in Crores

2019	USD	GBP	CAD	Other Currencies	Total
Trade Receivable and Other Financial Assets including loans/advances	395.17	-	-	30.12	425.29
Trade Payables and Other Financial Liabilities	30.88	-	-	23.06	53.94

The following table gives details in respect of outstanding foreign currency forward and option contracts:

Type of Contract	Currency Pair	2020			2019		
		Notional Amount in FCY Mn	Equivalent Amount in Rs in Crores*	Fair Value Amount in Rs in Crores*	Notional Amount in FCY Mn	Equivalent Amount in Rs in Crores*	Fair Value Amount in Rs in Crores*
Forward Contracts Outstanding							
i) Exports	EUR / GBP	0.23	1.90	0.04	1.20	9.32	(0.03)
	CAD / GBP	16.00	84.93	2.37	10.00	51.53	1.47
	USD / INR	35.71	270.18	(10.71)	22.85	158.01	6.18
	AUD / INR	4.85	22.34	1.73	6.21	30.44	2.16
	EUR / INR	1.89	15.66	(0.38)	0.50	3.85	0.31
ii) Payables	USD / GBP	22.00	166.45	11.79	23.00	159.04	1.64
iii) Loans given	USD / GBP	20.00	151.32	0.84	35.11	242.76	(1.39)
iv) Loan to subsidiaries	USD / GBP	30.00	226.98	1.26	42.39	293.15	(1.68)
v) Receivables from Subsidiaries	CZK / GBP	-	-	-	35.60	10.71	(0.04)
	AUD / GBP	14.00	64.50	0.36	12.00	58.83	(0.30)
vi) Bank Deposits	USD/VND	0.38	2.88	(0.01)	-	-	-
Option Contracts Outstanding							
i) Payables	USD / GBP	-	-	-	6.00	41.49	0.89
ii) Receivable	USD / INR	-	-	-	4.35	30.08	0.88

* converted at the year end exchange rates
Fair value represents impact of mark to market value as at year end.

Notes to Consolidated Financial Statements (continued)

Following table summarises approximate gain / (loss) on the Group's profit before tax and pre-tax equity on account of appreciation / depreciation of underlying foreign currencies:

Rs in Crores

Details	2020		2019	
	Effect on Profit before tax	Effect on Pre-tax Equity	Effect on Profit before tax	Effect on Pre-tax Equity
5% appreciation of the underlying foreign currencies	2.35	(16.94)	5.00	(10.25)
5% depreciation of the underlying foreign currencies	(2.35)	17.35	(5.00)	15.44

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to its debt obligations with floating interest rates. The Group uses interest rate swap contracts to manage interest rate exposure on its long term debt obligations. The Group has entered into an interest rate swap whereby the Group pays a fixed rate of interest and receives a floating rate of interest on approximately half of the balance of term debt. These derivatives have been designated as cash flow hedges. In addition, the interest rate risk, can also impact the provision for retiral benefits.

Details of Interest rate swap which the Group has entered into for hedging its interest rate exposure on borrowing:

Details of Borrowings	Currency	2020			2019		
		Foreign Currency in Mn	Equivalent Amount in Rs in Crores *	Fair Value Amount in Rs in Crores*	Foreign Currency in Mn	Equivalent Amount in Rs in Crores *	Fair Value Amount in Rs in Crores*
Term Loan **	USD	61.89	468.23	(32.18)	63.34	437.97	(9.00)

* converted at the year end exchange rates

** to the extent of swap entered

Fair value represents impact of mark to market value as at year end.

The following table demonstrates the sensitivity on the Group's profit before tax, to a reasonably possible change in interest rates on the unhedged portion of loans and borrowings affected, with all other variables held constant:

Rs in Crores

Change	2020	2019
	Effect on Profit before tax	Effect on Profit before tax
25 basis points increase	(1.05)	(1.00)
25 basis points decrease	1.05	1.00

Price Risk

Commodity Price risk

The Group is exposed to fluctuations in price of certain commodities mainly tea, salt, pulses and coffee. Mismatch in demand and supply, adverse weather conditions, market expectations etc, can lead to price fluctuations. For tea, these fluctuations are managed through active sourcing, distribution of source of supply, private purchases and alternate blending strategies without impacting the quality of the blend. For Salt and pulses, these fluctuations are managed through active sourcing and commercial negotiation with customers and suppliers.

Further, the Group uses coffee futures and option contracts for US coffee operations, to reduce the price risk associated with forecasted purchases of coffee beans.

The Group enters into coffee futures based on market price and anticipated production requirements. These coffee futures have been designated as cash flow hedges and the unrealised gain / (loss) or fair value is recorded in other comprehensive income (OCI). The Group also enters into various call and put option contract to protect the price. The fair value of the unsettled contracts is recorded in other current assets or other current liabilities. The realised and unrealised gains and losses on these contracts are included in Statement of Profit and Loss as a part of Cost of Materials Consumed.

Outstanding position for various commodity derivatives financial instruments:

Commodity	Futures & Options	2020			2019		
		Notional Value in USD Mn	Equivalent Amount in Rs in Crores*	Fair Value Amount in Rs in Crores	Notional Value in USD Mn	Equivalent Amount in Rs in Crores*	Fair Value Amount in Rs in Crores
a) Coffee	Futures	23.63	178.80	18.62	30.85	213.35	(22.00)
b) Coffee	Options (Net)	(3.04)	(23.03)	0.19	(4.15)	(28.69)	(1.28)

* converted at the year end exchange rate
Fair value represents impact of mark to market value as at year end.

Impact of Covid 19 pandemic- Based on recent trends, the Group believes that depending on prevalence of lockdown conditions in regions from where raw materials are sourced, disruptions to the supply chain cannot be ruled out. This is an area which will be dynamically reviewed and managed by the Group. Future outlook will depend on how the pandemic develops and the resultant impact on businesses.

Equity investment Price risk

The price risk is the risk arising from investments held by the Group and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss.

The Group's equity investments are mainly strategic in nature and are generally held on a long term basis. Further, the current investments are all in units of overnight and liquid mutual funds and these are not exposed to significant price risk.

Notes to Consolidated Financial Statements (continued)

Capital Management

The Group's objective for capital management is to maximise shareholder wealth, safeguard business continuity and support the growth of the Group. The Group determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows.

The Group's adjusted net debt and equity position as at March 31, 2020 was as follows:

Rs in Crores

	2020	2019
Total Borrowings	1256.39	1141.10
Less : Cash and cash equivalent including bank deposits	1610.20	1022.02
Less : Current investments	833.55	583.16
Less : Inter-corporate Loans	133.94	256.53
Adjusted net (cash) / debt	**(1321.30)**	**(720.61)**
Total Equity	**14907.33**	**8359.37**

37. Employee Benefits Obligation

i) Defined contribution plans

The Group operates certain defined contribution schemes like provident fund and defined contribution superannuation schemes. Contributions are made by the Group, based on current salaries, to funds maintained by the Group and, for certain categories contributions are made to State Plans. For certain schemes, contributions are also made by the employees. Amount recognised in the statement of profit and loss on account of defined contribution schemes is Rs 41.82 Crores (Rs 36.26 Crores).

ii) Defined benefit plans

(a) Pension benefits

The Group also operates defined benefits pension plans in India and UK. The defined benefit schemes in India, which are closed to future accruals, offer specified benefits to the employees on retirement. Annual actuarial valuations are carried out by independent actuaries. Wherever funds have been set up, annual contributions are also made by the Group. Employees are not required to make any contribution.

The Group sponsors a defined benefit pension plan, the Tetley GB Final Salary Scheme (the "Scheme"), in the UK with benefits based on final salary. The Group closed the Scheme to future accrual with effect from 6 April 2005. The final salary pension plans provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on the members' length of service and their salary in the schemes final year. Payments from the scheme are generally indexed in line with the retail price index. The benefit payments are from trustee-administered funds. Responsibility for governance of the plan including investment decisions lies with the board of trustees. Contribution schedules are triennially agreed between the Group and the board of trustees. The board of trustees comprise of representatives of the Group and plan participants in accordance with the plan's regulations.

(b) Gratuity

The Group provides for gratuity for employees in India covering eligible employees. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service.

(c) Post-employment medical benefits

The Group operates post-employment medical benefits scheme to eligible employees in India and to former employees in the UK and the US. These plans are unfunded and the valuation method is similar to those used for defined benefit pension schemes.

d) Others

There are other superannuation benefits restricted to certain categories of employees/directors in the form of pension, medical and other benefits in terms of a specific policy.

(e) Post-employment life assurance benefits

The Group operates post-employment life assurance benefits to former employees in the US. These plans are unfunded and the valuation method is similar to those used for defined benefit pension schemes.

(f) Leave obligation

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

The table below outlines the net position of the Group's post-employment benefits plan:

Rs in Crores

	2020	2019
Defined benefits - India		
Pension	2.09	2.27
Gratuity	14.44	11.48
Post employment medical benefits	65.08	50.89
Others	101.59	85.07
Defined benefits - Overseas		
Pension	(257.98)	(127.63)
Life Assurance benefits	4.12	3.89
Post employment medical benefits	6.31	6.25
Liabilities / (Assets) in the balance sheet	**(64.35)**	**32.22**

Notes to Consolidated Financial Statements (continued)

Net Liabilities / (Assets) recognised in balance sheet for defined benefits:

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Other		Pension	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Present Value of Funded defined benefit obligation at the year end	4.44	4.25	152.66	131.31	-	-	-	-	1280.54	1323.36
Fair value of plan assets at the end of the year	5.92	5.75	138.22	119.83	-	-	-	-	1538.52	1450.99
	(1.48)	**(1.50)**	**14.44**	**11.48**	**-**	**-**	**-**	**-**	**(257.98)**	**(127.63)**
Present Value of Unfunded defined benefit obligation at the year end	3.05	3.26	-	-	65.08	50.89	101.59	85.07	-	-
Asset ceiling	0.52	0.51	-	-	-	-	-	-	-	-
Amount recognised in Balance Sheet	**2.09**	**2.27**	**14.44**	**11.48**	**65.08**	**50.89**	**101.59**	**85.07**	**(257.98)**	**(127.63)**

Changes in the Defined Benefit Obligation:

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Other		Pension	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Opening Defined Benefit Obligation	7.51	9.49	131.31	119.71	50.89	52.56	85.07	84.06	1323.36	1361.44
Acquired on Business Combination	-	-	5.42	-	-	-	-	-	-	-
Current Service cost	-	-	7.70	7.22	1.58	1.48	2.59	2.66	-	-
Past Service Cost	-	-	-	-	-	-	-	-	-	8.39
Interest on Defined Benefit Obligation	0.54	0.63	9.38	8.71	3.87	4.30	6.37	6.29	30.68	35.47
Actuarial changes arising from change in experience	0.25	(1.35)	1.32	5.30	(0.50)	(6.41)	2.14	(3.29)	(6.34)	(45.06)
Actuarial changes arising from change in demographic assumption	0.01	0.09	0.64	-	-	(0.44)	-	(0.34)	2.72	(30.34)
Interest on Plan assets	-	-	-	-	-	-	-	-	-	-
Actuarial changes arising from changes in financial assumption	0.32	0.02	6.30	1.36	10.59	0.59	10.43	0.58	(43.50)	64.37
Benefits Paid	(1.14)	(1.37)	(10.12)	(10.99)	(1.35)	(1.19)	(5.01)	(4.89)	(67.68)	(45.85)
Liability assumed/(settled)	-	-	0.71	-	-	-	-	-	-	-
Translation exchange difference	-	-	-	-	-	-	-	-	41.30	(25.06)
Closing Defined Benefit Obligation	**7.49**	**7.51**	**152.66**	**131.31**	**65.08**	**50.89**	**101.59**	**85.07**	**1280.54**	**1323.36**

Changes in the Fair value of Plan Assets during the year:

