



June 3, 2022

**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: Integrated Annual Report FY 2021-22 and Notice of the 59<sup>th</sup> Annual General Meeting**

Dear Sir/Madam,

In furtherance of our letter dated May 4, 2022, we wish to inform you that **59<sup>th</sup> Annual General Meeting (“AGM”)** of the Company will be held on **Monday, June 27, 2022 at 10:30 a.m. IST through Video Conference / Other Audio-Visual Means**, in accordance with the General Circular dated January 13, 2021 read with General Circulars dated April 8, 2020, April 13, 2020, May 5, 2020, No.02/2021 dated January 13, 2021, 19/2021 dated December 8, 2021, and 21/2021 dated December 14, 2021, issued by the Ministry of Corporate Affairs (‘MCA Circulars’) and Circular dated May 13, 2021 issued by the Securities and Exchange Board of India (‘SEBI Circulars’).

Pursuant to Regulations 30 and 34 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 (“**Listing Regulations**”), we are submitting herewith the Integrated Annual Report of the Company for FY 2021-22 including the Business Responsibility Report together with the Notice of 59<sup>th</sup> Annual General Meeting of the Company, which is being sent through electronic mode today to those Members whose e-mail addresses are registered with the Company/ Registrar & Share Transfer Agent / Depository Participant(s), in accordance with the MCA Circulars and SEBI Circulars.

Pursuant to Regulation 42 of the Listing Regulations, the Register of Members and Share Transfer Books of the Company will be closed from **Saturday, June 11, 2022 to Friday, June 17, 2022 (both days inclusive)** for determining the entitlement of equity shareholders to the dividend for the financial year ended March 31, 2022, if approved by the Shareholders at the 59<sup>th</sup> AGM. The payment of such dividend, subject to deduction of tax at source, will be made on or after June 29, 2022 and before July 27, 2022.

**TATA CONSUMER PRODUCTS LIMITED**

11/13 Botawala Building 1<sup>st</sup> Floor Office No 2-6 Horniman Circle Fort Mumbai 400 001 India

Tel: 91-22-6121-8400 | Fax: 91-22-61218499

Registered Office: 1, Bishop Lefroy Road, Kolkata – 700 020

Corporate Identity Number (CIN): L15491WB1962PLC031425

Email: [investor.relations@tataconsumer.com](mailto:investor.relations@tataconsumer.com)

Website: [www.tataconsumer.com](http://www.tataconsumer.com)



Members of the Company holding shares either in physical form or in electronic form as on the **cut-off date i.e. Monday, June 20, 2022**, may cast their vote by remote e-Voting before the AGM or e-Voting during the AGM. **The remote e-Voting period commences on Thursday, June 23, 2022, at 9:00 a.m. (IST) and ends on Sunday, June 26, 2022, at 5:00 p.m. (IST).** Detailed instructions pertaining to (1) remote e-Voting, voting during the Meeting and joining the AGM, (2) e-Voting on the day of the AGM and (3) attending the AGM through VC/OAVM are provided in Notice of the AGM.

The Integrated Annual Report for the Financial year 2021-22 along with the Notice of 59<sup>th</sup> AGM is also uploaded on the website of the Company at <https://www.tataconsumer.com/investors/investor-information/annual-reports> and this is also available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

Kindly take the same on your record and acknowledge.

Yours Sincerely,

For: **TATA CONSUMER PRODUCTS LIMITED**

A handwritten signature in blue ink, appearing to read 'Neelabja Chakrabarty', with a horizontal line underneath.

**Neelabja Chakrabarty**  
**Company Secretary**

Encl: as above

## **TATA CONSUMER PRODUCTS LIMITED**

11/13 Botawala Building 1<sup>st</sup> Floor Office No 2-6 Horniman Circle Fort Mumbai 400 001 India

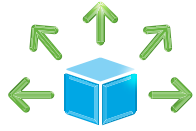
Tel: 91-22-6121-8400 | Fax: 91-22-61218499

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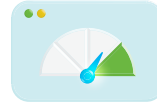
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Enhanced Distribution



Agile and Digital Organisation



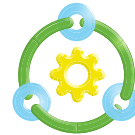
Expanded Portfolio

COURSE



Increased Innovation

FOR



Efficient Supply Chain



Stronger Brands

BETTER

## BASIS OF PRESENTATION

### Reporting Approach

The fifth Integrated Report of Tata Consumer Products Limited, prepared in accordance with the International Integrated Reporting <IR> framework published by the Value Reporting Foundation (VRF) reflects our integrated thinking and approach to value creation. This report has been published to provide a holistic view of our strategy, governance and performance, and how they work together to create value over the short, medium and long term for our stakeholders.

### 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, UK, US and Canada, along with the associated activities that help in short, medium and long-term value creation.

### Leadership Accountability

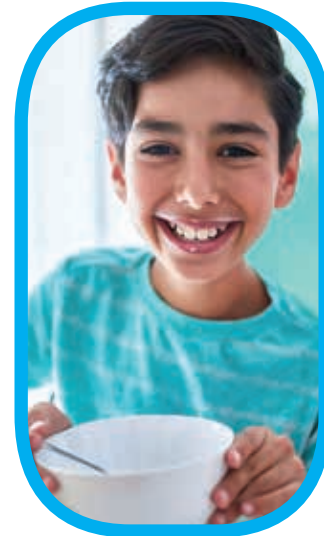
The Company's Senior Management, under the Managing Director's supervision, has reviewed the Report's content. The Board has provided the required governance oversight.

# WHAT'S INSIDE

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### KEY HIGHLIGHTS FY 21-22

**7% (9%\*)**  
Growth in revenue from operations (Consolidated)

**11%**  
Growth in EBITDA

**9%**  
Growth in Group Net Profit (including JVs and associates)

\* Like for like growth, adjusted for International Foodservice business exits

### BUSINESSES

TEA   
 COFFEE   
 FOODS   
 LIQUID BEVERAGES   
 OUT OF HOME 

MORE ON PAGE 12 —



# ON COURSE

At Tata Consumer Products, transforming is about making consistent progress towards our strategic objectives. 'On course for better', reflects the significant milestones we have achieved in our journey despite a challenging macro economic environment.

With a strong foundation in place, our transformation is now well underway. Our focus remains on strengthening the business through simplification, synergy, scale and speed.


With strong product innovation, investment in strengthening our brands and strategic acquisitions,

we are well on track in our journey to become a leading FMCG company. Integration between our Foods and Beverages businesses and simplification across our operations have helped streamline the business and leverage growth opportunities better.

We will continue to expand reach, invest in our brands, accelerate innovation, unlock efficiencies and drive digital transformation across the business.


# FOR BETTER

## Enabled by our strategic priorities

 **Strengthen and accelerate core business**  
PAGE 58

 **Drive digital and innovation**  
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 **Unlock synergies**  
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 **Explore new opportunities**  
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 **Create a future-ready organisation**  
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 **Embed sustainability**  
PAGE 86

## Value created for our stakeholders

# WIDENING OUR CIRCLE OF IMPACT



Employees\*

**34.2%**  
Roles open for external hiring, filled by women

**90%+**  
Employees accessed learning interventions

**95%**  
Retention of high performing employees



Consumers

**25**  
New products launched

**201 MN+**  
Household reach in India



Investors

**INR 12,425 CR** Up 7% (9%\*)  
Revenue

**INR 1,749 CR** Up 11%  
EBITDA

**INR 1,015 CR** Up 9%  
Group Net Profit



Communities

**INR 13.54 CR**  
CSR expenditure

**8 LAKH+**  
CSR beneficiaries

**8,565**  
Employee volunteering hours



Business partners

**25%**  
Increase in distributor network

**4X**  
Number of rural/semi-urban distributors

**2.6 MN**  
Retail outlets reached in India



Environment

**ZERO**  
Waste to landfill beverage packaging centers

**80%**  
Recyclable laminate used in the salt category

**24%**  
Renewable energy used in India supply chain as of FY 21-22 exit

Increase as compared to FY 2020-21 \*For management staff/global graded employees  
^Like for like growth, adjusted for International Foodservice business exits

ON  
COURSE

TO  
DELIVER

At Tata Consumer Products, we stand 'For Better'-a reflection of our commitment to improvement by pushing boundaries and aiming for better every day for all our stakeholders.

Through our portfolio of products, spanning food and beverages, we aim to delight consumers everyday.



Who we are  
and what we do

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Our presence

[PAGE 8](#)



Product portfolio

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Brand highlights

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Awards and accolades

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CORPORATE OVERVIEW



Who we are and what we do

# COMMITTED TO DELIVER AND DELIGHT

Tata Consumer Products is one of India's fastest growing FMCG companies. We are a consumer products company uniting the principal food and beverage interests of the Tata Group under one umbrella.

The Company's portfolio of products includes tea, coffee, water, ready-to-drink, salt, pulses, spices, ready-to-cook and ready-to-eat offerings, breakfast cereals, snacks and mini meals.

In India, Tata Consumer Products has a reach of over 201 million+ households, giving it an unparalleled ability to leverage the Tata brand in the consumer products space.

*We are on course in our transformation journey to become a leading FMCG company.*

*At Tata Consumer Products, we aim to deliver high-quality, sustainable and innovative products, that delight consumers and create lasting value for all our stakeholders.*

**OUR VISION**  To build better lives and thriving communities

**OUR MISSION**  Passionately growing and innovating every day

**OUR VALUES**  Empathy  
Agility  
Ownership  
Integrity  
Excellence



## The Tata legacy

We are part of the Tata Group. The conglomerate inspires a legacy of trust, integrity, responsibility and pioneering spirit. The Tata Group is headquartered in India and operates in 100+ countries with a mission 'To improve the quality of life of the communities we serve globally, through long-term stakeholder value creation based on Leadership with Trust'.

**~USD 103 BILLION**

Total revenue of the Group (FY 20-21)

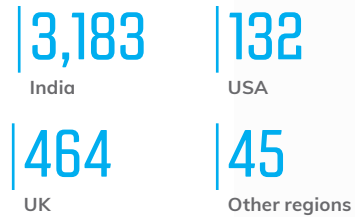
**8,00,000**

People employed worldwide

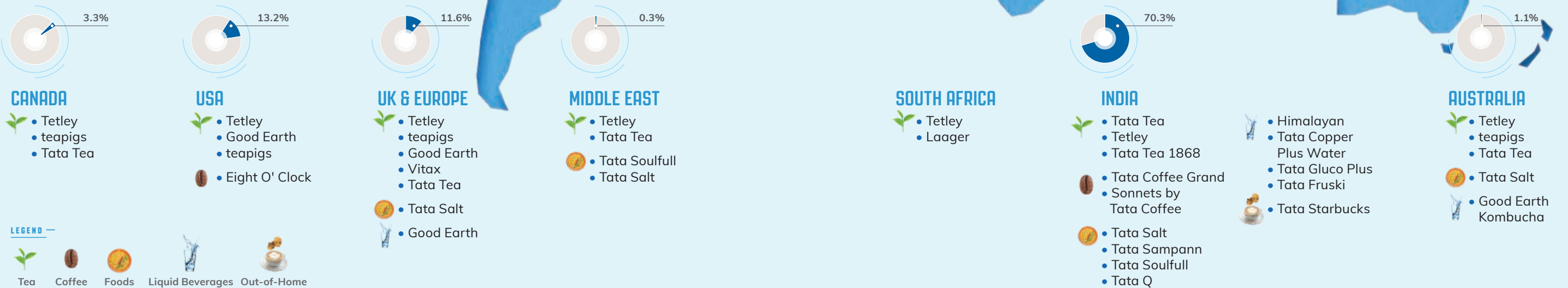
Our presence

# GLOBAL PRESENCE

Workforce by region



Geography/Contribution





Product portfolio

# YOUR GO-TO BRANDS



## TEA

Black tea | Specialty tea | Fruit & Herbal tea | Cold infusions | Iced tea | Ready-to-drink tea

### #2

Tea brand in India – Tata Tea

### #4

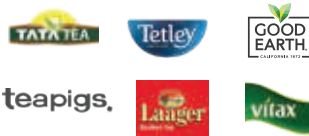
Tea brand in the UK – Tetley

### #1

Tea brand in Canada – Tetley



Brands



## COFFEE

Whole bean | Roast & Ground | K-Cups/coffee pods | Instant coffee

### #4

Roast & Ground coffee in the USA – Eight O'Clock Coffee



Brands



Brands



## FOODS

Salt | Pulses | Besan (Chickpea flour) | Poha (flattened rice) | Spices | Ready-to-cook mixes | Dry Fruits | Millets based breakfast cereals and snacks | Ready to Eat

### #1 AND LARGEST

Salt brand in India – Tata Salt

### LEADING

National brand in pulses in India – Tata Sampann

### LEADING

Millets based breakfast cereal and snack brand in India – Tata Soufull

### #2

RTE brand in India - Tata Q



Brands



## LIQUID BEVERAGES

Natural mineral water | Packaged drinking water | Functional beverages | Other

### #1

Natural Mineral Water brand in India – Himalayan Water

## OUT-OF-HOME

Cafes

### 26 CITIES AND 268 STORES

Starbucks presence in India



Brands





Brand highlights

# CRAFTING PRODUCTS FOR DELIGHTING CONSUMERS



# TATA TEA



## PREMIUM

- Registered its highest volume growth in over a decade
- Extended its hyperlocal journey with the launch of new TVCs for Mumbai and Maharashtra in a new restage campaign
- Celebrated the world's first Holi in the Metaverse
- Launched a new blend for Bihar under the proposition 'Swaadbhari Chai' based on region-specific insights
- Celebrated India's 75<sup>th</sup> Independence Day with an impactful 360 campaign, 'Desh Ka Kulhad', highlighting India's rich cultural diversity
- Celebrated India's 73<sup>rd</sup> Republic Day with an impactful 360 campaign, 'Desh Ki Jhanki'
- Teaveda restaged as Tata Tea Premium TeaVeda in line with the new brand architecture