Rs. in Crores

	India				Overseas	
	Pension		Gratuity		Pension	
	2020	2019	2020	2019	2020	2019
Opening fair value of Plan assets	5.75	6.10	119.83	117.55	1450.99	1373.42
Acquired on Business Combination	-	-	5.42	-	-	-
Employers contribution	-	-	13.23	4.76	44.97	45.85
Interest on Plan Assets	0.41	0.40	8.77	8.86	34.29	36.40
Administrative cost	-	-	-	-	(2.81)	(3.73)
Actual return on plan assets less interest on plan assets	0.53	(0.05)	0.38	0.02	29.00	71.72
Benefits Paid	(0.77)	(0.70)	(10.12)	(11.40)	(67.68)	(45.85)
Assets acquired on Acquisition / (settled on Divestiture)	-	-	0.71	0.04	-	-
Translation exchange difference	-	-	-	-	49.76	(26.82)
Closing Fair value of plan assets	**5.92**	**5.75**	**138.22**	**119.83**	**1538.52**	**1450.99**

Expense recognised in the statement of profit and loss for the year:

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Current Service Cost	-	-	7.70	7.22	1.58	1.48	2.59	2.66	-	-
Past Service Cost	-	-	-	-	-	-	-	-	-	8.39
Interest cost on defined benefit obligation	0.13	0.23	0.61	(0.15)	3.87	4.30	6.37	6.29	(3.61)	(0.93)
Total recognised in the statement of profit and loss	**0.13**	**0.23**	**8.31**	**7.07**	**5.45**	**5.78**	**8.96**	**8.95**	**(3.61)**	**7.46**

Amounts recognised in Other Comprehensive Income for the year:

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Actuarial changes arising from change in demographic assumption	0.01	0.09	0.64	-	-	(0.44)	-	(0.34)	2.72	(30.34)
Actuarial changes arising from changes in financial assumption	0.32	0.02	6.30	1.36	10.59	0.59	10.43	0.58	(43.50)	64.37
Actuarial changes arising from changes in experience assumption	0.25	(1.35)	1.32	5.31	(0.50)	(6.41)	2.14	(3.29)	(6.34)	(45.06)
Return on plan asset excluding interest Income	(0.53)	0.05	(0.38)	(0.02)	-	-	-	-	(29.00)	(71.72)
Adjutment to recognise the effect of asset ceiling	0.01	0.19	-	-	-	-	-	-	-	-
Total (gain) / loss recognised in Other Comprehensive Income	**0.06**	**(1.00)**	**7.88**	**6.65**	**10.09**	**(6.26)**	**12.57**	**(3.05)**	**(76.12)**	**(82.75)**

Notes to Consolidated Financial Statements (continued)

Principal Actuarial assumptions used:

India	2020	2019
Discount rates	6.5%/6.75%	7.75%/7.70%
Salary Escalation Rate	8% for Management Staff 7% for Staff /Workers	8% for Management Staff 7% for Staff /Workers
Annual increase in health care cost	8%	8%
Pension increase rate	18% after every three years	18% after every three years
Mortality rates	Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2012-14) Ult Table

Overseas	2020	2019
Discount rate	2.40%	2.40%
Inflation assumptions - RPI	2.65%	3.25%
Rate of increase in pensions in payment	3.25%	3.55%
Rate of increase in pensions in deferment	3.00%	3.25%
Mortality Rates	Approved norms for overseas schemes	Approved norms for overseas schemes

Quantitative sensitivity analysis for significant assumption as at the year ended March 31, 2020 is as below:

Rs. in Crores

	India				Overseas
	Pension	Gratuity	Medical	Others	Pension
Impact of increase in 50 basis point in discount rate on Defined Benefit Obligation	(0.13)	(6.13)	(4.83)	(4.58)	(90.67)
Impact of decrease in 50 basis point in discount rate on Defined Benefit Obligation	0.14	6.57	5.46	4.97	100.95
Impact of increase in 50 basis point in salary escalation rate on Defined Benefit Obligation	-	6.50	-	-	-
Impact of decrease in 50 basis point in salary escalation rate on Defined Benefit Obligation	-	(6.11)	-	-	-
Impact of increase in 100 basis point in health care costs on Defined Benefit Obligation	-	-	11.20	0.10	-
Impact of decrease in 100 basis point in health care costs on Defined Benefit Obligation	-	-	(8.94)	(0.09)	-
Impact of increase in 25 basis point in RPI inflation rate on Defined Benefit Obligation	-	-	-	-	38.32
Impact of decrease in 25 basis point in RPI Inflation Rate on Defined Benefit Obligation	-	-	-	-	(19.63)
Impact of increase in 1 year in Life Expectancy on Defined Benefit Obligation	0.16	-	-	3.20	51.41
Impact of decrease in 1 year in Life Expectancy on Defined Benefit Obligation	(0.16)	-	-	(3.21)	(48.60)
Impact of increase in 100 basis point in pension rate on Defined Benefit Obligation	0.09	-	-	2.92	-
Impact of decrease in 100 basis point in pension rate on Defined Benefit Obligation	(0.08)	-	-	(2.82)	-

Sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. For the overseas pension fund, interest rate and inflation risks have been hedged, as explained in the section on risk hereunder.

Major Categories of Plan Assets:

Rs. in Crores

	India				Overseas	
	Pension		Gratuity		Pension	
	2020	2019	2020	2019	2020	2019
Govt of India Securities	0.11	0.88	-	-	-	-
PSU bonds	-	-	-	-	-	-
Insurance managed Funds	5.13	3.62	137.88	119.83	-	-
Equities	-	-	-	-	263.59	235.35
Liability Driven Investments (LDI)	-	-	-	-	689.81	771.20
Multi asset credit	-	-	-	-	204.70	323.15
Diversified growth funds					100.01	-
Secured income					134.60	-
Corporate bonds	-	-	-	-	114.97	-
Property	-	-	-	-	-	105.00
Cash & Insurance policies	-	-	-	-	30.84	16.29
Others	0.68	1.25	0.34	-	-	-
Total	**5.92**	**5.75**	**138.22**	**119.83**	**1538.52**	**1450.99**

Risks

India
The Group contributes all its ascertained liabilities towards gratuity to the trust set up for the same. Trustees administer the contributions made to the trust. As at March 31, 2020 and March 31, 2019, the plan assets have been primarily invested in insurer managed funds.

Overseas
The nature of the Scheme exposes the Group to the risk of paying unanticipated additional contributions to the Scheme in times of adverse experience. The most financially significant risks are likely to be:

– **Asset volatility**
The Scheme's liabilities are calculated using a discount rate set with reference to corporate bond yields in line with the requirements of Ind AS 19. If the Scheme assets underperform this yield, it will increase the deficit. The plan holds investments across a range of asset classes which are expected to outperform corporate bonds in the long term but have volatility and risks in the short term.

– **Changes in bond yields**
A decrease in corporate bond yields will increase plan liabilities. In the event of a reduction in the corporate bond yields there will be an increase in the value of the Scheme's interest rate swaps and derivatives held which reduce exposure to this risk by approximately 90%.

– **Inflation risk**
The Group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. The hedging strategy in place means through the use of inflation swaps and derivatives the scheme assets hedge approximately 90% of this risk.

– **Life expectancy**
The Scheme's obligation is to provide benefits for the life of the members. An increase in life expectancy will result in an increase in the Scheme's liabilities.

Asset-liability matching strategies used by the overseas scheme
The Scheme's investment strategy includes holding a 40% allocation to liability-driven investments which involves hedging the fund's exposure to changes in interest rates and inflation through use of liability driven investments (LDI) which typically involves swaps and derivatives, 15% exposure to multi-asset credit and a 7.5% holding in corporate bonds, the remaining portfolio invested across a diversified range of growth assets which includes equity, diversified growth funds and secured income assets.

Notes to Consolidated Financial Statements (continued)

Expected contributions over the next financial year:
The Group expects to contribute approximately Rs 62.95 Crores to the Schemes in the year ending March 31, 2021.

Maturity Profile of defined benefit obligation (undiscounted basis):

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Within next 12 months	2.78	1.67	19.09	21.93	2.09	1.81	6.08	6.07	45.81	44.36
Between 2 and 5 years	3.83	5.10	49.32	40.79	9.26	7.98	27.05	25.86	200.97	195.53
Between 6 and 9 years	2.43	2.79	58.61	55.01	10.73	9.10	30.41	29.57	229.01	219.97
10 years and above	2.53	3.09	174.48	165.45	99.20	57.61	150.20	147.70	1440.38	1554.19

Post-employment life assurance benefits - Overseas
The Group operates post-employment life assurance benefits to former employees in the US. These plans are unfunded and the valuation method is similar to those used for defined benefit pension schemes. The liability recognised in the balance sheet as at March 31, 2020 was Rs 4.12 Crores (Rs 3.89 Crores).

Post-employment medical benefits - Overseas
The Group operates post –employment medical benefits scheme to eligible former employees in the UK and the US. These plans are unfunded and the valuation method is similar to those used for defined benefit pension schemes with the addition of actuarial assumptions relating to the long-term increase in healthcare costs in the US of 5.0% p.a. and in the UK of 5.4% p.a. The liability recognised in the balance sheet as at March 31, 2020 was Rs 6.31 Crores (Rs 6.25 Crores).

iii) Provident Fund

The Parent Company and its Indian subsidiary operate Provident Fund Schemes and the contributions are made to recognised funds maintained by the Parent Company and an Indian subsidiary and for certain categories contributions are made to State Plans. The said companies have an obligation to fund any shortfall on the yield of the trust's investments over the administered rates on an annual basis. The Actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumption.

The Details of fund and plan assets position are given below:

Rs in Crores

	2020	2019
Plan Assets as at year end	222.09	211.88
Present value of Funded Obligation at period end	224.46	211.88
Amount recognised in the Balance Sheet	(2.37)	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	2020	2019
Guaranteed Rate of Return	8.50%	8.55%
Discount Rate for remaining term to Maturity of Investment	6.45%/6.75%	7.45% / 7.70%
Expected Rate of Return on Investment	8.70%/8.90%	9.17% / 8.91%

38. Segment Information

A. General Information

The Group has organised its businesses into Branded Segment and Non Branded Segment. Branded Segment is further sub-categorised as India Beverages, India Foods and International Beverages.

Description of each segment is as follows:

i) **Branded Business -**
India Beverages: Sale of branded tea, coffee, water and in various value added forms
India Foods: Sale of food products
International Beverages: Sale of branded tea, coffee, water and in various value added forms

ii) **Non Branded Business: Plantation and Extraction business for Tea, Coffee and other produce.**
The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators of the operating segments. The CODM reviews revenue and operating profits as the performance indicator for all of the operating segments and also reviews the total assets and liabilities of an operating segment.

B. Information about reportable segments

a) Segment Revenue

Rs in Crores

	2020	2019
Branded Business		
India - Beverages	3376.89	3167.66
India - Foods	2063.74	-
International - Beverages	3226.04	3238.38
Total Branded Business	**8666.67**	**6406.04**
Non Branded Business	**974.94**	**842.47**
Total Segments Revenue	**9641.61**	**7248.51**
Others	26.63	30.16
Less: Inter-Segment Revenue	(30.82)	(27.17)
Revenue from External Customer	**9637.42**	**7251.50**

b) Segment Results

Rs in Crores

	2020	2019
Branded Business		
India - Beverages	465.14	457.42
India - Foods	266.45	-
International - Beverages	360.76	276.73
Total Branded Business	**1092.35**	**734.15**
Non Branded Business	**55.65**	**66.64**
Total Segment Results	**1148.00**	**800.79**
Add/Less:		
Other Income*	93.35	105.58
Finance Cost	(77.86)	(52.47)
Unallocable items	(79.32)	(85.90)
Exceptional Items	(274.79)	(33.29)
Profit before Income Tax	**809.38**	**734.71**

*Excludes other Income considered as part of segment results.

Notes to Consolidated Financial Statements (continued)

c) Segment Assets and Liabilities

Rs in Crores

Segment Assets	2020	2019
Branded Business		
India - Beverages	1554.03	1322.45
India - Foods	6231.66	-
International - Beverages	5352.99	5237.22
Total Branded Business	**13138.68**	**6559.67**
Non Branded Business	**1599.93**	**1483.92**
Total Segment	**14738.61**	**8043.59**
Unallocable Corporate Assets	3763.99	2895.13
Total Assets	**18502.60**	**10938.72**

Segment Liabilities

Rs in Crores

	2020	2019
Branded Business		
India - Beverages	538.32	366.03
India - Foods	240.72	-
International - Beverages	759.99	520.21
Total Branded Business	**1539.03**	**886.24**
Non Branded Business	**186.98**	**169.88**
Total Segment	**1726.01**	**1056.12**
Unallocable Corporate Liabilities	1869.26	1523.23
Total Liabilities	**3595.27**	**2579.35**

d) Addition to non-current assets

Rs in Crores

	2020	2019
Branded Business		
India - Beverages	183.21	44.84
India - Foods	6052.61	-
International - Beverages	43.84	37.07
Total Branded Business	**6279.66**	**81.91**
Non Branded Business	**97.14**	**359.14**
Total Segments	**6376.80**	**441.05**

Non-current assets do not include financial instruments, deferred tax assets, post-employment benefit assets.

e) Depreciation and Amortisation Expense

Rs in Crores

	2020	2019
Branded Business		
India - Beverages	61.07	26.82
India - Foods	48.82	-
International - Beverages	82.39	67.78
Total Branded Business	**192.28**	**94.60**
Non Branded Business	**49.43**	**27.97**
Total Segments	**241.71**	**122.57**

C. Additional information by Geographies

Rs in Crores

Revenue by Geographical Market	2020	2019
India	6177.27	3904.55
USA	1672.22	1651.73
United Kingdom	1118.33	1135.61
Rest of the World	669.60	559.61
Revenue from External Customer	**9637.42**	**7251.50**

Rs in Crores

Non-Current Assets by Geographical Market	2020	2019
India	7092.28	870.29
USA	1873.78	1784.87
United Kingdom	1728.80	1666.39
Rest of the World	1138.74	1117.42
Total Non Current Assets	**11833.60**	**5438.97**

Notes to Segment information

a) The segment wise revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. Un-allocable items include expenses incurred on common services at the corporate level.

b) Pricing of inter segment transfers are based on benchmark market prices.

c) The Group has revised the composition of its reportable segments to align with the changes in the manner in which the Group's CODM allocates resource and reviews performance. The corresponding segment information for the comparative year has been restated as per the requirements of Ind AS 108.

39. a) Related party transaction

Related parties other than Joint Ventures and Associate with whom Group has transactions are given below, Refer Note 35 for list of Joint Ventures and Associates.

Promoter

Tata Sons Private Limited

Subsidiaries and Joint Venture of Tata Sons Private Limited

Tata Consultancy Services Limited
Tata Investment Corporation Limited
Tata Housing Development Company Limited
Tata AIG General Insurance Co Limited
Tata AIA Life Insurance Co. Limited
Taj Air Limited
Infiniti Retail Limited
Tata International Singapore PTE Limited
Tata Elxsi Limited
Ewart Investments Limited
Tata Uganda Limited
Tata Limited
Tata Industries Limited
Tata Capital Financial Services Limited
Tata International Vietnam Company Limited
Tata Communications Limited
Tata Teleservices Limited
Tata Teleservices Maharastra Ltd

Key Managerial Personnel

Mr. Ajoy Misra - Managing Director & CEO
Mr. L KrishnaKumar - Executive Director & Group CFO

Employee Benefit Funds

Tata Tea Limited Management Staff Gratuity Fund
Tata Tea Limited Management Staff Superannuation Fund
Tata Tea Limited Staff Pension Fund
Tata Tea Limited Gratuity Fund
Tata Tea Limited Calcutta Provident Fund
Tata Coffee Staff Provident Fund Trust
Tata Coffee Superannuation Fund
Tata Coffee Group Gratuity Fund

Notes to Consolidated Financial Statements (continued)

b) Particulars of transactions during the year ended March 31, 2020:

Rs in Crores

	2020	2019
Sale of Goods and Services		
- Joint Ventures	47.28	46.62
- Associates	2.62	2.05
- Subsidiaries and Joint Ventures of Promoter	2.16	0.32
Other Operating Income		
- Joint Ventures	17.30	13.73
- Associates	3.03	2.75
Purchase of Goods & Services		
- Joint Ventures	240.37	227.35
- Associates	181.29	216.29
- Subsidiaries and Joint Ventures of Promoter	14.62	22.96
Rent Paid		
- Associates	2.38	2.25
Other Expenses (Net)		
- Joint Ventures	5.99	6.16
- Associates	4.21	2.88
- Promoter	19.46	16.28
- Subsidiaries and Joint Ventures of Promoter	64.56	58.79
Directors Remuneration *	9.96	8.97
Dividend Paid		
- Promoter	46.51	46.50
- Subsidiaries and Joint Ventures of Promoter	7.85	8.26
Dividend/Interest Received		
- Joint Ventures	1.53	1.24
- Associates	1.98	2.47
- Promoter	1.76	1.40
- Subsidiaries and Joint Ventures of Promoter	3.14	3.90
Sale of Investments		
- Promoter	65.27	-
- Subsidiaries and Joint Ventures of Promoter	-	1.16
Reimbursement of Expenditure/(Income)		
- Joint Ventures	(1.93)	(1.70)
- Associates	(6.26)	(8.18)
- Promoter	0.10	0.44
Intercorporate Loan/ Deposits Given		
- Subsidiaries and Joint Ventures of Promoter	-	50.00
Deposit redeemed		
- Subsidiaries and Joint Ventures of Promoter	16.23	90.00
- Associates	1.75	3.50
Investments Made		
- Joint Ventures	55.94	35.80
Contribution to Funds - Employee Benefit Plans	31.70	22.81

* Provision for employee benefits, which are based on actuarial valuation done on an overall basis, is excluded. The above does not include share of recurring/special benefits payables to former directors.

c) Details of material transactions (i.e exceeding 10% in of total transaction values in respective category) with related party:

Rs in Crores

	2020	2019
Sale of Goods and Services		
- **Joint Ventures**		
NourishCo Beverages Ltd.	25.56	30.00
Tata Starbucks Pvt. Ltd.	14.38	16.62
Southern Tea LLC.	7.34	-
Other Operating Income		
- **Joint Ventures**		
Tata Starbucks Pvt. Ltd.	16.70	13.20
- **Associates**		
Kanan Devan Hills Plantation Company Pvt. Ltd.	3.03	2.75
Purchase of Goods & Services		
- **Joint Ventures**		
Southern Tea LLC.	238.52	224.96
- **Associates**		
Amalgamated Plantations Pvt Ltd.	103.59	140.52
Kanan Devan Hills Plantation Company Pvt. Ltd.	77.70	75.78
Rent Paid		
- **Associates**		
Amalgamated Plantations Pvt Ltd.	1.39	1.59
Kanan Devan Hills Plantation Company Pvt. Ltd.	0.74	0.66
Other Expenses (Net)		
- **Promoter** - Tata Sons Private Limited	19.46	16.28
- **Subsidiaries and Joint Ventures of Promoter**		
Tata Consultancy Services Limited	37.17	33.01
Tata AIG General Insurance Limited	16.51	16.17
Tata Communications Limited	8.67	-
Dividend Paid		
- **Promoter** - Tata Sons Private Limited	46.51	46.50
- **Subsidiaries and Joint Ventures of Promoter**		
Tata Investment Corporation Limited	6.74	6.73
Dividend/Interest Received		
- **Promoter** - Tata Sons Private Limited	1.76	1.40
- **Subsidiaries and Joint Ventures of Promoter**		
Tata Housing Development Company Limited	2.85	3.58
- **Associates**		
Kanan Devan Hills Plantation Company Pvt. Ltd.	1.98	2.47
Sale of Investments		
- **Promoter** - Tata Sons Private Limited	65.27	-
- **Subsidiaries and Joint Ventures of Promoter**		
Tata Investment Corporation Limited	-	1.16

Notes to Consolidated Financial Statements (continued)

Rs in Crores

	2020	2019
Reimbursement of Expenditure/(Income)		
- **Joint Ventures**		
NourishCo Beverages Ltd.	(1.76)	(1.51)
- **Associates**		
TRIL Constructions Limited	(2.37)	(4.15)
Amalgamated Plantations Pvt Ltd.	(2.08)	(2.33)
Kanan Devan Hills Plantation Company Pvt. Ltd.	(1.81)	(1.70)
Intercorporate Loan/ Deposits Given		
- **Subsidiaries and Joint Ventures of Promoter**		
Tata Housing Development Company Limited	-	50.00
Deposit redeemed		
- **Subsidiaries and Joint Ventures of Promoter**		
Tata Housing Development Company Limited	15.00	90.00
Investments Made		
- **Joint Ventures**		
Tata Starbucks Pvt. Ltd.	53.00	35.80
Contribution to Funds - Employee Benefit Plans		
Tata Tea Limited Calcutta Provident Fund	15.81	13.32
Tata Coffee Limited Employees Gratuity Fund	4.20	4.76
Tata Tea Limited Management Staff Gratuity Fund	3.31	-

d) Balance Outstanding as at March 31, 2020

Rs in Crores

	2020	2019
Debit		
- Joint Ventures	13.69	7.11
- Associates	25.77	18.89
- Subsidiaries and Joint Ventures of Promoter	7.38	20.60
Credit		
- Joint Ventures	3.96	8.28
- Associates	2.78	6.46
- Promoter	13.16	12.36
- Subsidiaries and Joint Ventures of Promoter	5.06	7.99
- Employee Benefit plans	14.43	5.65

e) Pursuant to the Scheme of Arrangement [Refer Note 41(i)], promoter and its subsidiaries were issued 82241927 and 17416518 equity shares respectively and 228 equity shares were issued to Key Managerial Personnel, as a part of the shares issued to the shareholders of Tata Chemicals Limited.

40. Non-Current Assets Held For Sale

Assets and liabilities relating Tata Global Beverages Czech Republic a.s, a subsidiary was presented as held for sale in the financial year 2018-19:

Rs in Crores

Assets	2020	2019
Non Current Assets (incl Goodwill)	-	17.62
Current Assets	-	19.55
	-	**37.17**
Liabilities		
Current Liabilities	-	11.77
	-	**11.77**

The said business was disposed in January 2020. Net assets disposed were Rs 24.24 Crores and purchase consideration amounted to Rs 31.10 Crores. Gain on disposal amounting to Rs.10.38 Crores including reversal of foreign currency translation reserve of Rs 3.52 Crores is reported under exceptional items (Refer Note 28).

41. Business Combination

(i) Acquisition of Consumer Product Business of Tata Chemicals Limited through Scheme of Arrangement

In accordance with the Scheme of Arrangement (Scheme) between the Company and Tata Chemicals Limited (TCL) as approved by Hon'ble National Company Law Tribunal, the Consumer Product Business of TCL (foods business) was demerged and transferred to the Company with effect from the Appointed date of April 1, 2019 (appointed date), in consideration of 114 equity shares of the Company of Re.1 each fully paid up for every 100 equity shares held in TCL of Rs 10 each fully paid up. The effective date of the Scheme was February 7, 2020 (effective date).

The Scheme will enable the Group to expand its presence in the fast moving consumer goods categories, result in revenue and cost synergies and, enhance the financial profile with higher growth, margin expansion and increased cash flows which will provide further headroom for growth.

Pursuant to the Scheme, the name of the Company was also changed to Tata Consumer Products Limited with effect from March 10, 2020 and the Authorised Share Capital of the Company was increased to Rs 125 Crores represented by 125 Crores equity shares of Rs 1 each. In discharge of the consideration, the Company allotted 290,421,986 equity shares to the shareholders of TCL on March 11, 2020. The fair value of equity shares issued amounted to Rs 6098.87 Crores. The premium on the equity shares issued has been credited to the Securities Premium Account.