## GOLD

- Tata Tea Gold (TTG) franchise registered double-digit growth for the second consecutive year
- Celebrated the Durga Puja festival with 5 specially designed packs dedicated to 5 important days of Durga Puja in West Bengal
- TTG Care, a new variant, was scaled up in South, West and North India



## 1868

Launched a new range of exquisite blends across milk teas and green teas on the D2C channel:

- The new milk teas - Dessert Chai and Caramel Green Chilli are indulgent teas while Saunf Masala Chai and Cinnamon Clove offer wonderful blends of spices
- The new green teas include the light and mouth freshening Paan Cardamom, and the spicy and tangy Spicy Guava



## CHAKRA GOLD

- Increased market share for the second consecutive year on the back of restage initiatives
- Enhanced hyperlocal positioning by launching new state specific packs featuring motifs of Tamil Nadu, Andhra Pradesh and Telangana
- Launched new TVC based on state-specific insights from Andhra Pradesh and Telangana
- Launched Chakra Gold Care to expand into value-added segments in Tamil Nadu



## KANAN DEVAN

Expanded presence in Tamil Nadu to drive share in the affordable dust tea segment



## AGNI

- Restaged into a Masterbrand
- Made Tata Tea Leaf, Tata Tea Dust and the value-added flavour brands of Adrak and Elaichi a part of the Tata Tea Agni range
- Went on air with new campaign showcasing 3 celebrities from Indian Women's Hockey Team



Brand highlights



TETLEY



UK

- Launched new campaign 'For the love of tea, For the Love of Tetley', celebrating consumers' deep relationship with tea, and all the different ways it can be enjoyed
- Developed an on-pack activation for Tetley black tea to drive revenue, trial and positive brand experience. When buying a pack of Tetley, consumers could send two cups and a personalised message to their loved ones for free. The campaign saw high interest with 38K cups of tea delivered



SOUTH AFRICA

- Gained 46.5% volume share of green tea market with Tetley Green tea, up from 39.4% (Source: Nielsen MAT Jan'22 vs Jan'21)
- It has 3 of the top 5 speciality tea SKUs in South Africa market



US

- Maintained Tetley's position as the second largest mainstream black hot tea brand
- Introduced Tetley Irish Breakfast, a new full-bodied, black tea, in the fast growing subsegment
- Introduced 3 new flavours in the premium 'Flavors of Britain' range, targeting flavoured black tea shoppers



CANADA

- Maintained Tetley's leadership
- Voted the 'Most Trusted Brand of Tea' for the 8<sup>th</sup> year in a row
- Expanded its popular Super Tea range with the launch of 2 new SKUs



INDIA

- Launched a new TV and digital campaign for Tetley Green Tea Immune. The campaign communicated Tetley's differentiated positioning - 'Lago Baahar Se Fit Aur Andar Se Bhi' with focus on holistic wellness
- Restaged the black tea range packaging and strengthened the portfolio with the launch of 2 new variants - English Breakfast and Darjeeling



POLAND

- Launched re-formulated Tetley Earl Grey



TEAPIGS

- Recorded significant growth in OOH channel
- Strengthened e-commerce by setting up a multi-brand digital hub
- Launched Kombucha, Decaf, Green Tea and Peach variants



GOOD EARTH-UK

- Continued growth momentum by recruiting younger shoppers
- Integrated with London's culture via experiential approach and engaged over 50,000 consumers
- Drove sampling at several venues and festivals, resulting in new listings
- Expanded into RTD segment with Good Energy (plant-based energy drink) and Kombucha with strong early results



GOOD EARTH-US

- Witnessed significant growth in the Sensorial Blends range, now contributing over 10% of the brand's revenue
- Launched limited edition SKUs for the brand's 50<sup>th</sup> anniversary backed by a strong PR campaign



GOOD EARTH-POLAND

Launched 4 SKUs in the super premium segment, i.e.,

- Creme Earl Grey
- Hibiscus, Rose & Sweet Berries
- Tropical Mango & Moringa
- Ginger, Turmeric & Lemon



VITAX-POLAND

Launched 3 new SKUs

- Blackcurrant & Lemon
- Rosehip
- Black chokeberry



## Brand highlights



### EIGHT O'CLOCK

- Introduced our new positioning to target millennials 'Overdelivery in Every Cup'
- Launched a new line extension in our Early Riser range- 'Morning Jolt', positioned to offer a way to 'perk up'
- Launched 3 new SKUs in Barista blends and supported them with campaigns to build brand awareness and drive trial

### TATA COFFEE GRAND

- Delivered strong growth driven by distribution expansion and introduction of new SKUs
- Continued to drive brand equity investments and activations for key festivals like Pongal in Tamil Nadu

### TATA COFFEE GOLD

Forayed into the premium instant coffee segment with this 100% freeze-dried coffee

# COFFEE



### TATA COFFEE SONNETS

- Gained good consumer traction across its roast and ground coffee range
- Launched whole beans range comprising roasted beans from 8 estates on D2C

### TATA COFFEE QUICK FILTER

Launched Tata Coffee Quick Filter, a new innovation that delivers the taste of filter coffee with the convenience of instant coffee



### TATA SALT LITE AND SUPER LITE

- Launched Tata Salt SuperLite - India's 1st 30% lower sodium salt to respond to growing health consciousness among consumers
- Launched a new TVC for low-sodium salts targeting health-conscious consumers with the key messaging #NamakBadalneKaSochaKya?



### TATA SAMPANN

- Grew staples portfolio rapidly supported by expanding direct outlet reach
- Launched Tata Sampann Dry Fruits with the proposition 'Choicest selection of nuts – handpicked for you'.
- Drove trials in the general trade channel via Low Unit Price Packs (LUP) for Tata Sampann spices
- Initiated first regional print campaign for spices in Rajasthan, UP and Bihar markets



### TATA SOULFULL

- Expanded distribution footprint by >10X to over 300,000 outlets
- Scaled up D2C business by 12x
- Launched 0% added sugar variants in Muesli and Smoothix
- Launched Ragi Bites No Maida Choco at magic price point of INR 10, making better-for-you snacks accessible to the masses
- Signed MoU with Indian Institute of Millet Research (IIMR) to strengthen R&D in millets



### TATA Q

Acquired Tata Smartfoodz Ltd (TSFL), owner of Tata Q, the #2 brand in the ready-to-eat (RTE) market in India, to cater to the increasing demand for wholesome, convenient and trusted food options. The acquisition gives us access to state-of-the-art technology, manufacturing and R&D capabilities



# FOODS



### TATA SALT

- Continued to strengthen our market share leadership in the salt portfolio and accelerate growth within the category
- Launched Shuddh by Tata Salt, the first-ever regionally crafted salt brand in South markets to expand our portfolio offerings in the mid-price segment
- Launched Tata Salt Immuno, which is a category-first innovation with added zinc
- Introduced Tata Salt in the GCC markets with good early traction



# LIQUID BEVERAGES



### HIMALAYAN

- Expanded distribution footprint to 70+ markets covering over 4,000+ traditional trade and 1,700+ on-premise outlets
- Achieved break-even at the EBIT level for the first time since inception of the brand

### TATA GLUCO PLUS

- Delivered significant growth through strengthened distribution beyond core markets and by doubling outlet reach
- Launched TGP Jelly Energy Drink, a novel offering of a drinkable jelly

### TATA COPPER PLUS WATER

- Rebranded Tata Water Plus to Tata Copper Plus Water to clearly communicate the differentiated proposition of added copper
- More than doubled the outlet reach and entered new markets like Delhi NCR, UP, West Bengal and Maharashtra

### TATA FRUSKI

- Launched in Andhra Pradesh and Telangana
- Expanded into new markets such as West Bengal and Delhi to gauge acceptance of the mix



Awards and accolades

# AWARDS AND RECOGNITIONS

During the year, we received several recognitions and awards for exemplary corporate performance, governance, sustainability, brand campaigns and operational excellence.

## Corporate wins

- Declared the **5<sup>th</sup> Most Chosen FMCG Brand of India for 2020** by the Kantar Worldpanel
- Won the 4<sup>th</sup> edition of India Content Leadership Awards 2021 organised by Inkspell for the **Best Corporate Website and Integrated Annual Report**
- Won the **'Masters of Risk'** award for the 3<sup>rd</sup> consecutive year in the **FMCG Sector Large Cap category** at the 8<sup>th</sup> edition of the CNBC-TV18 India Risk Management Awards



## Manufacturing excellence

- **Won Silver in the India Green Manufacturing Challenge** among top manufacturing units in India by International Research Institute for Manufacturing for our Nonoi packaging centre
- **Won Silver for our Indore packaging centre** at the 3<sup>rd</sup> CII FACE Kaizen Digital Competition
- **Won the Gold award** at the QCFI-2021 Bhopal Chapter convention (an industry-acclaimed institution representing the Quality Circle Movement in India) for our Indore packaging centre
- **Won the bronze medal** at the National Awards for Manufacturing Competitiveness for our Aurangabad packaging centre



## Environmental and social stewardship

- **Accorded the Gold award** from the Society of Energy Engineers and Managers for Energy (SEEM) to recognise our efforts in achieving sustainable energy performance at ICD Theni
- Tata Coffee bagged **four awards** at the OHSSAI HSE Excellence and Sustainability Awards 2021
- Tata Coffee **won the FICCI Sustainable Agriculture Awards 2021** in Award Category, Soil and Water resource Conservation Programme (Large Corporates)
- **Recognised with Gold** at Grocery Aid Award for the support extended to Grocery Aid UK – a charity that offers emotional, financial and practical assistance to UK's grocery industry and workers
- **Won the Jury Special award** in the 'Beyond-the-fence' category for Project Jalodari at the CII National Awards for Excellence in Water Management 2021



## Governance

- **Featured in the 'Leadership' category** on the Indian Corporate Governance assessment for the second year in a row by IAS – a testimony to the robust corporate governance practices of our Company



## Brand awards

- **Bagged Gold for Tata Tea Kanan Devan** for the best use of consumer insights and analytics at Indian Marketing Awards 2021
- Tata Sampann awarded **Silver in the Best Benchmark Content/ Branded Content category** at Indian Digital Marketing Awards (IDMA), 2021 for the 'Fueling the Foodie' campaign
- Tata Gluco Plus won the **Blue Elephant** at Kyoorius Creative Awards 2021 in the Best Branding Content for fiction films category
- Won several awards at the Great Taste Awards 2021 for Tetley, Good Earth and teapigs
- Emerged as the **'Most Purposeful Brand'** in Kantar report 2021 in FMCG category for the Tata Tea brand



## Performance management

ICD Toopran (Tata Coffee) was awarded HR Achievers Gold Award 2021 for the third consecutive year in the Best in Performance Management Review Process category by the Telangana Chambers of Commerce and Industry



ON  
COURSE

FOR  
PROGRESS

During FY 21-22, Tata Consumer Products has grown across financial and non-financial metrics, delivering value for every stakeholder.

As another year goes by, we have driven positive change across our business segments, enhanced future readiness, focused on digital transformation and made steady progress on our sustainability initiatives.



Chairman's letter

[PAGE 22](#)



Message from the MD and CEO's desk

[PAGE 24](#)



Business review

[PAGE 28](#)

PERFORMANCE REVIEW



## Chairman's letter

# BUILT FOR GROWTH



**"As I had shared with you in last year's Annual Report, we had identified six strategic priorities for the business. These priorities are key building blocks that power the Company's growth agenda, and I am pleased to report that we have made substantial progress against each of these during the course of this year."**

**Dear Shareholders,**

I am pleased to present to you the Integrated Annual Report of Tata Consumer Products for FY 21-22.

Just over two years ago, we formed Tata Consumer Products with the vision of becoming a formidable player in the FMCG industry. This gave us a much larger addressable market and created several exciting opportunities for growth. The last couple of years have seen unprecedented challenges in the form of the pandemic, geopolitical flareups and overall, a very volatile macro environment with wide-ranging impact on people, economies and businesses. We, as an organisation have used this period to strengthen our capabilities, build innovative thinking and agility, and enhance our focus on efficiencies; all in the interest of creating a growth company. This mindset has helped your Company deliver strong overall performance for this fiscal across all metrics and kept us firmly on track to achieving our vision.

As I had shared with you in last year's Annual Report, we had identified six strategic priorities for the business. These priorities are key building blocks that power the Company's growth agenda, and I am pleased to report that we have made substantial progress against each of these during the course of this year. Progress was made on expanding our distribution significantly, accelerating the pace of innovation, redesigning our supply network, and driving digital transformation across the value chain. We are investing in these capabilities for the long term and I am confident that these will catapult us towards our goals.