As per the provisions of the Scheme, transfer of the above business into the Company have been accounted in the Financial Statements in accordance with Ind AS 103, 'Business Combinations', with effect from Appointed date. Further, in terms of the scheme, with effect from the appointed date till the effective date, the foods business was carried on by TCL for and on account of, and in trust for the Company.

Assets acquired and liabilities assumed as at April 1, 2019 are as follows:

Rs in Crores

Tangible Assets	3.69
Intangible Assets	2459.47
Inventories	154.00
Trade Receivables	81.33
Other Assets	27.53
Total Assets	**2726.01**
Trade Payable	164.95
Other Liabilities	**24.61**
Liabilities	**189.55**
Total Identified Net Assets at Fair Value	**2536.46**
Goodwill	3562.41
Fair Value of Consideration	**6098.87**

Notes to Consolidated Financial Statements (continued)

Goodwill on the above transaction reflects growth opportunities, synergy benefits, assembled workforce, procurement contracts, market reputation, quality of service and other benefits which are not separately identifiable. The goodwill and other intangible assets recognised are depreciable for income tax purposes.

Acquired Receivables
Fair value of trade receivables acquired is Rs 81.33 Crores. These amounts are fully collectible.

Impact of above acquisition on the results
The acquired business contributed revenue of Rs 2063.74 Crores and profit before tax of Rs 263.81 Crores. Profit before tax is after deducting amortisation expenses relating to intangible assets acquired of Rs 43.32 Crores. Expenses incurred on the transaction and on business integration initiatives of Rs 51.30 Crores are reported under Exceptional Items in the Statement of Profit and Loss.

(ii) Acquisition of branded tea business of Dhunseri Tea and Industries Limited

The Parent Company acquired the branded tea business of Dhunseri Tea and Industries Limited, pursuant to a business transfer agreement dated August 1, 2019 at an aggregate cash consideration of Rs 107.02 Crores (Includes Rs. 6.01 Crores for working capital). The acquisition is expected to give the Parent Company improved distribution access.

Assets acquired and liabilities assumed as at August 21, 2019 are as follows:

	Rs in Crores
Tangible Assets	0.01
Intangible Assets	84.90
Trade Receivables	5.99
Other Assets	0.69
Total Assets	**91.59**
Current Liabilities	0.67
Liabilities	**0.67**
Total Identified Net Assets at Fair Value	**90.92**
Goodwill	16.10
Fair Value of Consideration	**107.02**

Goodwill on the above transaction reflects growth opportunities, synergy benefits, sourcing and distribution contracts. The goodwill and other intangible assets recognised are depreciable for income tax purposes.

Acquired Receivables
Fair value of trade receivables acquired is Rs 5.99 Crores. These amounts are fully collectible.

Impact of above acquisition on the results
The acquired business contributed revenue of Rs 31.95 Crores and profit before tax of Rs 2.52 Crores. Acquisition related costs amounting to Rs 0.51 Crores are reported under exceptional item in the Statement of Profit and Loss.

42. Additional information, as required under Schedule III of the Companies Act, 2013, of entities consolidated as Subsidiary/Associates/Joint Ventures:

Sl No.	Name of the Entity	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As a % of Consolidated Net Assets	Amount (Rs in Crores)	As a % of Consolidated Profit or Loss	Amount (Rs in Crores)	As a % of Consolidated OCI	Amount (Rs in Crores)	As a % of Total Comprehensive Income	Amount (Rs in Crores)
	Parent								
	Tata Consumer Products Limited (Formerly Tata Global Beverages Limited)	78.54%	10850.01	113.87%	523.54	-6.53%	(15.27)	73.27%	508.27
	Subsidiaries								
	Indian								
1	Tata Coffee Ltd.	7.24%	1000.50	15.92%	73.21	-4.07%	(9.53)	9.18%	63.68
2	Tata Tea Holdings Private Ltd.	0.00%	(0.01)	0.00%	0.00	-	-	0.00%	0.00
	Foreign								
1	Consolidated Coffee Inc. (Consolidated Financials)	6.23%	860.74	25.54%	117.42	14.55%	34.02	21.83%	151.44
2	Tata Coffee Vietnam Company Ltd.	0.35%	48.08	-3.04%	(13.96)	-5.75%	(13.45)	(0.04)	(27.41)
3	Tata Tea Extractions Inc.	2.93%	405.30	3.55%	16.31	-	-	2.35%	16.31
4	Tata Consumer Products Capital Ltd	5.98%	825.99	-2.59%	(11.91)	-	-	-1.72%	(11.91)
5	Tata Consumer Products UK Group Ltd.	41.01%	5665.17	-194.58%	(894.61)*	-	-	-128.97%	(894.61)
6	Tata Global Beverages Holdings Ltd.	-	-	-	-	-	-	-	-
7	Tata Global Beverages Services Ltd.	-	-	-	-	-	-	-	-
8	Tata Consumer Products GB Ltd. (Formerly Tata Global Beverages GB Ltd.)	16.01%	2211.37	24.87%	114.32	30.57%	71.50	26.79%	185.82
9	Tata Consumer Products Overseas Holdings Ltd. (Formerly Tata Global Beverages Overseas Holdings Ltd.)	-0.42%	(58.30)	-29.92%	(137.54)#	-	-	-19.83%	(137.54)
10	Tata Global Beverages Overseas Ltd.	-0.13%	(18.22)	-	-	-	-	-	-
11	Lyons Tetley Ltd. (Dormant)	0.00%	0.19	-	-	-	-	-	-
12	Drassington Ltd. (Dormant)	-	-	-	-	-	-	-	-
13	Teapigs Ltd.	0.53%	72.79	1.67%	7.70	-	-	1.11%	7.70
14	Teapigs US LLC	-0.07%	(9.03)	-0.13%	(0.61)	-	-	-0.09%	(0.61)

Sl No.	Name of the Entity	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As a % of Consolidated Net Assets	Amount (Rs in Crores)	As a % of Consolidated Profit or Loss	Amount (Rs in Crores)	As a % of Consolidated OCI	Amount (Rs in Crores)	As a % of Total Comprehensive Income	Amount (Rs in Crores)
15	Empirical Group LLC	0.30%	41.15	8.49%	39.02	-	-	5.63%	39.02
16	Tata Waters LLC	-0.02%	(3.25)	(0.00)	(0.78)	-	-	(0.00)	(0.78)
17	Stansand Ltd. (Dormant)	0.00%	0.05	-	-	-	-	-	-
18	Stansand (Brokers) Ltd. (Dormant)	0.00%	0.30	-	-	-	-	-	-
19	Stansand (Africa) Ltd. (Dormant)	0.13%	18.64	0.44%	2.02	-	-	0.29%	2.02
20	Stansand (Central Africa) Ltd.	0.02%	3.12	0.19%	0.87	-	-	0.13%	0.87
21	Tata Global Beverages Polska sp.zo.o	0.07%	9.25	0.15%	0.69	-	-	0.10%	0.69
22	Tata Global Beverages Czech Republic a.s.	-	-	-0.52%	(2.39)	-	-	-0.34%	(2.39)
23	Tata Consumer Products US Holdings Inc. (Formerly Tata Global Beverages US Holdings Inc.)	3.21%	442.81	-1.06%	(4.86)	-	-	-0.70%	(4.86)
24	Tetley USA Inc.	1.59%	220.28	1.60%	7.34	-	-	1.06%	7.34
25	Good Earth Corporation.	-0.07%	(9.65)	-0.06%	(0.29)	-	-	-0.04%	(0.29)
26	Good Earth Teas Inc.	-0.43%	(59.44)	-2.32%	(10.67)	-	-	-1.54%	(10.67)
27	Tata Consumer Products Canada Inc. (Formerly Tata Global Beverages Canada Inc.)	0.10%	14.41	0.40%	1.83	-	-	0.26%	1.83
28	Tata Consumer Products Australia Pty Ltd. (Formerly Tata Global Beverages Australia Pty Ltd.)	0.13%	17.92	-0.25%	(1.15)	-	-	-0.17%	(1.15)
29	Earth Rules Pty Ltd.	-0.40%	(54.91)	-1.02%	(4.70)	-	-	-0.68%	(4.70)
30	Tata Global Beverages Investments Ltd. (Dormant)	-	-	-	-	-	-	0.00%	0.00
31	Campestres Holdings Ltd.	-0.01%	(1.29)	-0.03%	(0.15)	-	-	-0.02%	(0.15)
32	Kahutara Holdings Ltd.	-1.34%	(184.60)	-7.36%	(33.84)	-	-	-4.88%	(33.84)
33	Suntyco Holding Ltd.	-0.48%	(66.60)	-0.98%	(4.52)	-	-	-0.65%	(4.52)
34	Onomento Co Ltd.	0.11%	15.19	0.68%	3.13	-	-	0.45%	3.13
35	Coffee Trade LLC (under liquidation)	-	-	1.21%	5.55	-	-	0.80%	5.55
	Non-controlling Interest in all Subsidiaries	-7.91%	(1092.47)	-0.08%	(0.35)	-20.35%	(47.59)	-6.91%	(47.94)

Sl No.	Name of the Entity	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As a % of Consolidated Net Assets	Amount (Rs in Crores)	As a % of Consolidated Profit or Loss	Amount (Rs in Crores)	As a % of Consolidated OCI	Amount (Rs in Crores)	As a % of Total Comprehensive Income	Amount (Rs in Crores)
	Associates								
	Indian								
1	Amalgamated Plantations Pvt. Ltd.	0.18%	24.18	-4.89%	(22.49)	-4.03%	(9.43)	-4.60%	(31.92)
2	Kanan Devan Hills Plantations Co. Pvt. Ltd.	0.15%	21.18	-0.09%	(0.41)	-0.88%	(2.06)	-0.36%	(2.47)
3	TRIL Constructions Ltd.	0.35%	48.10	-0.45%	(2.06)	-	-	-0.30%	(2.06)
	Joint Ventures								
	Indian								
1	NourishCo Beverages Ltd.	0.07%	10.03	-0.21%	(0.95)	(0.00)	(0.02)	-0.14%	(0.97)
2	Tata Starbucks Private Ltd.	0.85%	116.89	-11.17%	(51.36)	(0.00)	(0.33)	-7.45%	(51.69)
	Foreign								
1	Joekels Tea Packers (Proprietary) Ltd.	0.08%	11.38	1.32%	6.07	-	-	0.88%	6.07
2	Southern Tea LLC	0.33%	45.54	-0.49%	(2.27)	-	-	-0.33%	(2.27)
3	Tetley ACI (Bangladesh) Ltd.	-0.01%	(1.08)	-0.20%	(0.91)	-	-	-0.13%	(0.91)
4	Tetley Clover (Pvt) Ltd.	0.00%	0.09	0.00%	0.01	-	-	0.00%	0.01
	Consolidation eliminations/ adjustments	-55.21%	(7626.94)	161.72%	743.51	96.65%	226.05	139.78%	969.56
	TOTAL	**100%**	**13814.86**	**100%**	**459.76**	**100%**	**233.89**	**100%**	**693.65**

*non-cash write down in the carrying value of investments in a subsidiary which is substantially attributable to a past fair value step up, eliminated through 'Consolidation eliminations / adjustments'.

represents non-cash write down in the carrying value of investments in underlying subsidiaries.

43. Unless otherwise stated, figures in brackets relate to the previous year. Previous year's figures have been regrouped / rearranged, to the extent necessary, to conform to current year's classifications. All the numbers have been rounded off to nearest crore.