One of the exciting opportunities before us is to understand consumer trends and leverage them to expand our portfolio and drive our future growth. The integration of the targeted acquisitions we made in the last fiscal to accelerate this agenda has been completed with speed, and this year the product portfolio of the Company has been further strengthened with the addition of ready-to-eat products. There have also been several launches across the Foods and Beverages portfolio, catering to consumer needs around health and wellness, taste and convenience, which also helped us expand our total addressable market. We continued to invest behind all these initiatives to ensure that these will act as growth engines for the future.

We are streamlining and simplifying our business to be more agile and efficient, and unlock its full potential. Restructuring initiatives are being undertaken in India and International markets and as part of that,

**"Our employees remain our most valued asset, and we are constantly striving to build an engaged and progressive workforce. During the year, we launched several initiatives to foster health and wellness, as well as diversity and inclusion; and we continued to strengthen programmes around recognition as also learning and development."**

we recently announced a re-organisation plan to combine Tata Coffee's business into Tata Consumer Products. This exercise is expected to bring similar businesses in the two companies together, create dedicated verticals to drive focus and result in revenue synergies and operational efficiencies.

As you will read across this Report, our approach to value creation extends to all stakeholders, and we remain steadfast in our commitment to raising the bar on sustainability and corporate social responsibility. Our programmes related to sustainable sourcing, natural resource management, circular economy, and community empowerment, are now an integral part of our strategy and progressing well.

Our employees remain our most valued asset, and we are constantly striving to build an engaged and progressive workforce. During the year, we launched several initiatives to foster health and wellness, as well as diversity and inclusion; and we continued to strengthen programmes around recognition as also learning and development.

Making meaningful progress during such a challenging year would not have been possible without the tireless efforts of each of our employees and the support from their families. I would like to thank them all for their contributions. I am also grateful to you, our shareholders, for your continued faith, support and confidence in our Company and look forward to realising our long-term vision for Tata Consumer Products.

Warm Regards

**N. Chandrasekaran**  
Chairman

Message from the MD and CEO's desk

# ON A STEADY PATH TO PROGRESS

Sunil D'Souza, MD & CEO of Tata Consumer shares his thoughts on the Company's FY 21-22 performance, progress on strategy and way forward.



**Q. Last year, you had spoken about transformation in progress. So, let's begin by asking you how things panned out and the state of progress?**

A. The year has been eventful on many fronts. Despite a challenging macro environment, we stayed on course in our transformation journey and delivered revenue growth along with improved profitability. The year was challenging, given the two waves of Covid-19 in India, multiple waves across other international markets where we do business, and a multitude of other factors. Global supply chain stress and higher energy prices led to widespread inflation, and geopolitical strains further exacerbated the situation. Mitigating the impact required strategic focus, agility and efficient execution. During the year, we achieved significant milestones in our transformation journey. We

expanded our reach, recorded market share gains in our core businesses while accelerating growth businesses, continued the innovation momentum, and expanded into new categories. Our digital transformation and supply chain optimisation plans are also on track.

There is another perspective through which we need to look at our performance during the year, and that is internal transformation. We strengthened our capabilities and our team at all levels, and the organisation is brimming with energy and ideas. Our sustainability agenda is more crystallised as we set out to achieve our ambition of being a leading FMCG player. We invested in technology and digitalisation, and this is resulting in sharper, data-driven decision-making. We also announced a global simplification

plan that will reduce the number of legal entities, and drive significant efficiencies, synergies and value.

All this is meant to create tangible and sustainable value for our stakeholders.

**Q. How did this translate into overall financial and business performance?**

A. We reported 9% growth in topline (net of exited businesses) and 11% EBITDA growth. Despite inflation in the Foods business and higher investments in our brands and in new businesses, we delivered an expansion in margins. Therefore, since the formation of Tata Consumer, across the two pandemic years, we have now delivered 15% and 16% revenue and EBITDA CAGR, respectively. We have also had strong cash conversion, with free cash flow at nearly 100% of EBITDA.

During the year, the India business grew 13% and we gained market share of c.100 bps and 400 bps in core categories of Tea and Salt, respectively. Our growth businesses - NourishCo, Tata Sampann, Tata Soufull, and Tata Q, collectively grew 52%. We are investing in these businesses to fuel them further. We continued to premiumise the portfolio - for example, value-added salts continued to outpace the base salt growth. We opened 50 new Tata Starbucks stores in 2022, taking the total to 268 across 26 cities.

Our International business saw modest like-for-like growth. However, that came on the back of double-digit growth last year. In terms of profitability, the International business is EBITDA accretive and generates stable cashflow and we will continue to

drive further efficiencies there. Our Coffee business in the US is seeing stable market share and we are following a three-brand strategy in tea for international markets with Tetley, Good Earth, and teapigs. We are also strengthening our portfolio in fruit and herbal and specialty teas to find new sources of growth.

**Q. You mentioned your growth businesses grew 52% last year. Can you share more colour on these new businesses i.e., NourishCo, Tata Soufull, Tata Sampann?**

A. Our new businesses grew strongly over the past year. Under Tata Sampann, we recorded a 28% volume growth with broad-based growth across pulses, spices, and other staples. Poha grew north of 100%. We also entered the dry fruits category under Sampann, as part of our premiumisation efforts. In the Ready-to-drink Beverages business,

i.e., NourishCo, we grew revenues by 83%, led by an 80% expansion in distribution and strong offtake across brands. We have a very unique proposition in Tata Soufull to address the growing consumer need for health and wellness. We are now focused on driving both accessibility through expanded distribution, and affordability through value packs to jump shift this business.

**Q. What kind of changes are you seeing in consumer behaviour and trends and how are you positioning yourself to benefit from them?**

A. There are some secular trends shaping the consumer landscape in India - rising disposable incomes, increasing urbanisation, and the democratisation of the internet means that awareness levels are very high. These trends are leading to consumers seeking better quality and trusted brands with increased



## Message from the MD and CEO's desk

convenience. The pandemic has further accelerated digital adoption and has also brought health and wellness front and centre for consumers. While these are some of the secular trends that will play out over the medium to long term, we are closely monitoring the near-term trends to see how inflation and other economic headwinds could affect consumer behaviour.

We are responding to these shifts proactively to make sure that we remain consumer-centric in our approach and capitalise on emerging opportunities.

**Q. Speaking of which, how are you leveraging e-commerce as a channel? Sales and distribution network expansion was also one of the key levers that you were looking to deploy, how is that shaping up?**

A. Our efforts of having channel-specific strategies are yielding results. E-commerce as a % of sales in India was 7.3% in FY 21-22, up from 2.5% when we started in FY 2019-20. Modern trade crossed the INR 1,000 crore mark for the first time during the year. We continued to expand and enhance our S&D network and achieved our year-end target of 1.3 million outlets in direct reach. We also deployed a salesforce dedicated to the premium portfolio. To expand our reach in markets beyond the metros and urban centres, we have increased the number of rural/semi-urban distributors by 4X in our network.

It is important to remember that Tata Consumer was formed to fulfill the FMCG aspirations of the Tata Group. We will continue to leverage the trust that the brand inspires, expand our portfolio and increase our footprint to reach more consumers in India. Currently, we reach over 201 million+ households in India and distribute to over 2.6 million outlets.

There is a significant opportunity for us to grow our wallet share, shelf share, and business share besides growing those numbers.

**Q. So how are you laying the groundwork for this ambition and growth? How is your strategy unfolding on the ground?**

A. We made substantial progress against our six strategic priorities of accelerating core business, driving digital and innovation, unlocking synergies, creating a future-ready organisation, exploring new opportunities, and embedding sustainability. You will read about these in greater detail across this Report.

In a nutshell, we are strengthening our core businesses of Salt and Tea by expanding distribution, investing in our brands, accelerating innovation, and driving premiumisation across categories. The A&P investments in India saw an increase of 29% last year and we took concrete steps towards simplifying and consolidating our brand architecture in the Tea business. As a result of our efforts to drive premiumisation, there was significant growth in value-added variants in Tea and Salt. We are expanding our presence and our direct reach is poised to reach 1.5 million outlets in the next year. I have already spoken about the focus we have on new and alternate channels.

We continued our innovation momentum, with the launch of new products across categories in India as well as international markets, resulting in the contribution of innovation to sales going up 2X during the year. We are now working on transforming our supply chain to unlock efficiencies and make it future-ready. Digitalisation across the value chain and organisation is well underway.

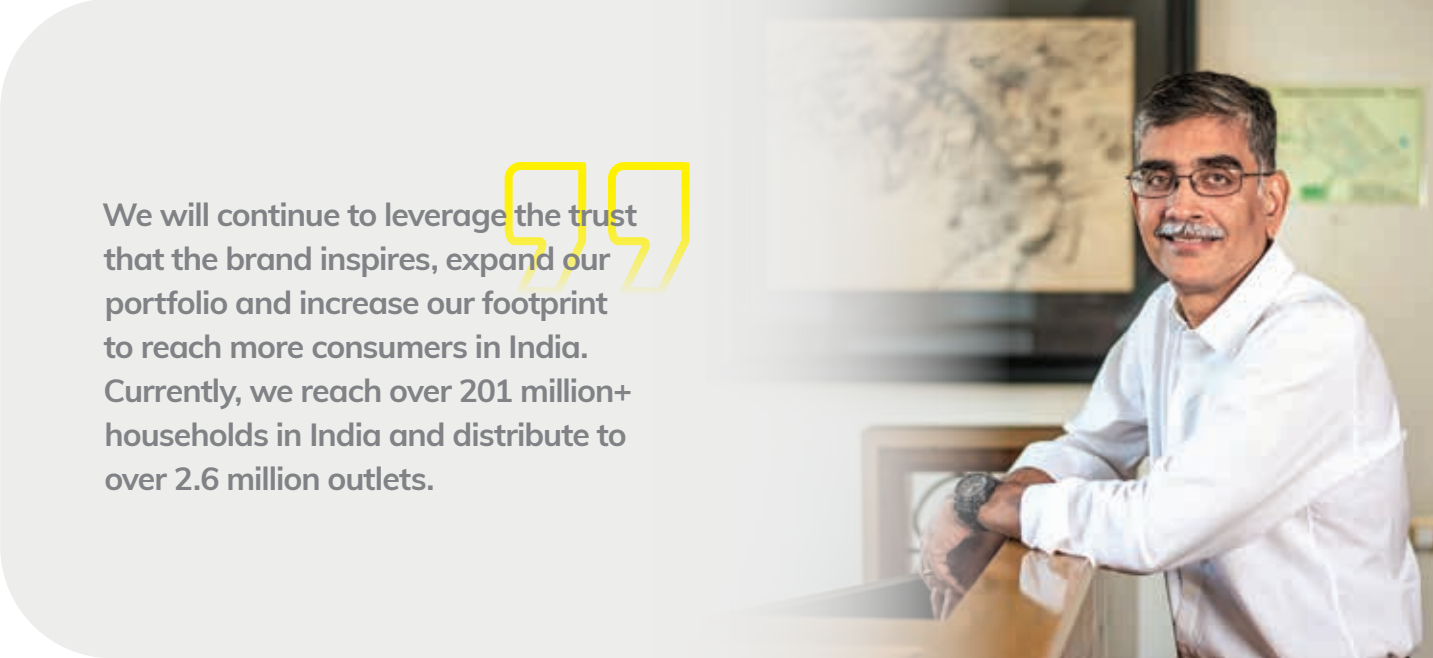
We are adding new levers of growth and to that end, we acquired Tata SmartFoodz Ltd to foray into the value added, fast growing, Ready-to-Eat (RTE) category. We believe there are a lot of synergies on the back and front end, which we will leverage to grow this business.

Finally, we are reorganising our business, to simplify the structure and reduce the number of legal entities, in order to create focused verticals, enable faster execution, and unlock significant financial value in the process.

**Q. What about sustainability and ESG? How are you on course to meeting stakeholder aspirations on that front?**

A. This is not something that is an add-on for us. It is embedded in the way we think, in our value system and culture. Of course, the focus is now sharper, and more integrated, with consumers and other stakeholders beginning to value their association with organisations and brands that are responsible. We are focusing on responsible sourcing with partners such as Trustea and Rainforest Alliance. We are reducing our environmental footprint by ensuring that more than a quarter of the energy for the India supply chain now comes from renewables. We are also placing emphasis on the circular economy of packaging. We are one of the founding members of the India Plastics Pact and are also members of the UK Plastics Pact and the Europe Plastics Pact. We are doing our part in mitigating climate change.

Our community investments continue to focus on critical issues spanning healthcare, education and skill development for vulnerable groups. Our employees across the Company contributed to serving the community by participating in volunteering programmes .



**We will continue to leverage the trust that the brand inspires, expand our portfolio and increase our footprint to reach more consumers in India. Currently, we reach over 201 million+ households in India and distribute to over 2.6 million outlets.**

As a purpose-led organisation, we are imbibing global best practices to make Tata Consumer a great place to work. We are strengthening diversity and inclusion through initiatives such as health insurance for the partners of employees of the LGBTQ+ community and the launch of the Women's Inclusion Network. Nearly a third of all our open positions for external hiring were filled by women last year. We are also taking multiple steps to foster employee health and well-being, through initiatives such as the Caregivers Support Programme (CUSP) for expecting parents, and counseling and awareness building for holistic health.

Our governance standards are best in class and guide our strategy and the way we do business, and we are constantly improving our policies and practices where needed.