Form AOC 1- Statement containing salient features of the financial statement of subsidiaries / associates / joint ventures (Pursuant to Section 129(3) of the Companies Act , 2013)

Part "A" : Subsidiaries

SL No	Name of the Subsidiary	Date of acquisition/ incorporation	Reporting Currency	Exchange rate as on last day of relevant financial year (Refer Note 3)	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	% of Shareholding (Refer Note 2)	Average yearly rates for P&L items translation
				Rs	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	%	Rs
1	Tata Consumer Products UK Group Ltd. (Formerly Tata Global Beverages Group Ltd.)	03.09.1999	GBP	93.47	2,197.25	3,467.91	6,399.92	734.76	4,735.58	-	(861.18)	(0.76)	(861.94)	-	89.10	89.94
2	Tata Global Beverages Holdings Ltd. (Dormant)	10.03.2000	GBP	93.47	-	-	-	-	-	-	-	-	-	-	100.00	89.94
3	Tata Global Beverages Services Ltd. (Dormant)	10.03.2000	GBP	93.47	-	-	-	-	-	-	-	-	-	-	100.00	89.94
4	Tata Consumer Products GB Ltd. (Formerly Tata Global Beverages GB Ltd.)	10.03.2000	GBP	93.47	0.00	2,211.41	2,589.31	377.90	9.35	1,215.43	127.01	(18.54)	108.47	-	100.00	89.94
5	Tata Consumer Products Overseas Holdings Ltd. (Formerly Tata Global Beverages Overseas Holdings Ltd.)	10.03.2000	GBP	93.47	-	(58.27)	670.97	729.24	122.78	-	(138.77)	5.52	(133.25)	-	100.00	89.94
6	Tata Global Beverages Overseas Ltd.	10.03.2000	GBP	93.47	0.00	(18.22)	40.17	58.39	-	-	-	-	-	-	100.00	89.94
7	Lyons Tetley Limted (Dormant)	10.03.2000	GBP	93.47	0.19	-	0.19	-	-	-	-	-	-	-	100.00	89.94
8	Drassington Ltd. (Dormant)	31.10.2003	GBP	93.47	18.28	(18.28)	-	-	-	-	-	-	-	-	100.00	89.94
9	Teapigs Ltd.	15.04.2005	GBP	93.47	9.35	63.43	97.03	24.25	-	101.05	9.58	(1.82)	7.76	-	100.00	89.94
10	Teapigs US LLC	27.08.2013	USD	75.66	-	(9.03)	9.56	18.59	-	18.74	(0.62)	-	(0.62)	-	100.00	70.50
11	Stansand Ltd. (Dormant)	10.03.2000	GBP	93.47	0.05	-	0.05	-	-	-	-	-	-	-	100.00	89.94
12	Stansand Brokers Ltd. (Dormant)	10.03.2000	GBP	93.47	0.30	-	0.30	-	-	-	-	-	-	-	100.00	89.94
13	Stansand (Africa) Ltd.	10.03.2000	KES	0.72	0.04	18.24	31.67	13.39	-	116.56	3.00	(0.98)	2.02	-	100.00	0.69
14	Stansand (Central Africa) Ltd.	10.03.2000	MWK	0.10	0.00	1.58	3.60	2.02	-	68.06	1.46	(0.46)	1.00	-	100.00	0.10
15	Tata Global Beverages Polska.sp.zo.o	10.03.2000	PLN	18.23	134.63	(124.07)	30.78	20.22	-	50.01	1.45	0.92	2.37	-	100.00	18.23
16	Tata Consumer Products US Holdings Inc. (Formerly Tata Global Beverages US Holdings Inc.)	10.03.2000	USD	75.66	506.94	(64.13)	689.74	246.93	683.00	-	(4.82)	-	(4.82)	-	100.00	70.50
17	Tetley USA Inc.	10.03.2000	USD	75.66	1,032.79	(812.48)	240.73	20.42	21.38	109.88	7.59	-	7.59	-	100.00	70.50
18	Empirical Group LLC	01.10.2016	USD	75.66	-	41.14	60.07	18.93	-	269.43	39.07	-	39.07	-	56.00	70.50
19	Tata Waters LLC	18.08.2016	USD	75.66	-	(3.23)	0.19	3.42	-	0.39	(0.78)	-	(0.78)	-	100.00	70.50
20	Good Earth Corporation	13.10.2005	USD	75.66	-	(9.65)	0.22	9.87	-	-	(0.29)	-	(0.29)	-	100.00	70.50
21	Good Earth Teas Inc.	13.10.2005	USD	75.66	136.87	(196.30)	42.97	102.40	17.12	44.42	(10.66)	-	(10.66)	-	100.00	70.50

SL No	Name of the Subsidiary	Date of acquisition/ incorporation	Reporting Currency	Exchange rate as on last day of relevant financial year (Refer Note 3)	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	% of Shareholding (Refer Note 2)	Average yearly rates for P&L items translation
				Rs	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	%	Rs
22	Tata Consumer Products Canada Inc. (Formerly Tata Global Beverages Canada Inc.)	10.03.2000	CAD	53.08	7.96	5.62	128.02	114.44	-	308.20	9.55	(7.73)	1.82	-	100.00	53.10
23	Tata Consumer Products Australia Pty. Ltd. (Formerly Tata Global Beverages Australia Pty. Ltd.)	10.03.2000	AUD	46.07	54.36	(35.50)	51.40	32.54	-	116.71	(1.97)	0.74	(1.23)	-	100.00	48.35
24	Earth Rules Pty. Ltd.	30.04.2015	AUD	46.07	68.36	(123.26)	14.91	69.81	-	30.13	(4.75)	-	(4.75)	-	100.00	48.35
25	Tata Global Beverages Investment Ltd.	12.09.2006	GBP	93.47	-	-	-	-	-	-	-	-	-	-	100.00	89.94
26	Campestres Holdings Ltd.	03.02.2009	USD	75.66	0.02	(1.31)	0.06	1.35	-	-	(0.15)	-	(0.15)	-	100.00	70.50
27	Kahutara Holdings Ltd.	25.03.2009	USD	75.66	0.15	(219.43)	1.13	220.41	-	-	(32.52)	-	(32.52)	-	100.00	70.50
28	Suntyco Holdings Ltd.	01.09.2009	USD	75.66	0.52	(67.14)	9.49	76.11	8.23	-	2.47	-	2.47	-	100.00	70.50
29	Onomento Co Ltd.	01.09.2009	USD	75.66	0.05	15.14	16.13	0.94	-	3.66	3.22	-	3.22	-	100.00	70.50
30	Coffee Trade LLC (under liquidation) (Refer Note 1)	18.09.2017	RUR	1.15	-	-	-	-	-	-	5.26	0.01	5.27	-	100.00	1.08
31	Tata Consumer Products Capital Ltd. (Formerly Tata Global Beverages Capital Ltd.)	12.09.2006	GBP	93.47	837.56	(11.57)	1,524.16	698.17	1,513.01	-	(16.52)	4.55	(11.97)	-	100.00	89.94
32	Tata Coffee Ltd.	21.11.1990	INR	1.00	18.68	981.82	1,263.42	262.92	334.42	719.44	85.43	(12.22)	73.21	28.02	57.48	1.00
33	Tata Coffee Vietnam Company Ltd.	28.03.2017	USD	75.66	94.59	(28.52)	541.37	475.30	-	125.07	(15.35)	-	(15.35)	-	100.00	70.50
34	Consolidated Coffee Inc.	10.07.2006	USD	75.66	453.20	1.17	455.62	1.25	453.20	-	102.76	0.31	103.07	-	100.00	70.50
35	Eight O'Clock Holdings Inc.	31.07.2006	USD	75.66	453.20	(0.54)	453.52	0.86	453.20	-	104.24	-	104.24	-	100.00	70.50
36	Eight O'Clock Coffee Company	31.07.2006	USD	75.66	453.20	240.39	1,803.11	1,109.52	-	1,119.22	149.26	(44.23)	105.03	-	100.00	70.50
37	Tata Tea Extractions Inc.	29.05.1987	USD	75.66	105.92	299.38	438.10	32.80	329.69	108.33	21.84	(5.52)	16.32	-	100.00	70.50
38	Tata Tea Holdings Private Ltd.	19.03.2009	INR	1.00	0.05	(0.06)	0.01	0.02	-	-	(0.00)	-	(0.00)	-	100.00	1.00

Note:

1 Statutory year ends for all subsidiaries are 31.03.2020 except for Coffee Trade LLC which is at 31.12.2019.

2 % of shareholding is based on voting power held by the Group.

3 Balance Sheet items have been translated at the exchange rate as on the last day of relevant financial year.

4 The numbers reported above are based on individual financial statements prepared under local GAAP.

5 During the year, Tata Global Beverages Czech Republic a.s has been disposed, hence not part of the above list.

6 For the subsidiary in Sl No. 1 above, Profit/(loss) is on account of non-cash write down in the carrying value of investments which is substantially attributable to a past fair value step up, eliminated while preparing the consolidated financial statements. For Sl No. 5 above, Profit/(loss) is on account of non-cash write down in the carrying value of investments in underlying subsidiaries.

Statement pursuant to Section 129 (3) of the Companies Act,2013 related to Associate Companies and Joint Ventures

Part "B" : Associates and Joint Ventures

Sl No.	Name of Associates/ Joint Ventures	Amalgamated Plantation Pvt. Ltd.	Kanan Devan Hill Plantation Company Pvt. Ltd.	TRIL Constructions Ltd.	Tetley Clover (Pvt.) Ltd.	Tetley ACI (Bangladesh) Ltd.	Joekels Tea Packers (Proprietary) Ltd.	Southern Tea, LLC	NourishCo Beverages Ltd.	Tata Starbucks Private Ltd.
		Associate	Associate	Associate	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
1	Latest audited Balance Sheet Date	31.03.2020	31.03.2020	31.03.2020	28.02.2019	30.06.2019	31.03.2020	31.12.2019	31.03.2020	31.03.2020
2	Date of acquisition/ incorporation	17.04.2009	06.07.2005	20.07.2013	25.07.2003	17.11.2002	04.10.2006	19.09.2002	14.03.2011	03.01.2012
3	Shares of Associate /Joint Ventures held by the company on the year-end									
	Equity Shares									
	i) Number	61024400	3976563	11748148	44000000	2900000	62	Membership Interest-50%	106500000	288800000
	ii) Amount of Investment in Associates/Joint Venture (Rs. in Crores)	71.10 #	12.33	11.75	30.98	22.89	24.07	36.33	106.50	288.80
	iii) Extent of Holdings	41.03%	28.52%	32.50%	50%	50%	51.70%	50%	50%	50%
	Preference Shares									
	i) Number	67000000	-	66751852	3000000	-	-	-	-	-
	ii) Amount of Investment in Associates/Joint Venture (Rs. in Crores)	45.11 @	-	66.75	2.59	-	-	-	-	-
4	Description of how there is significant influence	Shareholding	Shareholding	Shareholding	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement
5	Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs in Crores)	24.18	21.18	48.10	0.08	(3.57)	11.57	43.54	10.03	116.89
7	Profit / (Loss) for the year*									
	i) Considered in Consolidated** (Rs in Crores)	(22.49)	(0.41)	(2.06)	0.01	(0.91)	6.07	(2.27)	(0.95)	(51.36)
	ii) Not Considered in Consolidated (Rs in Crores)	-	-	-	-	-	-	-	-	-

Associate Companies and Joint Ventures have been determined based on the Accounting Standards.

* Profit/(Loss) based on individual Financial Statements drawn up as at 31.03.2020, for consolidation purposes.

** Represents Group's share of profit/(loss)

measured as per Ind AS

@ redeemable preference shares, measured as per Ind AS

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

S. Santhanakrishnan
Director
(DIN 00032049)

Sunil D'Souza
Managing Director & CEO
(DIN: 07194259)

L. KrishnaKumar
Executive Director
(DIN 00423616)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

Mumbai, May 14, 2020

Notice

Notice is hereby given that the Fifty-Seventh Annual General Meeting of Tata Consumer Products Limited (formerly known as Tata Global Beverages Limited) will be held on **Monday, July 6, 2020 at 10.30 a.m. IST** through two-way Video Conferencing **("VC")** or Other Audio Visual Means **("OAVM")**, to transact the following businesses:

ORDINARY BUSINESS:

1. Adoption of Audited Standalone Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon.

2. Adoption of Audited Consolidated Financial Statements

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors thereon.

3. Declaration of Dividend

To declare a Dividend on the Equity Shares of the Company for the financial year ended March 31, 2020.

4. Appointment of Mr. Harish Bhat (DIN 00478198) as Director, liable to retire by rotation

To appoint a Director in place of Mr. Harish Bhat (DIN 00478198) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. Ratification of the Remuneration of Cost Auditors

To consider and if thought fit to pass, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 **("Act"),** (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 4,00,000/- (Rupees Four Lakh only) plus taxes and reimbursement of out-of-pocket expenses incurred in connection with the cost audit, payable to M/s Shome & Banerjee, Cost Accountants (Firm Registration Number 000001), who are appointed by the Board of Directors of the Company, as Cost Auditors, to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2021.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. Appointment of Mr. Sunil D'Souza (DIN 07194259) as Managing Director and Chief Executive Officer (MD&CEO) and terms of appointment

To consider and if thought fit to pass, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT**, pursuant to the recommendation of the Nomination and Remuneration Committee **("NRC")**, applicable provisions of the Companies Act, 2013 **("Act")**, and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, Mr. Sunil D'souza (DIN 07194259), who was appointed as an Additional Director of the Company by the Board of Directors (the 'Board') with effect from April 4, 2020, and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under section 160(1) of the Act proposing his candidature for the office of Director of the Company and who holds office until the date of this Annual General Meeting in terms of Section 161 of the Act, be and is hereby appointed as a director of the Company, not liable to retire by rotation.

RESOLVED FURTHER THAT, pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 **("Act")** and the rules made thereunder (including any statutory modifications or re-enactment(s) thereof for the time being in force), read with Schedule V

Notice (continued)

to the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and Articles of Association of the Company and subject to the other necessary approval, if any, the approval of members of the Company be and is hereby accorded for the appointment and remuneration of Mr. Sunil D'souza (DIN 07194259), as Managing Director & Chief Executive Officer (MD & CEO) for a period of 5 (Five) Years with effect from April 4, 2020 to April 3, 2025, on the terms and conditions as specified in the Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to the Notice convening this Meeting (including the remuneration to be paid in the event of loss or inadequacy of profits during the tenure of his appointment), with liberty to the Board of 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 and Mr. Sunil D'souza.

RESOLVED FURTHER THAT the Board (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed. The Annual General Meeting **("AGM")** of the Company is scheduled to be held on Monday, July 6, 2020, at 10:30 a.m. (IST) through two-way Video Conferencing **("VC")** or Other Audio Visual Means **('OAVM')** and the voting for items to be transacted in the Notice to this AGM shall be only through remote electronic voting process or electronic voting during the AGM, in compliance with applicable provisions of the Companies Act, 2013 **(the "Act")** (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 22 of the Companies (Management and Administration) Rules, 2014 **(the "Rules")**, as amended from time to time, and the General Circular No. 14/ 2020 dated April 8, 2020, the General Circular No. 17/ 2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19" and General Circular No. 20/ 2020 dated May 5, 2020, in relation to "Clarification on holding of Annual General Meeting (AGM) through video Conferencing (VC) or Other Audio Visual Means (OAVM)" all issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars") and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 **("Listing Regulations")** read with Circular dated May 12, 2020, in relation to "Additional relaxation in relation to compliance with certain provisions of Listing Regulations - COVID-19 pandemic". The deemed venue for the AGM will be the place from where the Chairman of the Board conducts the meeting.

2. Further, pursuant to the MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report for FY 2019-20 is sent in electronic form only to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the 57th AGM has been uploaded on the website of the Company at www.tataconsumer.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited **("BSE")** and The National Stock Exchange of India Limited **("NSE")** at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of National Securities Depository Limited **("NSDL")** (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of Item Nos. 5 & 6 are annexed hereto. Information under Regulations 26 (4) and 36 (3) of the Listing Regulations and as required under Secretarial Standard 2 on General Meeting, pursuant to Section 118 (10) of the Act, issued by the Institute of Company Secretaries of India, relating to Directors proposed to be appointed/re-appointed at this Annual General Meeting **("Meeting" or "AGM")** is provided in the Annexure to this Notice. Requisite declarations have been received from the Directors for seeking appointment / re-appointment.

4. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC or OAVM, physical attendance of Members has been dispensed with. Accordingly, in terms of the above-mentioned MCA and SEBI circulars, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. Members attending the meeting through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act 2013.

6. As per the provisions of Clause 3.A.III. of the General Circular No. 20/ 2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 5 & 6 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.

7. The Members are requested to note that the Company is pleased to provide a two-way Video Conferencing Facility (VC) to view the live streaming of the proceedings of the AGM and facilitate participation of Members at the AGM through VC or asking their questions through a Chatbox facility. The Members will be able to view the proceedings on NSDL's e-Voting website www.evoting.nsdl.com.

8. Members may use this facility by using the same login credentials as provided for remote e-Voting. Members on the day of the AGM will login through their user ID and password on e-Voting website of NSDL. The link will be available in Member login where the EVEN of Company will be displayed. On clicking this link, the Member will be able to view the webcasting of the AGM proceedings. The VC Facility will be available on July 6, 2020 from 10:30 a.m. (IST) onwards till the conclusion of the Meeting.

9. Members seeking any information with regard to any items provided in the AGM Notice including the Annual Accounts and any queries relating to the business / operations of the Company, are requested to write to the Company mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach at least forty-eight hours prior to the AGM i.e. on or before 10.30 a.m. (IST) on July 4, 2020 at **AGM2020@tataconsumer.com** and responses to such queries will be appropriately addressed by the Chairman of the meeting. Due to technical reasons, the length of a question may possibly be limited to a certain number of characters; however, the number of questions a shareholder or its authorized representative can submit will not be affected thereby. The Management will decide, at its due discretion, whether and how it will answer the questions. It can summarize questions and select, in the interest of the other shareholders, meaningful questions. Only questions in the English language will be taken into account. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM, with the Company preserving the right to answer frequently asked questions upfront on the Company's website.

10. Corporate members intending to send their authorised representative to attend the AGM through VC or OAVM or to vote through remote e-voting, pursuant to Sections 112 and 113 of the Act, are requested to send a certified copy of the board resolution to the Scrutinizer by e-mail at asimsecy@gmail.com with a copy marked to evoting@nsdl.co.in, authorising their representative to attend and vote on their behalf at the AGM.

11. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

12. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on NSDL's e-Voting website www.evoting.nsdl.com. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,500 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the

Notice (continued)

Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

13. The Register of Members and Share Transfer Books of the Company will be closed from **Monday, June 22, 2020 to Monday, June 29, 2020** (both days inclusive) for the purpose of AGM and payment of dividend for the Financial Year 2019-2020.

14. The dividend of Rs. 2.70 per equity share of Re. 1 each (270%), as recommended by the Board, if declared at the AGM, will be paid, subject to deduction of income-tax at source wherever applicable, on or after **Wednesday, July 8, 2020** as under:

    i) To all the beneficial owners in respect of shares held in dematerialised form as per the data as may be made available by NSDL and CDSL as of the beginning of the business hours on **Monday, June 22, 2020**.

    ii) To all the members in respect of shares held in physical form after giving effect to all valid transmission/transposition in respect of valid requests lodged with the Company before the commence of book closure date **i.e Monday, June 22, 2020.**

15. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020 and the Company is required to deduct Tax At Source**("TDS")** from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending documents through email by **Monday, June 22, 2020**. For the detailed process, please click here: https://www.tataconsumer.com/investors/inv_announcements?reload

16. Further, in order to receive the dividend in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means, are requested to send a scanned copy of the following details/documents at Csg-KYC@tsrdarashaw.com latest by June 19, 2020:

    a. a signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received:

        i) Name and Branch of Bank and Bank Account type;

        ii) Bank Account Number & Type allotted by your bank after implementation of Core Banking Solutions;

        iii) 11 digits IFSC Code;

    b. self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;

    c. self-attested scanned copy of the PAN Card; and

    d. self-attested scanned copy of any document (such as AADHAR Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

    Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective Depository Participant(s).

    Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

17. Shareholders holding shares in physical form are requested to advise any change of correspondence address, email address, bank details immediately to the Company's Registrar and Share Transfer Agents, M/s TSR Darashaw Consultants Private Limited

("TSRD"). Shareholders holding shares in electronic form must advise their respective depository participants about any change in correspondence address, email address and bank details and not to the Company or the Registrars.

The Securities and Exchange Board of India **("SEBI")** has mandated the submission of Permanent Account Number **("PAN")** by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or TSRD by clicking at https://green.tsrdarashaw.com/green/events/login/tf.

18. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or TSRD, the details of such folios together with the share certificates and self-attested copies of the PAN card of the holders for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes thereon.

19. The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Members, upon normalisation of postal services and other activities.

20. As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website https://www.tataconsumer.com/investors/share-registration. Members holding shares in physical form may submit the same to TSRD. Members holding shares in electronic form may submit the same to their respective depository participant.

21. This AGM Notice is being sent, by e-mail, only to those eligible Members who have already registered their e-mail address with the Depositories / the depository participant / the Company's Registrar and Share Transfer Agents: TSRD / the Company or who will register their e-mail address with RTA, on or before June 22, 2020. The Company has also made special arrangement with TSRD and NSDL for registration of e-mail addresses in terms of the MCA Circulars to receive the Annual Report along with the AGM Notice electronically and to cast the vote electronically.

Registration with TSRD: Process to be followed for registration of e-mail address is as follows:

a) Visit the link https://green.tsrdarashaw.com/green/events/login/tf

b) Enter the DP ID & Client ID / Physical Folio Number and PAN details. In the event the PAN details are not available on record for Physical Folio, Member to enter one of the share certificate numbers

   i) Shareholder to whom shares have been issued pursuant to the Scheme of Arrangements amongst the Company and Tata Chemicals Ltd are required to state the folio no in which they held shares of Tata Chemicals in absence of PAN/ Certificate no.

   ii) To find new folio number shareholder can visit the website of the Company under the "Investors Section".

c) Upload a self-attested copy of PAN card for authentication. If PAN details are not available in the system, the system will prompt the Member to upload a self-attested copy of the PAN card for updation.

d) Enter your e-mail address and mobile number.

e) The system will then confirm the e-mail address for receiving this AGM Notice.

22. After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Annual Report for FY 2019-20 along with the e-Voting user ID and password. In case of any queries, Members may write to csg-unit@tsrdarashaw.com or evoting@nsdl.co.in.

23. For permanent registration of e-mail addresses, Members are requested to register the same with

Notice (continued)

their concerned DPs, in respect of electronic holding and with the Company's Registrar TSRD by writing to them at csg-unit@tsrdarashaw.com..

24. Those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated with their Depository Participants / TSRD to enable servicing of notices / documents / Annual Reports and other communications electronically to their e-mail address in future.

25. **Process for those shareholders whose email ids are not registered with the Depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this Notice**:

    i) In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **AGM2020@tataconsumer.com.** For the shareholders who are allotted shares in physical form pursuant to the Scheme of Arrangement with Tata Chemicals Limited and the share certificates could not be dispatched due to the lockdown restrictions under COVID-19, can find new folio number in the website of the Company under the "Investors Section".

    ii) In case shares are held in Demat mode, please provide DP ID AND CLIENT ID (8 digit DPID + 8 digit CLID or 16 digit beneficiary ID), Name, Client Master List or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **AGM2020@tataconsumer.com.**

    iii) Alternatively, member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (i) or (ii) as the case may be.

26. Shareholders may note that the bank details registered against their account in physical form will not be applicable to their electronic account and vice versa. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant of the shareholders.

    It is in the interest of shareholders to register their bank details against their account and avail of facility being extended by the Company of receiving the credit of dividend directly to their bank account through electronic means. The facility is available at all bank branches who have registered themselves as participating banks with National Payment Corporation of India and have joined the Core Banking System.