**Q. Do you see any immediate speed bumps or challenges to growth?**

A. Today's macro environment is highly volatile in the short term with geopolitical tensions, supply

chain stress and inflation impacting almost every business around the globe. We will be monitoring the global situation and inflation closely and put in practical and adequate mitigating measures. On a positive note, we are in the staples business and hence relatively better positioned to ride out these speed bumps. We also have a plethora of initiatives to drive growth and create efficiencies that can enable cost optimisations. These factors give me the confidence that will be able to deliver profitable growth notwithstanding the impact of the operating environment.

**Q. Great. Any closing comments on the way forward?**

A. We remain committed to our ambition of becoming a top-ranking, FMCG player, and all our efforts are centred around that.

With a strong foundation in place, we will continue to execute on our strategic priorities and accelerate our growth momentum. Innovation, supply chain optimisation and digitalisation will be focus areas for

the year ahead. We will continue to strengthen our sales and distribution across traditional as well as modern channels. We will focus on simplifying our business both in India as also International to drive further efficiencies and synergies.

We are in the early stages of our growth story, with tremendous runway ahead of us. We will continue to build on the strong initiatives that are in place while exploring new opportunities and enhancing our future readiness.

I am very grateful to all our shareholders for your belief and trust in this journey and look forward to your continued support.

Business review

# GROWING EVERY DAY. EXPANDING OUR HORIZONS.

At Tata Consumer, we are making holistic efforts to innovate, expand our addressable market, enter new categories while leveraging our expanded sales and distribution network to reach more consumers efficiently.

## India business performance

We expanded our business in India and have made significant progress in our transformation agenda. We broadened our distribution reach, made strategic investments in our brands, stepped up the pace of innovation, and are transforming our supply chain.

During the year, we gained market share in our core categories of Tea and Salt, accelerated the trajectory of our new businesses, and focused on premiumisation of our portfolio across categories. With the acquisition of Tata Q, we entered the Ready-to-eat market.



**INR 7,914 CR** Up 13%  
India Branded business

**64%**  
Share in total revenue

## PACKAGED BEVERAGES – INDIA

### Progress in FY 21-22

- Recorded 6% revenue growth after growing 32% in FY 20-21
- Gained 97 bps of market share in Tea category
- Maintained #1 position in e-commerce
- Recorded highest volume growth in Tata Tea Premium in over a decade
- Saw a second consecutive year of market share gains in Tamil Nadu for the Chakra Gold franchise
- Delivered strong volume growth of 45% in Coffee, led by several new launches
- Relaunched the Tata Tea Agni Masterbrand with an impactful campaign
- Continued with our hyperlocal brand building strategy for key brands in the portfolio



## PACKAGED FOODS – INDIA

### Progress in FY 21-22

- Recorded 19% revenue growth after growing 18% in FY 20-21
- Gained 400 bps of market share in salt category
- Salt revenue grew 17% with the overall premium salts portfolio growing 27%
- Expanded our portfolio with the launch of Tata Salt Immuno and Tata Salt Super Lite
- Launched Shuddh by Tata Salt, specially crafted solar salt for South market, to strengthen our mid-tier portfolio play
- Recorded 28% volume growth in Tata Sampann, with strong growth across pulses, besan and poha
- Launched Tata Sampann Dry Fruits – extending the brand into a new and premium category
- Added Tata Q to the Food portfolio through the Tata Smartfoodz acquisition. Tata Q is the #2 brand in the RTE market in India
- Launched Ragi Bites No Maida Choco under Tata Soulfull, marking entry into the healthy snacking space



## TATA STARBUCKS (50:50 JV)

### Progress in FY 21-22

- Revenue growth back on a strong trajectory
- Delivery channel salience ahead of pre-Covid levels
- Opened 50 stores during the year, taking the total to 268 stores across 26 cities
- Introduced first ever 'bake-In store' format in Mumbai, offering a delicious menu of freshly baked items inside the store
- Launched first ever Nitro Cold Brew store in India, operated solely by women baristas

## NOURISHCO

### Progress in FY 21-22

- Recorded strong growth across products and geographies with revenues up by 83%, bringing 2-year CAGR to 38%, despite a challenging operating environment
- Accelerated innovation, with innovation to sales contribution at 10%
- Expanded distribution by 80% and forayed into several new geographies
- Rebranded Tata Water Plus to Tata Copper Plus Water to reinforce its unique value proposition. The brand recorded exceptional growth during the year.
- Grew Himalayan 1.8x and broke even at EBIT level – the first time since its inception





Business review



International business performance

We strengthened our product portfolio in our key markets of UK, USA and Canada. In Tea, we have expanded our portfolio significantly beyond black tea into specialty and fruit and herbal teas with several new launches during the year. Tetley, Good Earth and teapigs are our core brands in these markets. We also launched new innovations in our Eight O' Clock coffee portfolio and our RTD portfolio with teapigs Kombucha, Teapigs Cold brew and Good Energy (natural energy drink). There has been renewed focus on bolstering online presence for our brands in the international markets.

**INR 3,336 CR** Up -5% (1%\*)

International Branded business

**27%**  
Share in total revenue



\*Like-for-like growth, net of international food service business exits; -2% in constant currency

**CANADA**

**Progress in FY 21-22**

- Maintained strong market share
- Tetley emerged as the 'Most Trusted Tea Brand 2022' -Reader's Digest for the 8<sup>th</sup> consecutive year
- Continued to record strong performance in Tetley Super Teas
- Launched D2C website to augment the online channel
- Delivered double-digit growth on our e-commerce channel
- Bolstered teapigs portfolio with the launch of feel-good teas



**UK**

**Progress in FY 21-22**

- Gained market share in F&H category driven by strong performance of Good Earth, Tetley Supers and Tetley Herbals innovations
- Continued strong growth trajectory in teapigs
- Rolled out a new national TVC 'For the love of tea, For the love of Tetley' speaking to the British culture of drinking tea and evoking Tetley's long-standing heritage
- Digital hub to focus on e-commerce and D2C progressing well
- Continued strengthening Good Earth's foothold in the health and wellness space
- Expanded our non-black tea and RTD portfolio with several new launches



**USA**

**Progress in FY 21-22**

- K-cup format continued to gain traction, outpacing the retail coffee category
- Mitigated unprecedented inflation in coffee prices during the year through proactive hedging and pricing
- Initiated the integration of all three brands in Tea
- Launched product innovations in Tetley (Irish breakfast, Flavors of Britain) and Good Earth (Sensorial blends) that performed well with improved distribution
- Continued to see strong growth in teapigs outpacing the specialty category

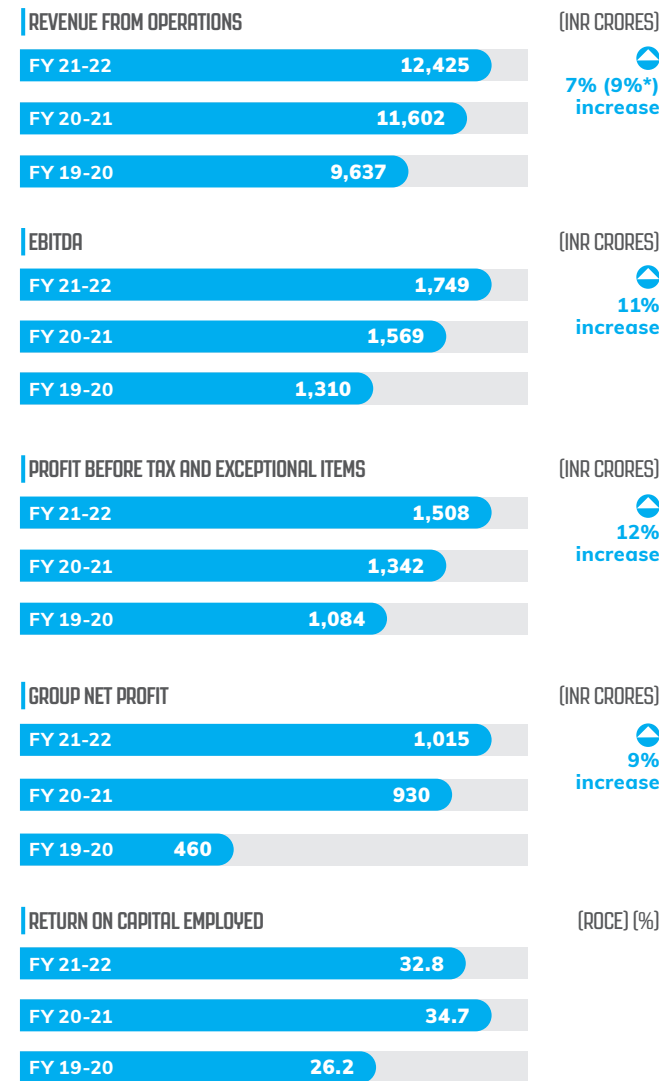




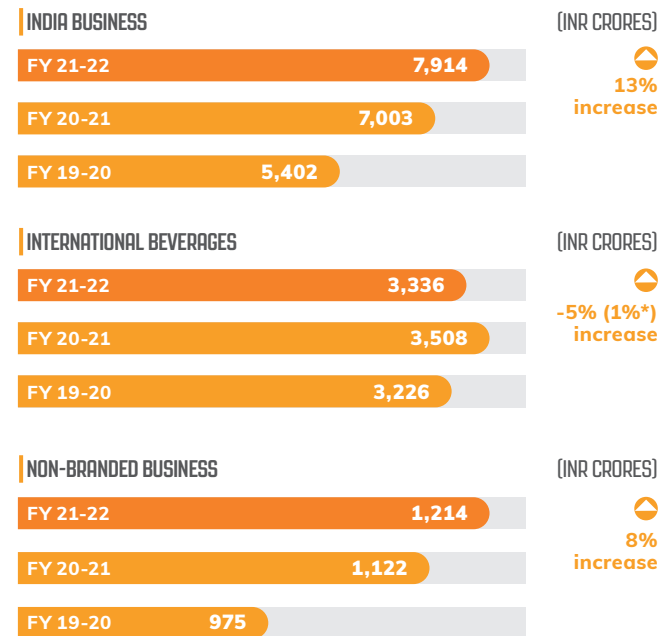
Key performance review

# MEASURING OUR PROGRESS

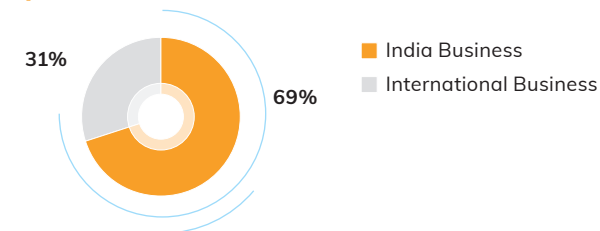
## FINANCIAL



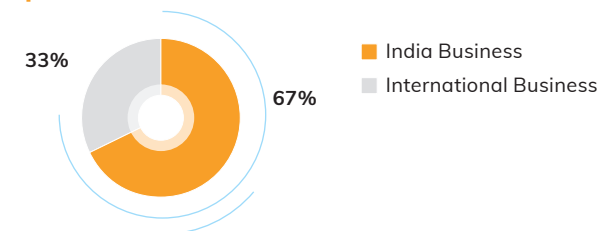
## SEGMENTAL



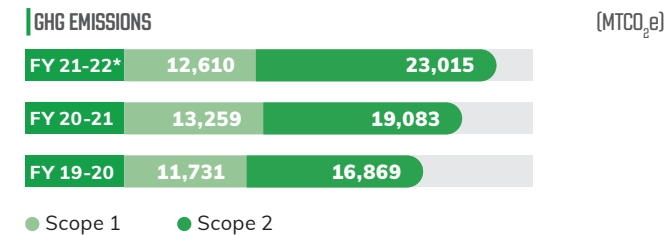
### REVENUE – BRANDED BUSINESS IN FY 21-22



### SEGMENT RESULTS-BRANDED BUSINESS



## ENVIRONMENTAL



● Scope 1 ● Scope 2

The increase in GHG emissions between FY 19-20 to FY 21-22 is because of the integration of the Foods business and addition of a new location to the operational boundary.  
\*Assurance underway

### RENEWABLE ENERGY



## 100%

EPR compliance in India. All our Beverages production facilities globally are zero waste to landfill since 2019

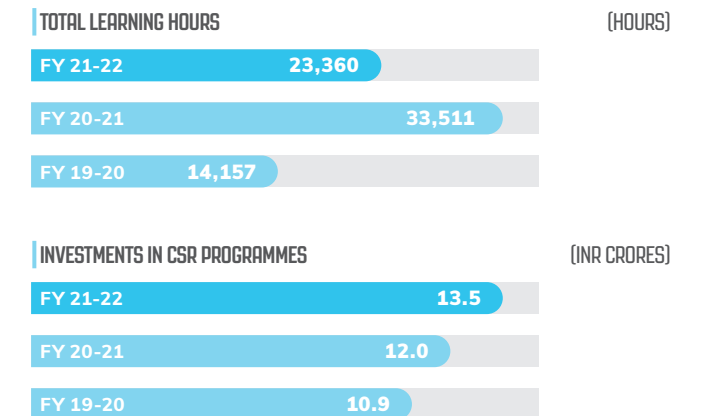
## 150 MILLION LITRES

Of water recharged through Project Jalodari. It will contribute to same amount of recharge annually going forward

## FOUNDING MEMBER

Of the India Plastics Pact

## SOCIAL



- Zero investor complaints as on 31 March 2022
- 8,500+ volunteering hours with the help of 3,500+ volunteers in FY 21-22

## GOVERNANCE

- 55% Independent Directors on Board as on 4 May 2022
- 96% Board attendance during FY 21-22
- 100% attendance of committee meetings during FY 21-22

\* Like for like, adjusted for exits

ON  
COURSE



WITH  
PURPOSE

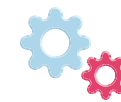
At Tata Consumer, we are embedding integrated thinking across our business in order to grow at a fast yet sustainable pace.