    Shareholders may please note that under SEBI instructions, furnishing of bank particulars by the shareholders has become mandatory.

27. **Transfer of Unclaimed / Unpaid dividend to the Investor Education and Protection Fund ("IEPF"):**

    In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 **("IEPF Rules")** (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the IEPF, maintained by the Central Government. In pursuance of this, the dividend remaining unclaimed or unpaid in respect of dividends declared upto the financial year ended March 31, 2012 have been transferred to the IEPF. The details of the unclaimed dividends so transferred are available on the Company's website, https://www.tataconsumer.com/investors/investor-information/iepf-related-matters and on the website of the Ministry of Corporate Affairs at www.mca.gov.in.

    It may be noted that unclaimed dividend for the financial year 2012-13 declared on July 15, 2013 is due to be transferred to the IEPF by September 2020. The same can, however, be claimed by the members by August 06, 2020.

    Members who have not encashed the dividend warrant(s) from the financial year ended March 31, 2013 may forward their claims online to the Company's Registrar and Share Transfer Agents before they are due to be transferred to the IEPF, details of which are given in the Corporate Governance Report.

In accordance with Section 124(6) of the Act, read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the financial years ended March 31, 2012 and remained unpaid or unclaimed were transferred to the IEPF. The details of such shares transferred have been uploaded in the Company's website https://www.tataconsumer.com/investors/investor-information/iepf-related-matters.

The shares and unclaimed dividend transferred to the IEPF can however be claimed back by the concerned members from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Member/Claimant is required to make an online application to the IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fees as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

28. SEBI had vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 read with BSE circular no. list/comp/15/2018-19 dated July 05, 2018 and NSE circular no. NSE/CML/2018/26 dated July 09, 2018 directed that transfer of securities would be carried out in dematerialised form only with effect from April 1, 2019, except in case of transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Share Transfer Agent, TSR Darashaw Consultants Private Limited ('Registrar' or 'TSRD') at csg-unit@tsrdarashaw.com for assistance in this regard. Members may also refer to Frequently Asked Questions ("FAQs") on Company's website www.tataconsumer.com.

29. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), registering of nomination, power of attorney registration, Bank Mandate details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants (DPs) in case the shares are held in electronic form and to the Registrar at csg-unit@tsrdarashaw.com in case the shares are held in physical form quoting your folio no.

30. The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company/Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend etc. A form for capturing additional details is available on the Company's website under the section 'Investor Relations' as also attached as part of this Report. Members holding shares in physical form are requested to submit the filled in form to the Company at investor.relations@tataconsumer.com or to the Registrar in physical mode, after restoring normalcy or in electronic mode at csg-unit@tsrdarashaw.com, as per instructions mentioned in the form. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or TSRD.

31. **Process and manner of voting through electronic means:**

    i. In compliance with the provisions of Section 108 of the Act, and Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide members holding shares either in physical form or in dematerialised form, the facility to exercise their right to vote on the resolutions set forth in the Notice by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited **("NSDL").** The members may cast their votes using an electronic voting system from a place other than the venue of the AGM (remote e-voting). The Resolutions passed by remote e-voting are deemed to have been passed as if they have been passed at the AGM. The Notice of the AGM indicating the instructions of remote e-voting process can be downloaded from the NSDL's website www.evoting.nsdl.com or the Company's website www.tataconsumer.com.

    ii. Members of the Company holding shares either in physical form or in electronic form as on the cut-

Notice (continued)

off date i.e. **Monday, June 29, 2020** may cast their vote by remote e-Voting. The remote e-Voting period commences on **Friday, July 3, 2020 at 9.00 a.m. (IST) and ends on Sunday, July 5, 2020 at 5.00 p.m. (IST)**. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

iii. Members will be provided with the facility for voting through electronic voting system during the video conferencing proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote during such proceedings of the AGM.

iv. Members who have cast their vote by remote e-Voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again.

v. **The instructions for Members for remote e-Voting are as under:**

The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or physical	Your User Id
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if EVEN is 101456 and folio number is 001*** then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the

company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of Company which is "112966".

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

32. General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **asimsecy@gmail.com with a copy marked to evoting@nsdl.co.in.**

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login

Notice (continued)

to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions ('FAQs') for Members and remote e-voting user manual for Members available in the "downloads" section of www.evoting.nsdl.com or send a request at evoting@nsdl.co.in. or call on toll free no.: 1800-222-990. In order to address any grievances relating to e-voting, you may write or contact NSDL as under:

   - Mr. Amit Vishal: +91 22 24994360 or amitv@nsdl.co.in
   - Ms. Pallavi Mhatre: +91 22 24994545 or pallavid@nsdl.co.in
   - Mr. Pratik Bhatt: +91 22 24994738 or pratikb@nsdl.co.in
   - Ms. Sarita Mote: +91 22 24994890 or saritam@nsdl.co.in

4. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date, i.e. Monday, June 29, 2020, may obtain the User ID and password by sending a request at evoting@nsdl.co.in or investor.relations@tataconsumer.com. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you may reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following Toll free no. 1800-222-990.

33. **Instructions for members for attending the AGM through VC/OAVM are as under:**

   i) Member will be provided with a facility to attend the AGM through VC or OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC or OAVM will be available in shareholders/members login where the EVEN of Company will be displayed. On clicking this link, Member will be able to attend and participate in the proceedings of the AGM. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

   ii) Pursuant to Regulation 44(6) of SEBI Listing Regulations, the Company is also providing live webcast of proceedings of AGM from 10.30 a.m. (IST) onwards on July 6, 2020. Members can view the proceeding of AGM by logging to the e-voting website of NSDL at https://www.evoting.nsdl.com using their remote e-voting credentials, where the EVEN of Company will be displayed.

   iii) Members are encouraged to join the Meeting through laptops for better experience. Further Members will be required to use internet with a good speed to avoid any disturbance during the meeting. Members connecting from their mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio or video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to attend the AGM without any interruption.

   iv) Facility of joining the meeting shall be open 30 minutes before the time scheduled for the meeting and shall be closed 15 minutes after such scheduled time and will be available on first come first served basis.

   v) Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at **AGM2020@tataconsumer.com from Monday, June 29, 2020 (9:00 a.m. IST) to Wednesday, July 1, 2020 (5:00 p.m. IST)**. **Those Members who have pre-registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM**. The

Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The speaker shall ensure being connected to a device with a video/camera same along with good internet speed for the same. Those speakers whose names are called out by the Chairman and are not available will not be allowed to speak later to ensure proceedings flow in a smooth manner.

vi) Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility.

vii) **The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.**

viii) Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

ix) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

x) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting

xi) Members who need assistance before or during the AGM may contact NSDL on evoting@nsdl.co.in/1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in /022-24994360 / +91 9920264780 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at sagar.ghosalkar@nsdl.co.in / 022-24994553/ +91 9326781467 or send a request at evoting@nsdl.co.in.

34. **Other Instructions**

i) The voting rights of shareholders (for voting through remote e-Voting before the AGM and remote e-Voting during the AGM) shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date, which is **Monday, June 29, 2020.** A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.

ii) Any person who is not a member as on the cut-off- date should treat this Notice for information only.

iii) The e-voting period commences on **Friday, July 3, 2020 at 9.00 a.m. (IST) and ends Sunday, July 5, 2020 at 5.00 p.m. (IST)** During this period, shareholders of the Company, holding shares in physical form or in dematerialised form, as on the cut-off date, i.e. June 29, 2020, may cast their vote electronically. **The e-voting module shall be disabled by NSDL for voting thereafter and re-opened during the AGM for the Members who are present through VC or OAVM and have not cast their vote. Only those Members, who will be present in the AGM through VC or OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.**

iv) Members who are registered with NSDL for e-voting can use their existing user Id and password for casting their votes.

v) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC or OAVM but shall not be entitled to cast their vote again.

vi) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

vii) Dr. Asim Kumar Chattopadhyay, Practicing Company Secretary **(Membership No. FCS 2303 & CP No. 880)** has been appointed as the Scrutinizer by the Board for providing facility to the Members of the Company to scrutinize

Notice (continued)

remote e-Voting process before the AGM as well as remote e-Voting during the AGM in a fair and transparent manner.

viii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility.

ix) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who will acknowledge the receipt of the same and declare the result of the voting forthwith.

x) The results will be declared within 48 hours of conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.tataconsumer.com and on the website of NSDL: www.evoting.nsdl.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE"), The National Stock Exchange of India Limited ("NSE") and The Calcutta Stock Exchange Limited ("CSE"), where the shares of the Company are listed.

xi) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e. Monday, July 6, 2020.

xii) All documents referred to in the accompanying Notice of the AGM and the Explanatory Statement and the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available electronically for inspection by the members during the AGM upon log-in to NSDL e-Voting system at https://www.evoting.nsdl.com

xiii) Since the AGM will be held through VC or OAVM, the Route Map is not annexed in this Notice.

By Order of the Board

Sd/-
Neelabja Chakrabarty
Vice President & Company Secretary
(Membership No: ACS 16075)

Registered Office:
1, Bishop Lefroy Road,
Kolkata – 700 020
CIN - L15491WB1962PLC031425
E-mail id: investor.relations@tataconsumer.com
Website address: www.tataconsumer.com

Mumbai
May 14 , 2020

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")

As required by Section 102 of the Act, the following explanatory statement sets out all material facts relating to the businesses mentioned under Item Nos. 5 & 6 of the accompanying Notice.

Item No. 5:

Ratification of the remuneration of Cost Auditors:

The Company is required, under the provisions of Section 148(3) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 **("the Rules")**, as amended from time to time, to have the audit of its cost records conducted by a cost accountant in practice.

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Shome & Banerjee, Cost Accountants, (Firm Registration Number 000001), as the Cost Auditors to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2021.

In accordance with the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for approval of the remuneration of Rs 4,00,000/- (Rupees Four Lakh only) payable to the Cost Auditors, for the financial year ending March 31, 2021.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 5 of the Notice.

Item No. 6:

Appointment of Mr. Sunil D'souza (DIN 07194259) as Managing Director and Chief Executive Officer (MD&CEO) and terms of appointment

The Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, at their respective meetings held on December 20, 2019, appointed Mr. Sunil D'souza (DIN 07194259) as an Additional Director and Managing Director & Chief Executive Officer ("MD&CEO") of the Company, not liable to retire by rotation, for a period of five year commencing from April 4, 2020 until April 3, 2025, subject to approval of the Shareholders.

The Board, while appointing Mr. Sunil D'souza as the Managing Director & Chief Executive Officer of the Company, considered his background and wide experience.

The Company has received from Mr. Sunil D'souza (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of Section 164 of the Companies Act, 2013, and (iii) Notice of interest in Form MBP-1 in terms of Section 184(1), and other applicable provisions of the Companies Act, 2013.

Mr. Sunil D'Souza joins the Company from Whirlpool of India Limited, a public listed Company, where he was the Managing Director. He has over 25 years of experience working in various leadership positions in the consumer products and consumer durables sectors. He brings with him a rich and diverse experience in general management, strategy, sales, marketing and innovation in consumer driven industries, with Indian, International and multicultural experience. Prior to joining Whirlpool of India Limited, Mr. D'Souza worked with Pepsico Inc. for 15 years and held various senior level positions across various geographies. His last assignment in Pepsico was in Malaysia as General Manager for the VIMAPS Region - comprising Vietnam, Cambodia, Myanmar, Laos, Malaysia, Singapore, Indonesia, Brunei, Mongolia and Pacific Islands. Prior to his roles in PepsiCo, Mr. D'Souza has worked with Coca Cola, Standard Chartered Bank and Brooke Bond Lipton India Ltd. (now Hindustan Unilever Ltd.) in various capacities.

He holds a Bachelor's degree in Electronics and Communication Engineering from Pondicherry Engineering College, and a post graduate diploma in management from the Indian Institute of Management, Kolkata.