Our endeavour is to build a sustainable business, thereby creating holistic value for all stakeholders.



Operating context

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Integrated thinking across capitals

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Our approach to value creation

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Stakeholder engagement and materiality

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Value creation model

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Risk management

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VALUE CREATION



Operating context

# RESPONDING TO THE DYNAMIC ENVIRONMENT

The consumer landscape is undergoing tremendous shifts with several nascent trends picking up pace following the pandemic. We are witnessing shifts that focus on health and wellness, with consumers preferring customised experiences, and opting for brands that they trust.



## Seeking value and convenience

A PwC\* December 2021 Global Consumer Insights Pulse Survey, surveying 9,370 consumers across 26 countries, revealed that consumers are planning to spend more and are witnessing improvements in their lifestyle. This is due to employers allowing flexible/hybrid ways of working. Price and convenience remain to be the priority topics when it comes to purchasing.

We acquired Tata Smartfoodz, which offers a range of innovative and differentiated products manufactured using MATS technology in India. These meals are ready to eat and the unique technology helps us retain taste, texture and nutrients of the food.



## Transitioning consumer attitudes in the post pandemic era

With the pandemic, consumers are choosing to opt for offerings with health and immunity boosting benefits. Young Indian consumers are increasingly focused on healthy and mindful eating.

As consumers adopt healthier lifestyles, we strengthened the Tata Soufull portfolio, which has products made from ancient millets like ragi in convenient and contemporary formats like breakfast cereals, healthy snacks, muesli and plant-based protein drinks.



## Sustainability and rising awareness

Consumers are increasingly becoming aware of climate change, and its impacts and are hence focused on sustainability. More and more FMCG businesses are offering compostable, recyclable and reusable packaging to fulfill consumer demand. Additionally, cruelty-free, vegan components are becoming more popular.

According to the Deloitte Sustainability and Consumer Behaviour 2021 study\*\*, 32% of customers are looking at living a more sustainable lifestyle while 28% have stopped buying specific products due to ethical or environmental concerns. Gen Z is adopting a more sustainable outlook compared to other generations.

We joined forces with the India Plastics Pact as a founding member. This is a public-private collaboration aimed at eliminating and recycling plastic across the value chain. Through our operations, we are actively working towards optimising consumer packaging, using our resources efficiently without compromising on product quality and safety. We are also among the founding members of trustee, India's Sustainability tea programme, that has helped sustainably transform 790 million kg tea till FY 21-22. We undertook several other initiatives to carry out our business responsibly and have set targets to minimise our environmental footprint.



## Uncertain external environment

While the environment continues to be uncertain due to the current geo-political situation and extreme inflationary pressures, the mid- to long-term consumption story is intact. In the short term, consumers might seek value, but would also transition to more trust-based purchases.

The Tata brand has and will continue to inspire confidence among its consumers. We have a strong portfolio of trusted brands across various price points, thereby catering to a wide cross-section of consumers.



## Digitalisation, Big Data and analytics

With the massive surge in internet penetration across India, the country is set to host a billion internet users by 2030. The pandemic has brought online shopping for everyday commodities into the mainstream paradigm. Consumers have experienced the ease that such a model offers. Online connectivity and increased awareness are proving to be key propellers upgrading consumption patterns.

Big Data is being actively used by FMCG companies to innovate and compete in the sector. Consumer preferences and behaviour are mapped using data analytics that give FMCG companies better insights on purchasing habits.

We embarked on our digital transformation journey and are building our digital core by strengthening our sales and distribution channel. These digital investments are helping us gain real-time insights to drive faster and more effective decision-making.

\* PwC Global Consumer Insights Pulse Survey <https://www.pwc.com/gx/en/industries/consumer-markets/consumer-insights-survey.html>

\*\* Deloitte Sustainability and Consumer Behaviour 2021 <https://www2.deloitte.com/uk/en/pages/consumer-business/articles/sustainable-consumer.html>

Our approach to value creation

# CAPITAL WISE APPROACH TO CREATING VALUE

We make prudent and responsible choices across capitals. Through our business we aim to create sustainable value that is meaningful to our stakeholders.



## How does financial capital create value?

RELEVANT STRATEGIC PRIORITY



Our financial capital drives investment, growth and expansion of the core product portfolio.

As a growing organisation, we are investing in new businesses and brands, driving product innovation,

enhancing distribution and infrastructure. Financial investments play a significant role in supporting our ambitions and building a future-ready organisation.



## How does human capital create value?

RELEVANT STRATEGIC PRIORITY



Human capital is instrumental in building a purpose-driven organisation. Promoting our 'Better Living' ethos is our inclusive, diverse, and high-trust and high-performance culture.

Through regulatory compliances and focus on health and safety, we have consistently provided a safe work environment. We empower our employees to grow and innovate every day as part of the Company's mission.



## How does intellectual capital create value?

RELEVANT STRATEGIC PRIORITY



Investment in innovation and intellectual capital is one of the key focus areas for the Company.

Our partnerships, acquisitions and R&D processes have assisted us in enhancing scalability, meeting nutritional needs of consumers, and addressing new markets. Our R&D assets across Bengaluru and Pune sites cover a broad range of equipment. The shared

infrastructure with TCL Innovation Centre in Pune enables access to world-class facilities for advanced measurements in areas of Food and Beverage Science. The robust innovation stage gate process enables us to pursue opportunities in a methodical manner, in developing 'better-for-you' products, giving consumers access to improved nutrition.



## How does social and relationship capital create value?

RELEVANT STRATEGIC PRIORITY



Our social and relationship capital is aimed at creating a shared sense of respect, ethical behaviour and mutual trust. The Tata Code of Conduct, Health & Safety Policy, Supplier Code of Conduct are extended to all our vendor partners. We also promote ESG best practices such as Integrated Management System (IMS) certifications, EHS assessments, renewable energy installations and manufacturing efficiency improvements. Through our internal and external policies, we strive to create a better world with responsible policy advocacy.

We prioritise the health and wellness of our consumers and communities. To establish better consumer connect, we have designed and deployed various listening and learning mechanisms, whose insights are integrated in our product design and development process. In international markets, we work closely with our retail chain partners and have aligned our ESG initiatives to their commitments.

Through our CSR initiatives, we work for the betterment of communities, enabling access to clean drinking water and nutrition as well as creating local employment opportunities.



## How does natural capital create value?

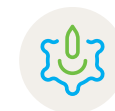
RELEVANT STRATEGIC PRIORITY



Our aim is to minimise the impact of our business on natural resources and create a positive impact with technology and responsible resource management. This includes adopting circular business models and accelerating the transition towards renewable energy. While the environmental footprint in our own operations is not significant, we are encouraging our supply chain partners to adopt these initiatives as well, thereby ensuring sustainable practices across the product value chain.

We are 100% compliant with the Extended Producer Responsibility (EPR) and are stepping up our sustainable packaging efforts. Our Beverages units are zero waste to landfill, and we aim to replicate the same across other units.

Our associate companies were instrumental in supporting our biodiversity conservation and ecosystem retention efforts around their plantations. KDHP has certified their operations as carbon neutral and net negative, owing to their sustainability initiatives.



## How does manufactured capital create value?

RELEVANT STRATEGIC PRIORITY



Manufactured capital is significant to our business and enables the production, processing and delivery of safe and healthy products for our consumers.

Our business has several long-term manufacturing facilities equipped with eco-efficient technologies that help us conduct business sustainably. There is a centralised

Product Supply Organisation (PSO) responsible for the manufactured capital - the PSO strives to deliver competitive advantage through excellence and agility in disciplines of Plan, Source, Make & Deliver. This year, the PSO won over 50 awards, both internal and external in the areas of food safety, green manufacturing, Kaizen etc.



Value creation model

# CREATING VALUE FOR ALL

Our value creation model is designed to leverage resource inputs to create long-term beneficial outcomes and impact for our stakeholders. During the year, we adopted a consultative approach with cross-functional teams across the organisation to redefine our value creation model.

Fostering integrated thinking at TCPL

**6** Workshops conducted  
**260** Hours  
**112+** Participants

Staying true to the ethos of the Tata Group, TCPL aims to create and distribute lasting value across all its stakeholder groups. The graphic below depicts the major activities undertaken as part of our business cycle. It also indicates the key 'Inputs' along the six IR capitals that are transformed into tangible and intangible outputs and outcomes over the short, medium and long term.

As a food and beverage company, we rely on mother nature for all input raw material and ingredients. We accord utmost attention to 'responsible sourcing' practices, which, along with our innovations in processes

and packaging ensures that our impact on the environment is minimal. Our manufacturing/third-party centers and distribution networks work efficiently to take our products to millions of households, through millions of retailers in Indian and International markets. We continue to educate consumers about nutrition and play a small part in helping them meet the same. Sales revenues and other sources of funds (i.e., financial capital) are re-invested into our business through multiple channels which are procurement of raw material, operational expenses, employee salary and benefits, socially relevant projects for our communities among others.

VALUE CREATED FOR STAKEHOLDERS

INPUTS

- Financial Capital**
- Sources of funds debt: **INR 1,468 crore**; equity **INR 16,294 crore**
  - Capex: **INR 273 crore**; Working capital: **INR 3,963 crore**
  - 'Focused finance organisation' that supports business
  - Funds for supporting organic and inorganic growth

- Intellectual Capital**
- R&D expenditure: **INR 23.87 crores** in FY 21-22
  - 39** dedicated R&D personnel
  - Stage gate management process for innovation management
  - Digital platforms for compliance management

- Human Capital**
- Global employee strength: **3,700+**
  - Diversity: **32%** women in workforce
  - Building capabilities for strategic priorities; **23,360 hours** invested in trainings
  - Access to LinkedIn Learning: **1,500+** employees; **14,800+** hours of learning

- Social & Relationship Capital**
- Community**: Spent **INR 13+ crore**; **5** thematic areas; **8+** partnerships for CSR implementation
  - Value chain partners**: **12.8 lakh** directly serviced outlets; **11,000+** distribution partners (including retailers and D2C)
  - Consumers**: **6.2 million+** followers and subscribers across social media platforms

- Natural Capital**
- Water used for operations: **1.7 lakh KL**
  - 0.6 lakhs MWh** of electricity; **24%** of renewable energy sourced
  - 4,800+** tonnes of recycled material inputs in packaging
  - 580+ billion** biodegradable tea bags for Tetley UK

- Manufactured Capital**
- 119** locations worldwide (including manufacturing units, corporate offices and dedicated third party units)



OUTPUTS

- Financial Capital**
- Revenue from operations: **INR 12,425 crore**; Market Capitalisation: **INR 71,645 crore**
  - ROCE: **32.8%**; ROE: **6.4%**; Dividend Payout Ratio: **63%** on Standalone Net Profit
  - EBITDA: **INR 1,749 crore**; Operating margin: **12%**
  - Net profit: **INR 1,015 crore**

- Intellectual Capital**
- 25** new products launched in India and other geographies
  - 2** patents filed, **3** patents under filing
  - Recyclable, reusable or compostable packaging  
 Foods: **58%**, Beverages: **72%**, International Business: **67%**

- Human Capital**
- Employee advocacy: Internal transfers and referrals filling **50%** of the open positions
  - 95%** talent retention (global graded population)
  - Diversity, Inclusion, Equity, Belonging (DIEB) score: **78**; overall engagement score: **75**

- Social & Relationship Capital**
- Community**: **8** CSR programmes positively impacting **8 lakh** beneficiaries
  - Value chain partners**: **3** times increase in distributors as compared to the previous year  
**4x** increase in rural and semi urban distributors as compared to the previous year
  - 8,000+** vendor partners, who are guided by our policies
  - Consumers' direct reach to **1.3 million** outlets; Total reach to **2.7 million** outlets
  - 2,600+** employees, workers and vendors under Affirmative Action programme

- Natural Capital**
- Responsible manufacturing operations: Zero waste to landfills across beverage units, **7,000+** tonnes of recycled material in packaging

- Manufactured Capital**
- 1.44 million** tonnes of production globally

OUTCOMES

- Financial Capital**
- Growth in consolidated revenue: **7%** and net profits: **9%**
  - Share price CAGR **40%** over last 5 years
  - Strong financial performance creating consistent shareholder returns and value for other stakeholders like employees, suppliers etc.