The principal terms and conditions of Mr. Sunil D'Souza appointment as MD&CEO and the main clauses of the agreement to be executed between the Company and the MD&CEO are as follows:

A. Tenure of Appointment:

The appointment of MD&CEO is for a period of 5 year commencing from April 4, 2020 to April 3, 2025.

Notice (continued)

B. Nature of Duties:

The MD&CEO 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 of Directors, and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest 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/ subsidiaries or any other executive body or a committee of such a company.

C. Remuneration:

He shall, subject to such approvals as may be required, be entitled to the following remuneration, subject to deduction of tax at source of all applicable taxes in accordance with the laws for the time being in force:

a. **Basic Salary- Rs. 10,93,750 per month,** which is computed at 35% of the Fixed compensation. The annual increment payable will be due on 1st April each year and will be determined by the Board of Directors on the recommendation of the Nomination and Remuneration Committee, which will take into account the performance of Mr. D'Souza, the size of operations, performance of the Company and its subsidiaries / associates and other relevant factors.

b. **Benefits, Perquisites, Allowances**

In addition to the Basic Salary referred to in (a) above, the MD&CEO shall be entitled to:

i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.
OR
House Rent and House Maintenance and Utility Allowances aggregating 85% of the Basic Salary (in case no accommodation is provided by the Company).

ii) Reimbursement of hospitalisation and major medical expenses, incurred as per rules of the Company (this includes mediclaim insurance premium).

iii) Car facility, Telecommunication facility (including broadband internet and fax) and Housing loan facility as per the Rules of the Company.

iv) Other perquisites and allowances subject to a maximum of 70% of the Annual Basic Salary, which includes:

Sl. No	Particulars
a)	Medical Allowance
b)	Leave Travel Concession/Allowance
c)	Other Allowances
d)	Personal Accident Insurance
e)	Club Membership fees

v) Retirement benefits: Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund shall be made as per the Rules of the Company.

vi) The MD&CEO shall be entitled for leave in accordance with the Rules of the Company. Annual Leave not availed by the MD is encashable in accordance with the Rules of the Company.

Commission: In addition to Basic Salary, Benefits, Perquisites, Allowances, the MD&CEO would be paid such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board of the Company at the end of each financial year. The specific amount payable to the MD&CEO will be based on his performance as evaluated by the Board or the NRC and approved by the Board and will be payable annually after the annual accounts have been approved by the Board.

c. **Incentive Remuneration**: Such incentive remuneration at target value of 50% of the Annual

Fixed Compensation to be paid annually at the discretion of the Board annually based on certain performance criteria and such other parameters as may be considered appropriate from time to time.

d. An indicative list of factors that may be considered for determining of the extent of commission/incentive remuneration by the Board as recommended by the NRC are:

- Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time.
- Industry benchmarks of remuneration.
- Performance of the individual.

e. With the objective of achieving long term value creation through retention and continuity of the leadership, it is intended that a long-term incentive plan would be made available as per the LTIP Plan applicable in the company. The Target Incentive under the LTIP is intended to be 50% of Annual Fixed Compensation. This incentive would be payable subject to the achievement of certain performance criteria as prescribed by the Board. No amount would be payable if termination of the agreement is initiated by the CEO prior to completion of the Term.

f. Additional Payment: Rs. 1,50,00,000 each to be paid on completion of one and two years from the date of joining.

D. Minimum remuneration

Notwithstanding anything to the contrary herein contained, wherein during the currency of the tenure of the MD&CEO, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the MD&CEO by way of Basic Salary, benefits, perquisites and allowances, incentive remuneration, as specified above.

E. Insurance

The Company will take an appropriate Directors' and Officers' Liability Insurance Policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire term, subject to the terms of such policy in force from time to time.

F. Other terms of Appointment

a. The MD&CEO shall not become interested or otherwise concerned, directly or through his spouse and /or children, in any selling agency of the Company.

b. The terms and conditions of the appointment of the MD&CEO may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the MD&CEO, subject to such approvals as may be required.

c. The 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 thereof.

d. The Employment of the MD&CEO may be terminated by the Company without notice or payment in lieu of notice:

i) If the MD&CEO is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required to render services; or

ii) In the event of any serious repeated or continuing breach (after prior warning) or non-observance by the MD&CEO of any of the stipulations contained in the Agreement; or

iii) In the event the Board expresses its loss of confidence in the MD&CEO.

e. In the event the MD&CEO is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

Notice (continued)

f. Upon the termination by whatever means of the MD&CEO's employment:

i) The MD&CEO shall immediately cease to hold office held by him in any subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustees of any trust connected with the Company.

ii) The MD&CEO shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries or associated companies.

g. All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the MD&CEO, unless specifically provided otherwise.

h. The MD&CEO is appointed as a Director by virtue of his employment in the Company and his appointment shall be subject to the provisions of Sections 164 and 167 of the Act.

i. The terms and conditions of appointment of the MD&CEO also include clauses pertaining to the adherence of Tata Code of Conduct, no conflict of interest with the Company, protection and use of intellectual properties, non-solicitation post termination of Agreement and maintenance of confidentiality.

j. If and when the Agreement expires or is terminated for any reason whatsoever, the MD&CEO will cease to be the Managing Director & CEO, and also cease to be the Director. If at any time, the MD&CEO ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director & CEO, and the Agreement shall forthwith terminate. If at any time, the MD&CEO ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be Director and Managing Director & CEO of the Company.

Mr. Sunil D'souza satisfies all the conditions set out in Part –I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for appointment. He is not disqualified from being a Director in terms of Section 164 of the Act.

In compliance with the provisions of Sections 196 and 197 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of appointment and remuneration of Mr. Sunil D'souza as specified above, are now placed before the Members for their approval.

Other than Mr. Sunil D'souza and his relatives, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 6 of the accompanying Notice.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

Disclosures as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India are appended to this Notice.

By Order of the Board

Sd/-
Neelabja Chakrabarty
Vice President & Company Secretary
(Membership No: ACS 16075)

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Mumbai
May 14 , 2020

ANNEXURE TO THE NOTICE

Details of Directors seeking Appointment/Re-appointment at the Fifty Seventh Annual General Meeting [Pursuant to Regulations 26 and 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 – Secretarial Standards on General Meetings]

Name of Director	**Harish Bhat***	**Mr. Sunil D'souza#**
Director Identification Number (DIN)	00478198	07194259
Age	57 Years	53 years
Date of first appointment	01/04/2014	04/04/2020
Date of Birth	08/11/1962	31/12/1967
Qualifications	B.E. (Hons) – BITS Pilani, PGDM (IIM Ahmedabad)	Bachelor's degree in Electronics and Communication Engineering from Pondicherry Engineering College. Post Graduate Diploma in Management from IIM, Kolkata.
Expertise in specific functional areas	Wide experience in overall Business management including functional expertise in Sales, Marketing and Corporate management	Overall business management including diverse experience in general management, strategy, sales, marketing and innovation in consumer driven industries.
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	• Tata Coffee Limited • Infiniti Retail Limited • Trent Limited • Tata Unistore Limited • Tata AIA Life Insurance Company Limited	• Tata Coffee Limited • NourishCo Beverages Limited
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee)	**Nomination & Remuneration Committee** • Tata Coffee Limited - member • Tata Unistore Limited - member **Stakeholders Relationship Committee** • Trent Limited – Chairman **Risk Management Committee** • Trent Limited – Member **Corporate Social Responsibility Committee** • Tata AIA Life Insurance Company Limited- Chairman	Nil
Inter-se relationship with other Directors and Key Managerial Personnel	Nil	Nil
Number of shares held in the Company: (a) For own (b) For other persons on a beneficial basis	 413 shares Nil	 Nil Nil

Note:* Mr. Harish Bhat retires by rotation and being eligible offers himself for re-appointment.

For other details such as number of meetings of the Board attended during FY 2019-20 and remuneration drawn in respect of Mr. Harish Bhat, please refer to the Corporate Governance Report which is a part of this Annual Report.

As Mr. Sunil D'souza was appointed as Director w.e.f April 4, 2020 hence details such as number of meetings of the Board attended during FY 2019-20 and remuneration drawn is not applicable for him.

Notes

Corporate Information

BOARD OF DIRECTORS

Non Executive (Non Independent) Directors

- N. Chandrasekaran (Chairman)
- Harish Bhat

Independent Directors

- S. Santhanakrishnan
- Siraj Azmat Chaudhry
- Bharat Puri (w.e.f. 7th May 2019)
- Shikha Sharma (w.e.f. 7th May 2019)
- Mallika Srinivasan (up to 25th August 2019)
- V. Leeladhar (up to 25th August 2019)
- Ranjana Kumar (up to 25th August 2019)

Executive Directors

- Sunil D'Souza, MD & CEO (w.e.f. 4th April 2020)
- Ajoy Misra, MD & CEO (up to 31st March 2020)
- L. Krishnakumar, ED & Group CFO

COMPANY SECRETARY

- Neelabja Chakrabarty, Vice President and Company Secretary

BOARD COMMITTEES

Audit Committee

- S. Santhanakrishnan (Chairman) (w.e.f. 1st August 2019)
- Harish Bhat
- Siraj Azmat Chaudhry
- Bharat Puri (w.e.f. 1st August 2019)
- Shikha Sharma (w.e.f. 1st August 2019)
- V. Leeladhar (up to 1st August 2019)
- Ranjana Kumar (up to 1st August 2019)

Nomination and Remuneration Committee

- Shikha Sharma (Chairperson) (w.e.f. 1st August 2019)
- N. Chandrasekaran
- Harish Bhat
- Bharat Puri (w.e.f. 1st August 2019)
- Ranjana Kumar (up to 1st August 2019)
- V. Leeladhar (up to 1st August 2019)

Stakeholders Relationship Committee

- S. Santhanakrishnan (Chairman) (w.e.f. 1st August 2019)
- L. Krishnakumar
- Siraj Azmat Chaudhry (w.e.f. 1st August 2019)
- V. Leeladhar (up to 1st August 2019)

Corporate Social Responsibility Committee

- Siraj Azmat Chaudhry (Chairman) (w.e.f. 1st August 2019)
- S. Santhanakrishnan
- Ajoy Misra (up to 31st March 2020)
- Harish Bhat (w.e.f. 28th April 2020)
- Ranjana Kumar (up to 1st August 2019)
- V. Leeladhar (up to 1st August 2019)

Risk Management Committee

- Bharat Puri (Chairman) (w.e.f. 1st August 2019)
- Shikha Sharma (w.e.f. 1st August 2019)
- Harish Bhat
- Siraj Azmat Chaudhry
- S. Santhanakrishnan (up to 1st August 2019)
- V. Leeladhar (up to 1st August 2019)
- Ranjana Kumar (up to 1st August 2019)

Executive Committee

- Harish Bhat (Chairman)
- Ajoy Misra (up to 31st March 2020)
- Sunil D'Souza (w.e.f. 28th April 2020)
- L. Krishnakumar

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CORPORATE OFFICE

11/13, Botawala Building
1st Floor, Horniman Circle Fort
Mumbai- 400 001

SOLICITORS AND LEGAL ADVISERS

- Anand and Anand
- Khaitan & Co.
- Cyril Amarchand Mangaldas
- Shardul Amarchand Mangaldas
- AZB & Partners
- Dua Associates
- Joseph & Kuriyan

AUDITORS

Deloitte Haskins & Sells LLP

REGISTRARS

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(Unit: Tata Consumer Products Ltd.)
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Fax: 022-66568494
Website: www.tsrdarashaw.com

Kolkata Office
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Fax: 033-22883097

BANKERS

- HDFC Bank Limited
- ICICI Bank Limited
- Axis Bank Limited
- Kotak Mahindra Bank Limited
- Bank of Baroda Limited
- Bank of America N.A.
- Citibank N.A.
- Coöperatieve Rabobank U.A.
- Deutsche Bank AG
- Standard Chartered Bank
- State Bank of India
- The Hongkong and Shanghai Banking Corporation Limited

For all investor-related queries, write to us at:
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