- Intellectual Capital**
- Innovation to sales: **2x** of previous year
  - Awards recognising excellence in packaging innovation; **500 tonnes** of packaging material reduction
  - 100%** compliance to regulatory requirements

- Human Capital**
- Future-ready workforce
  - Organisational culture – sense of belonging and a culture of openness

- Social & Relationship Capital**
- Driving premiumisation – scaling up our premium portfolio across core categories
  - 201+** million households reach in India
  - Product portfolio, aiding nutritional needs of consumers
  - Positively influencing government policy/legislations (India and UK Plastic Pacts, ETP, trustee etc)

- Natural Capital**
- Strong advocacy of environmental stewardship extending beyond our boundaries
  - Continued contribution to Sustainable Development Goals (SDGs)
  - Portfolio of products (Tata Soufull – based on millets) that have more environment-friendly attributes, and provide better nutritional value

- Manufactured Capital**
- Agile and future-ready manufacturing facilities
  - Safety enhancement by automation
  - High Original Equipment Efficiency (OEE) ensuring productivity and cost savings



Integrated thinking across capitals

# LEVERAGING OUR CAPITALS EFFECTIVELY

Each capital is interdependent on the other capital to create value. During the year, we leveraged these capitals and effectively created trade-offs to help us generate long-term value for our stakeholders.

 <b>NATURAL CAPITAL</b>			 <b>MANUFACTURED CAPITAL</b>			 <b>HUMAN CAPITAL</b>			 <b>INTELLECTUAL CAPITAL</b>			 <b>FINANCIAL CAPITAL</b>			 <b>SOCIAL AND RELATIONSHIP CAPITAL</b>		
			Resource efficiency with various initiatives undertaken across facilities and offices			Active volunteering and contributing to sustainability programs			Investments in process innovations that improve resource efficiency			Investments to leverage technologies that promote a clean and responsible business			Vendor alignment with the Company's ESG goals		
 Usage of eco-conscious design across facilities						Striving towards zero injury with safe and productive workplaces			Automation of manufacturing processes: Use of IOT across select packaging plants to ensure operational eco-efficiency			Increased revenue and profits generated with robust assets and manufacturing facilities			Provision of employment opportunities to skilled labour		
 Employees contributing to reducing operational environmental footprint			Ensuring enhanced employee productivity						<ul style="list-style-type: none"> <li>• Workforce involved in R&amp;D</li> <li>• Employees trained in innovation, resulting in skill-based innovation practices</li> </ul>			<ul style="list-style-type: none"> <li>• Employee benefits and compensation disbursed</li> <li>• Effective financial management</li> </ul>			<ul style="list-style-type: none"> <li>• Encouraging local hiring</li> <li>• Employees volunteered for community development initiatives</li> </ul>		
 <ul style="list-style-type: none"> <li>• R&amp;D and innovation to drive resource optimisation</li> <li>• Life cycle analysis (LCA) undertaken for select products</li> </ul>			Change to innovation in manufacturing process and operations			Upskilling workforce with the latest scientific and digital developments, propelling innovation and optimising productivity			 <ul style="list-style-type: none"> <li>• Investments made in R&amp;D, exploring newer business opportunities</li> <li>• R&amp;D investment: INR 23.87 crore</li> </ul>			Creating products that are better for the consumer (better nutrition profile) – aiding improved consumer connect and loyalty					
 Investment in capex on green energy, thus reducing long-term operational costs			Regular facility optimisation to reduce operational costs			Investing in employees, supporting livelihood generation			Revenue generated through investments in R&D, transforming sales and distribution, supply chain processes among others to drive profitability			 <ul style="list-style-type: none"> <li>• Loyal shareholder base</li> <li>• CSR expenditure: INR 13.54 crore</li> </ul>					
 Policy advocacy, partnerships and collaborations for a cleaner environment			Less environment degradation			<ul style="list-style-type: none"> <li>• Employees provided with continued medical support and assistance during the pandemic</li> <li>• Community intervention activities drive better employee engagement</li> </ul>			<ul style="list-style-type: none"> <li>• Educating consumers on health and nutrition</li> <li>• Increased customer loyalty drives better business</li> </ul>			Community support for smooth business operations resulting in long-term financial viability of the business					

Stakeholder engagement and materiality

# IDENTIFYING PRIORITIES THROUGH ENGAGEMENT

We conducted an extensive materiality assessment, engaging with a cross-section of stakeholders to identify issues that are of mutual concern and importance. These material issues have the potential to directly or indirectly, positively or negatively impact our ability to create value for our stakeholders and society at large.

During FY 21-22, we carried out a consultative materiality assessment study in line with the Global Reporting Initiative (GRI) guidelines and the Integrated Reporting framework. The process also included detailed ideation sessions with cross-functional teams on the concept of integrated thinking and elaboration on how the organisation creates lasting value for its stakeholders through a holistic approach.

We interacted with our key internal and external stakeholders for the purpose of this assessment and they invested a significant amount of time in sharing their thoughts, a testament to the importance they place on the subject.

## CONSUMERS

Meeting evolving consumer needs, delivering quality products and expanding our consumer base are key to our success and growth



### Expectations

- A mix of tasty and healthy products
- Convenience
- Responsible and inclusive marketing
- Sustainability credentials
- Value for money

### Engagements in FY 21-22

- Focused group discussion and interviews
- Digital platforms
- Market research

### Mode of engagement

Consumer surveys

## PEOPLE

Our people, their ideas and their passion form the collective force driving our Company's forward trajectory. Their dedicated approach and winning mindset bring our ambitions to life.



- Health, safety and well-being
- Growth through learning and development opportunities
- Sense of belonging and purpose
- Diversity and inclusion

- Company-wide employee engagement survey
- Developed informative and up-to-date employee communication channels
- Arranged regular interactions with the C-suite
- Town halls/Leadership webinars
- One-on-one performance reviews
- Various learning and development initiatives

Workshops, online video calls and surveys

## COMMUNITIES

The true mark of a successful business is in its ability to create meaningful change in the communities under its influence. For us shared prosperity is paramount, and we make sustained efforts in creating resilient communities.



- Reducing operational footprint
- Using natural resources responsibly
- Generating opportunities for employment and skill development
- Helping improve access to basics, including water, sanitation and hygiene
- Extending sustainable agriculture and support for communities

- Community investment programmes like Early Childhood Development Programme, Project Jalodari, among others
- Collaborations and partnerships with Ethical Tea Partnership, trustee, Plastics Pact
- Volunteering activities
- Delivered services to meet the education, health, food and security needs of communities

Regular interaction with Tata Consumer CSR teams and impact assessments

## GOVERNMENT AND REGULATORY BODIES

As a responsible corporate citizen, a symbiotic relationship with the government and non-profits can go a long way in bringing good change in the larger community.



### Expectations

- Contributing to national, economic and development priorities
- Promoting sustainability agenda, human rights, environmental impact mitigation
- Demonstrating model corporate behaviour

### Engagements in FY 21-22

- Contributed to a resilient corporate system by promoting transparency and raising awareness on societal issues

### Mode of engagement

Compliance, periodic reporting and surveys

## INVESTORS

The support of our shareholders is crucial for continuous access to capital, ability to make progress on our strategies and reach our objectives.



- Ensuring robust business strategy and execution
- Maintaining consistency in financial performance and returns
- Ensuring sound corporate governance
- Progressing on environmental and social commitments

- Annual General Meeting
- Investor relations programme with regular updates on business and financial performance
- Institutional investor and analyst meetings
- Annual Report and stock exchange announcements
- Shareholder information on website
- Timely response to shareholder queries

Periodic updates, investor meets, surveys

## SUPPLY CHAIN PARTNERS

Maintaining our relationship with suppliers of raw materials and indirect services and logistic partners are key to uninterrupted operations and delivery to our discerning consumers.



- Developing mutually beneficial partnerships
- Collaborating to realise efficiencies
- Developing fair contract and payment terms
- Undertaking joint risk assessment and mitigation

- Supplier reviews, audits and dialogues
- Quality checks and adherence to policies
- Synergising the India supply chain

Interaction with team members

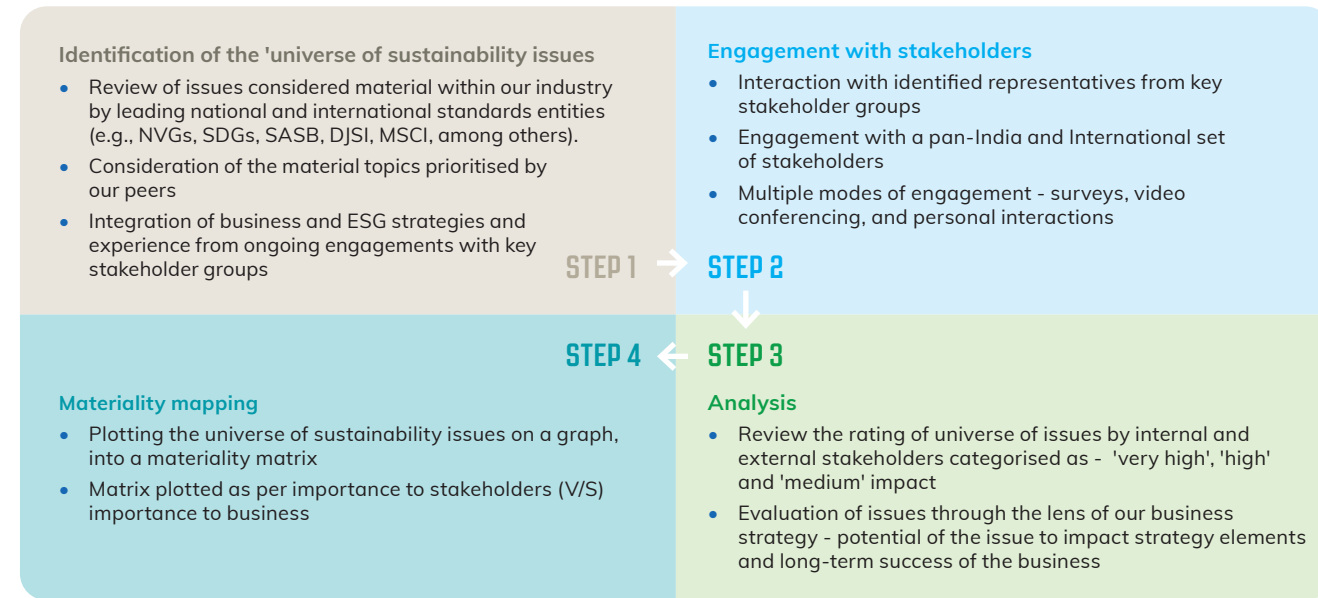


## Stakeholder engagement and materiality

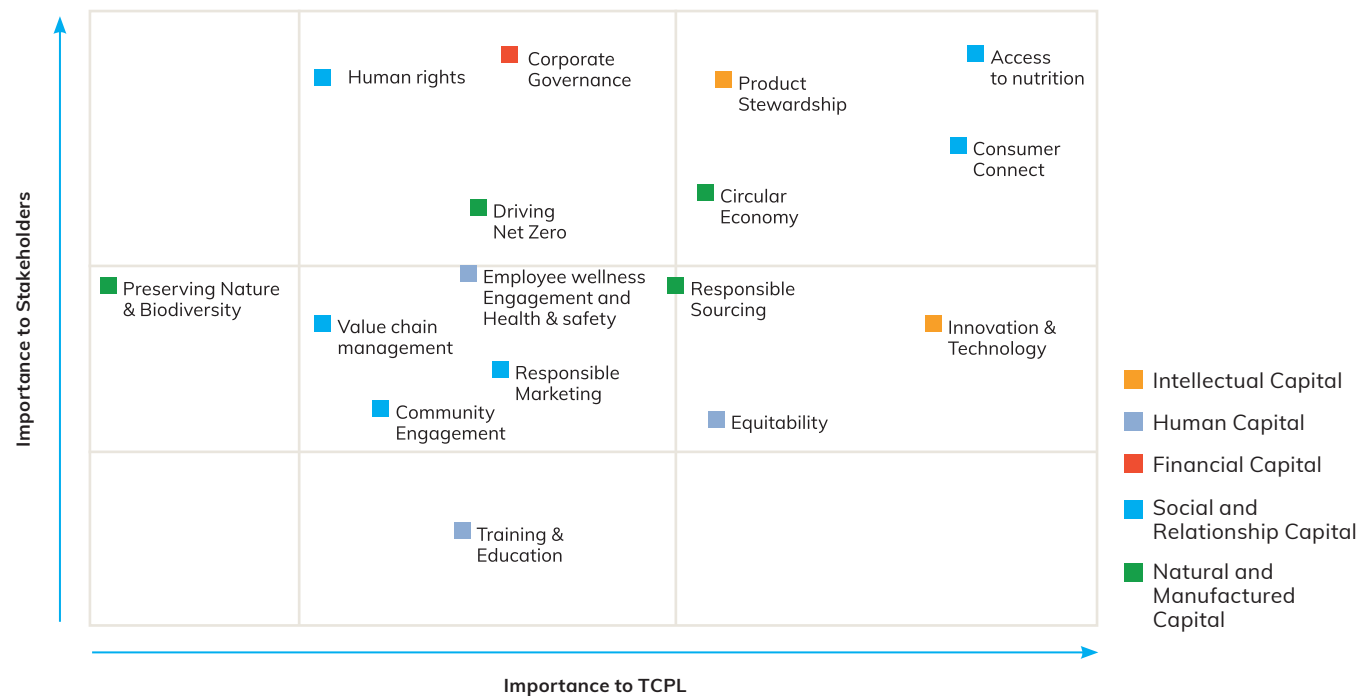
### Materiality assessment process

We interacted with our key internal and external stakeholders for the purpose of this assessment through multiple modes of engagement and they invested a significant amount of time in sharing their thoughts, a testament to the importance they place on the subject.

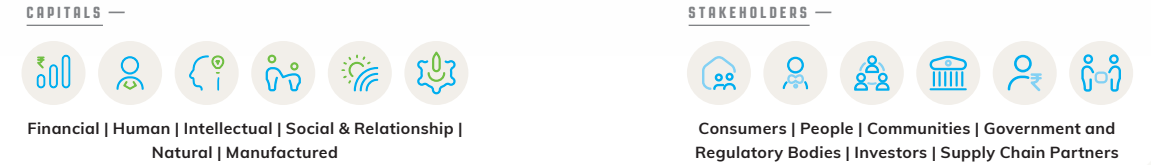
Senior Management: 450 hours      External stakeholders: 390 hours      Employees: 1,090 hours



### Materiality matrix



We identified certain key material issues that are extremely significant for our value creation journey



#### Corporate governance (ethics, integrity and accountability)

Robust corporate governance that considers stakeholder concerns, builds trust, oversees business strategies, and ensures fiscal accountability, ethical corporate behaviour, and fairness to all stakeholders lie at the crux of achieving our long-term mission

STAKEHOLDERS IMPACTED      CAPITALS IMPACTED



#### Responsible marketing

Consumers expect meaningful and transparent information (e.g., calorific information) for aiding dietary choices. Providing the same is key to maintaining consumer trust.

STAKEHOLDERS IMPACTED      CAPITALS IMPACTED



#### Consumers connect

Consumers increasingly want products that are:

- Healthy, seasonal and nutritional
- Good for the planet and ethically sourced
- Social media friendly and with sensory appeal

We can grow our business in the long term by meeting these consumer needs and leveraging key consumer trends

STAKEHOLDERS IMPACTED      CAPITALS IMPACTED



#### Innovation and technology

**Product innovation**  
We launched new products, across categories and markets, expanding our portfolio to satisfy a broader range of consumer needs.

**Technology in operations**  
We are focused on automating and digitalising our operations to achieve higher operational efficiencies. Power of technology has also taken centre stage in marketing operations, where we are using data driven insights for product innovation and consumer connect.

STAKEHOLDERS IMPACTED      CAPITALS IMPACTED





**Product stewardship (Quality, safety and lifecycle management)**

Poor quality or contamination could result in safety issues, reputational damage, financial losses, and product recalls. Consumers are also increasingly curious about the impacts of various lifecycle stages of the products they consume, including packing material used and waste generated.



**Equitability (Diversity and inclusion)**

Diversity is the key to building a well-balanced workforce, where individuals feel safe, included and respected. We are focused on increasing the number of women in our workforce and ensuring equal pay across genders.



**Training and education**

We encourage learning and development by offering relevant training (online and offline) and making a wide variety of knowledge resources available.



**Value chain management - dealers, retailers, suppliers, farmer connect**

- Managing all social risks prevalent in the value chain while also fostering long-term relationships is key to success
- Combating counterfeit products has also emerged as a key concern



**Access to nutrition**

Measures to develop products with better nutrition and educating customer to understand their own nutritional needs is important in our ambition to mitigate nutritional gaps among consumers.



**Driving Net Zero**

We focus on increasing energy efficiency and amping up renewable energy in our energy mix. Integrating climate change risks in the organisation's strategy helps:

- Better corporate reputation
- Mitigate risks facing agricultural produces that we are dependent on
- Better operational efficiency
- Enhance cost savings



**Employee wellness - Engagement and health and safety**

Our people are both the creators and caretakers of our culture and values. Ensuring high employee engagement and filling key positions with the right talent remain critical to maintaining our competitive advantage.

Adherence to best practices on safety is important for the well-being of our employees and stakeholders.



**Community engagement and welfare**

Contributing positively to the communities is the ethos of every Tata group company. We support essential workers and vulnerable sections of society through focused interventions.



**Human rights in value chain**

Safeguarding human rights in our value chain (payment of minimum wages, avoidance of forced and child labour, among others) are critical to the integrity of our value chain.



**Circular economy**

We are committed to efficient resource consumption and optimised packaging with zero compromise on product quality and safety. Combating challenges such as cost, market performance, consumer protection, as well as water and waste management, we ensure our packaging is fit-for-purpose and made from low-impact material, or material, which is reusable or recyclable at the end of its life.



**Responsible sourcing**

Sustainable agricultural practices facilitate better farm yields and productivity while also making our plantations and farming areas a safe and sustainable place for communities to work and thrive.



**Preserving Nature and Biodiversity**

Being mindful and making a positive difference to the land, flora, fauna and the environment around us is integral to our strategy and we strive to keep our ecological impact in check.



CAPITALS —



Financial | Human | Intellectual | Social & Relationship | Natural | Manufactured

STAKEHOLDERS —



Consumers | People | Communities | Government and Regulatory Bodies | Investors | Supply Chain Partners



Risk management

# MANAGING RISKS AND UNCERTAINTIES

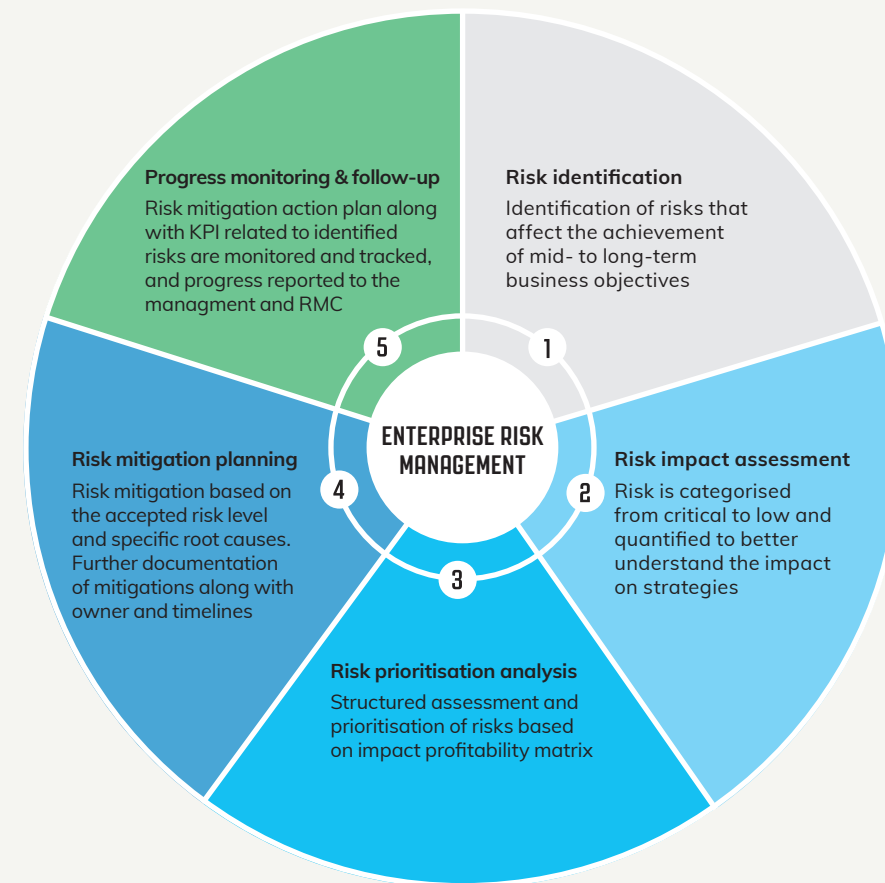
With our business growing and transforming every day, identifying, assessing and mitigating risks is one of our core priorities. Our business is governed by a robust risk management committee that helps us implement and monitor our progress on risk mitigation.

## Risk management framework

Our risk management framework is developed in a manner that addresses our business needs while remaining simple and pragmatic. The framework consists of four key components:

- 1 **RISK MANAGEMENT PROCESS**  
to identify, prioritise, and manage risks
- 2 **RISK MANAGEMENT STRUCTURE**  
for implementation of the process
- 3 **RISK MANAGEMENT TECHNOLOGY**  
to identify risks in a proactive manner
- 4 **RISK MANAGEMENT SUBJECT MATTER EXPERTS**  
who engage with and guide business leadership to optimise the process

## Risk management process



## Risk Management Committee (RMC)

**FORMED BY**  
THE BOARD OF DIRECTORS

**OBJECTIVE**  
Framing, implementing and monitoring a risk management plan

**RMC'S RESPONSIBILITY**

- Regularly reviewing the plan and ensuring its effectiveness
- Manages risks that impact mid- to long-term objectives of the business

## Key risk categories and mitigation plans



### CHANGING CONSUMER PREFERENCES

The pandemic has had a huge impact on consumer behaviour globally. Consumer preferences are changing and shifting towards branded, health and wellness focused products

#### Mitigation measures

- We track consumer trends, which act as inputs in our innovation process
- We have deployed a dedicated innovation funnel for the next five years, which encompasses evolving changes in consumer preferences

- During the year, we accelerated the pace of innovation across key categories with multiple launches/ extensions within key brands
- Implemented a well-defined NPD stage gate process and embedded the use of technology for tracking projects



### COMMODITY SOURCING

Agri-commodities are subject to seasonal and market cyclicality. Volatility in commodity prices and availability can have an impact on our business, operations, and cash flows

#### Mitigation measures

- We rolled out restructuring of commodity sourcing organisation, which would act as a key enabler for future growth aspirations
- The commercial implications of commodity price movements are continuously assessed and, where appropriate, are reflected in the pricing of our products

- During the year, a network optimisation study was deployed to identify and evaluate alternate sources/vendors for various strategic tea components



### BRAND EQUITY RISKS

The relevance of existing brands in light of changes in consumer behaviour is vital for sustainable growth of the organisation.

#### Mitigation measures

- For our tea brands, we executed state-specific strategies and continued to invest in localised marketing campaigns

- We significantly increased investment in brands in our India business



### SALES AND DISTRIBUTION RISKS

We have ambitious distribution growth plans, and any strategic moves would have associated risks that need to be mitigated. The shift in channel/ retailer strategy also needs to be closely monitored.

#### Mitigation measures

- Expanded shopper marketing initiatives and leveraged portfolio play across Foods and Beverages
- 100% Distributor Management System (DMS) and Salesforce Automation (SFA) implementation to enable end-to-end visibility of secondary sales, distribution and servicing levels

- Implemented tailored trade strategies with an increased rigour to evaluate trade spend efficiencies, resulting in higher ROI on trade investments
- During the year, our 'Always on' performance marketing approach has yielded strong e-commerce growth

## Risk management



### SUPPLY CHAIN RISKS

Lack of timely availability of resources can halt business operations and supply chain

#### Mitigation measures

- We have put in place business continuity plans for key co-manufacturers and third parties
- In FY 21-22, partial lockdowns across the country and disruptions in finished goods supply chain were managed through enhanced crisis management and business continuity plans



### CYBER SECURITY RISKS

Our IT infrastructure has been shifted completely to cloud for greater efficiency in our operations, thus exposing us to information security breaches through cyber attacks.

COVID-19 has given rise to further challenges in cyber-security.

#### Mitigation measures

- While business applications and data are hosted on the cloud, our carefully designed architecture infrastructure is regularly benchmarked against NIST, CSA and other industry-leading standards
- Access to cloud infrastructure is designed on Cloud Scale Zero Trust Network architecture of industry leading provider
- Single-Sign-On solution is implemented for all applications with multi-factor-authentication for added security against identity/data theft
- During the year, we completed a security audit for our cloud infrastructure and implemented mitigation controls
- We scaled up proactive monitoring capabilities with Safe Security for the entire digital landscape, based on the industry standard of Common Vulnerability Scoring System (CVSS)



### BUSINESS ACQUISITION AND INTEGRATION RISKS

Inorganic expansion will have associated risk of compliances, technology, business delivery, values and people/culture

#### Mitigation measures

- In our growth phase, managing integration risk has paramount importance. Management has constituted a Business Integration team comprising subject matter experts of different domains, to plan, prepare, track and monitor execution against predefined milestones and synergy benefits
- Compliance registers are maintained for various licenses, contracts, reporting, among others
- Employee engagement, role assignment, imparting training for inclusiveness and adoption of values and culture



### COMPLIANCE AND REPUTATIONAL RISKS

Being part of the Tata Group, it is paramount for us to maintain the highest standards of doing business

#### Mitigation measures

- Being a multi-geography consumer major, we are subject to extensive laws and regulations, which are complex and constantly changing
- A compliance framework has been designed and rolled out, for different geographies/business units. In addition, audits are conducted by third parties and an in-house team from time to time
- A stringent code of conduct policy covering all our employees and business partners is in place to ensure adherence with regulations and to conduct business with the highest ethical standards
- All our manufacturing facilities undergo regular food safety, Good Manufacturing Practices, and safety audits along with continuous monitoring and upgradation
- During the year, 802 participants engaged with the anti-bribery and corruption e-learning module
- For vendor due diligence, anti-bribery and corruption questionnaire was shared with vendors and will be re-administered every 2 years



### SUSTAINABILITY RISKS

As a socially responsible company, it becomes imperative to reduce our environmental footprint and meet stakeholders' expectations, particularly relating to climate change, water security, packaging waste, and sustainable agriculture

#### Mitigation measures

- Our sustainability strategy is centred on the pillars of 'Better Planet', 'Better Sourcing', 'Better Communities' and 'Better Nutrition'
- We have programmes to reduce energy consumption, increasing the use of renewable energy, circular economy and water stewardship
- Tea packing centres generated 47% higher solar energy, compared to FY 20-21
- Increased focus on sustainable sourcing- partnerships with trustea and Rainforest Alliance
- Financed climate change vulnerability and risk assessment studies in tea growing areas in India
- Tata Souful products are based on millets, which are climate-resilient crops and they require lesser quantities of water and are high on nutritional value
- CSR & Sustainability Committee in place to assess and manage climate related risks
- During the year, Tata Coffee – Won 4 awards at OHSAI HSE Excellence & Sustainability Awards 2021



### PEOPLE RISK

To realise our vision, it is important to attract and retain talent

#### Mitigation measures

- Initiatives in place to build a progressive culture and engaged workforce, spanning employee well-being, diversity and inclusion, learning and development and career progression



# ON COURSE



# TO LEAD

At Tata Consumer, our strategy is focused on achieving our business goals while keeping in mind our vision of building better lives and thriving communities.

We identify, assess and leverage opportunities in order to progress across our strategic priorities, thus creating value for our stakeholders.



Our strategy

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Strengthen and accelerate core businesses

[PAGE 58](#)



Drive digital and innovation

[PAGE 64](#)



Unlock synergies

[PAGE 70](#)



Explore new opportunities

[PAGE 74](#)



Create a future-ready organisation

[PAGE 82](#)



Embed sustainability

[PAGE 86](#)



Our strategy

# CULTIVATING EXECUTION EXCELLENCE

We stay on top of evolving trends and preferences in the consumer landscape and consider stakeholder expectations while setting our goals. This enables us to respond proactively to opportunities, create sustainable profitable growth and deliver on our transformation agenda.



## OUR STRATEGIC FRAMEWORK



**S1**  
STRENGTHEN AND ACCELERATE CORE BUSINESS



**S2**  
DRIVE DIGITAL AND INNOVATION



**S3**  
UNLOCK SYNERGIES



**S4**  
EXPLORE NEW OPPORTUNITIES



**S5**  
CREATE A FUTURE-READY ORGANISATION



**S6**  
EMBED SUSTAINABILITY

### Key levers

- **India**  
Invest behind brands, drive premiumisation, expand distribution and develop alternate channels
- **International**  
Grow share in non-black tea and focus on three-brand strategy in the tea portfolio. Drive structural efficiencies to improve profitability

- Embed digital across the organisation to increase operational efficiency
- Increase focus on e-commerce
- Accelerate innovation agenda

- Common sales platform
- Integrated back-end
- Integration Management Office (IMO) to project manage integration of newly acquired businesses and track synergies
- Simplified and efficient structure

- Re-align portfolio based on growth potential and sustainable returns
- Accelerate new launches
- Explore inorganic opportunities

- Purpose-led organisation
- Integrated organisation structure
- Harmonised systems and processes
- Consistent capability building

- Building a sustainable business for all our stakeholders
- Making sustainability strategy an integral part of overall business strategy

### Key enablers

- Fit for purpose marketing strategy and investment to improve brand strength
- Significantly expanded direct and total distribution, including a robust rural distribution network
- Integrated distribution network for all tea brands in the international markets
- Dedicated teams for alternate channels – e-commerce, institutional, among others

- Channel partner digitalisation in the sales and distribution network
- Embed digital across the value chain to drive insights and analytics
- Drive faster decision-making and create efficiencies with analytics
- Focus on e-commerce and invest in digital marketing
- Build people capability and encourage entrepreneurial culture, with increased agility

- De-layering of distributor network
- Distributor rationalisation and scale through combined F&B portfolio
- Efficiencies through scale in procurement and logistics
- Replicable model for integration of new acquisitions
- Consolidation of various legal entities

- Agility in driving New Product Introductions (NPI) with clearly defined guardrails
- Clarity on role of core vs new businesses in the portfolio
- Inorganic opportunities that pass through strict strategic and financial filters

- People skill building framework
- Strong L&D initiatives
- Employer of choice
- Open and transparent culture

- Sustainable sourcing
- Climate change management
- Water conservation
- Circular economy/Waste management
- Community work



S1   
**STRENGTHEN  
 AND ACCELERATE  
 CORE BUSINESS**

During the year, we invested in our brands, and expanded into new target markets with impactful campaigns and premium products. We gained market share in our core categories while stepping up innovation across our portfolio.



Re-staged **Tata Tea Agni** into a Masterbrand with new variants added to the portfolio. Agni is the largest brand in the Tata Tea portfolio by volume, and the restage with revised communication and packaging was rolled out in 22 states throughout India. Its 'Josh Jagaye Har Roz' campaign brings alive true stories of strong determination and passion and features players from the Indian Women's Hockey team



In the UK, **Tetley's** new Masterbrand campaign was rolled out on national TV and social media - 'For the love of tea, for the love of Tetley', celebrating the nation's love for tea, all the different ways it is enjoyed, and how Tetley has the perfect tea for every situation. From taking a flask of original Tetley to a rainy sports match, to enjoying a cup of herbal tea in bed, Tetley is for every tea lover



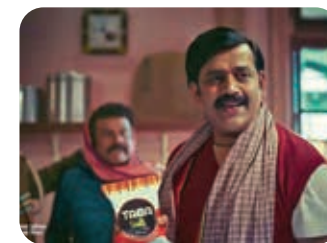
**Tata Tea Premium** continued its focus on hyper-local campaigns, launching new TVCs for Mumbai and Maharashtra, commemorating Independence Day and Republic Day with impactful 360-degree campaigns and celebrating the world's first Holi in the Metaverse

**HIGHEST-EVER**

Volume growth recorded by Tata Tea Premium in over a decade



**Tata Tea Gold** launched a festive pack collection for Durga Puja with 5 specially designed packs dedicated to 5 important days of Durga Puja



**Tata Salt** launched a 360 degree marketing campaign intervention, against look-alike brands in Uttar Pradesh. The campaign is aimed at educating the trade and consumers and features the popular UP star, Ravi Kishan to communicate the key message



Impactful campaigns were run for **Tata Coffee Grand** for the Pongal festival in Tamil Nadu tying in the brand's positioning to the sounds associated with the festival, and for **Tata Coffee Quick Filter** to deliver the message of 'filter coffee-like taste that is convenient to make'



**Tata Sampann** launched its first ever regional print campaign in Rajasthan, UP and Bihar markets. The regional marketing mix was crafted specifically for these markets, communicating a strong proposition of health and purity



**Eight O' Clock** coffee launched a new campaign themed 'Overdelivery in every cup.' The campaign was targeted at millennials who are a key target segment for the brand. The overdelivery messaging was communicated in a fun manner focusing on taste, quality and value attributes

INVESTING  
 IN OUR  
 BRANDS



S1/Strengthen and accelerate core business

We are accelerating our innovation agenda to support our premiumisation goals. Some of the value-added new launches in India include Tata Tea Gold Care and Chakra Gold Care- teas infused with native herbs for wellness benefits, new variants under our premium Tata Tea 1868 brand, Tata Coffee Gold- a premium, freeze-dried coffee and new variants under the premium R&G coffee brand, Sonnets.



DRIVING PREMIUMISATION

4.5%  
Tata Tea Gold Care as % of Tata Tea Gold



In the Foods business, we entered a new premium category of dry fruits under the Tata Sampann brand and launched value-added salts such as Superlite and Immuno under the Tata Salt brand.

In international markets, our super-premium brand, teapigs, is gaining momentum across channels and continues to outpace the category. Good Earth Tea is helping strengthen our presence in the premium fruit and herbal segment.



We also launched Tata Salt Super Lite, which comes with 30% less sodium than regular salt as an alternative to reduce sodium intake in diet. This became the second product by the brand in the premium, low-sodium category after Tata Salt Lite, which has 15% less sodium. The brand launched a 360-degree campaign featuring acclaimed actor, Supriya Pathak and addresses a common practice among health-conscious Indian households of reducing their salt intake. The campaign encourages consumers to consider changing to a healthier alternative with the tagline, 'Namak Badalne ka Socho'.

Tata Salt Immuno offers consumers a category-first unique proposition of added zinc, known for its immunity-building properties.

In a bid to lend support to the artisan community of the country, through our brand 'Tata Tea Premium', we partnered with Rare Planet, a start-up that promotes the work of local Indian artisans, to unveil a 'Desh ka kulhad' collection. The aim of the initiative was to support the artisan community, which faced severe setback due to the pandemic.



BUILDING PURPOSEFUL BRANDS



EXPANDING THE ADDRESSABLE MARKET



Value-added Salt

+26% Revenue

During the year, we launched new products in Tata Salt to expand the target addressable market for salt. We introduced Shuddh by Tata Salt, an iodised solar salt that gives consumers access to a high-quality, branded product at a reasonable price point. The product was tailored for the Southern Indian markets and designed to upgrade a specific segment of discerning consumers who want to spend wisely without compromising on the quality of the salt they consume.



TATA TEA'S "DESH KA KULHAD"



The collection of kulhads (earthen pots) comprises of 26 distinct kulhad designs each representing different regions of India. These hand-painted kulhads were crafted with region-specific artforms such as Madhubani folk art from Bihar, Warli artform from Maharashtra, Phulkari patterns from Punjab, Patachitra from Odisha and Sanjhi Art from Uttar Pradesh. Themed around popular motifs and landmarks from each region, each kulhad celebrated a specific artform of that region. The funds collected from the sale of these kulhads were given to artisans of Okhai in supporting their livelihood.



## S1/Strengthen and accelerate core business

### Achieving new milestones in sales and distribution transformation



Our ambition is to become a leading FMCG company with a focus on profitable and sustainable growth. A strong and agile Sales and Distribution (S&D) network will be a central cog to achieving the following:

- Handling a multi-category portfolio, including future expansions
- Reaching a much larger market and outlet landscape than ever before through our brands
- Improving our market standing with top outlets
- Driving brand engagements and new launches
- Growing the e-commerce and nascent institutional business

In FY 20-21, we began digitalisation and transformation of our sales and distribution network, which was supported by capability building among our people to deliver on our growth aspirations. The objectives of this sales transformation were as follows:

- Expand and develop quality distribution infrastructure across urban and rural markets
- Improve ROI for our distributors
- Enhance service levels and availability in General Trade
- Accelerate growth and drive better assortment across premium and large/top outlets
- Improve customer service and fill rates in Modern Trade
- Enhance market standing and performance in e-commerce
- Add strategic tie-ups in institutional business

### HOLISTIC S&D TRANSFORMATION

We modernised systems and processes across urban markets by increasing our Feet on Street (Distributor Sales Representatives), deploying a state-of-the-art Distributor Management System (DMS), fully automating order capture and delivery processes through hand-held Sales Force Automation (SFA) devices and rolling out a comprehensive productivity based incentive programme. To ensure better ROI for the distributors, we went 100% paper-free and migrated to an online claim settlement process. We also began channel financing to improve working capital flow in the network.

A big thrust in infrastructure augmentation was undertaken in Rest of Urban (Rurban) and Rural markets. We expanded our distribution presence by appointing over 8,000 Rural/Semi-urban distributors across India. 100% of this network was automated with a DMS lite solution, which enabled us to measure and track secondary transactions till the last mile. Significant improvement in quality of servicing and assortment made sure that our brands are now reaching a much larger market and outlet landscape than ever before.

While distribution expansion and quality augmentation agenda continued, in parallel, significant interventions were undertaken to improve our market standing with premium outlets. Samruddhi, our loyalty programme for premium and large retail outlets across key cities, is an industry-first, 100% digital, retail Loyalty programme, which includes digital KYC and enrolment, digital communication, digital merchandising review and audits and digitally enabled direct pay-out to outlets.

### MODERN TRADE

We strengthened our people muscle in customer-facing roles to better align and cater to the requirements of our MT customers. Joint business planning, periodic reviews and regular sync-ups ensured that our partnership with key accounts saw significant improvement. Fill rate improvement across MT accounts was taken up as a key priority with cross-functional teams comprising Sales, Supply Chain, Finance and Digital leading it.

### E-COMMERCE

We continued to drive strong performance in the e-commerce channel with further consolidation of leadership in the Tea category. Market standing and performance improved significantly across other categories. Investments were made to drive best-in-class industry practices in customer marketing, digitally powered brand engagement and improvement in service levels.

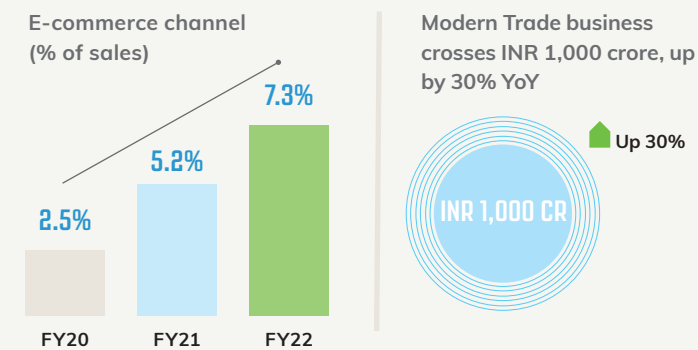
### INSTITUTIONAL CHANNEL

We reached out to institutional customers with our integrated portfolio. We continue to stay focused on driving improvement in servicing of customers, mapping and leveraging new and emerging channels and opening up new business streams for the company. Tie-ups with many strategic customers were concluded in the year.

### WINNING IN ALTERNATE CHANNELS

In addition to scaling up distribution to win in traditional channels, we are building capability to win in alternate channels.

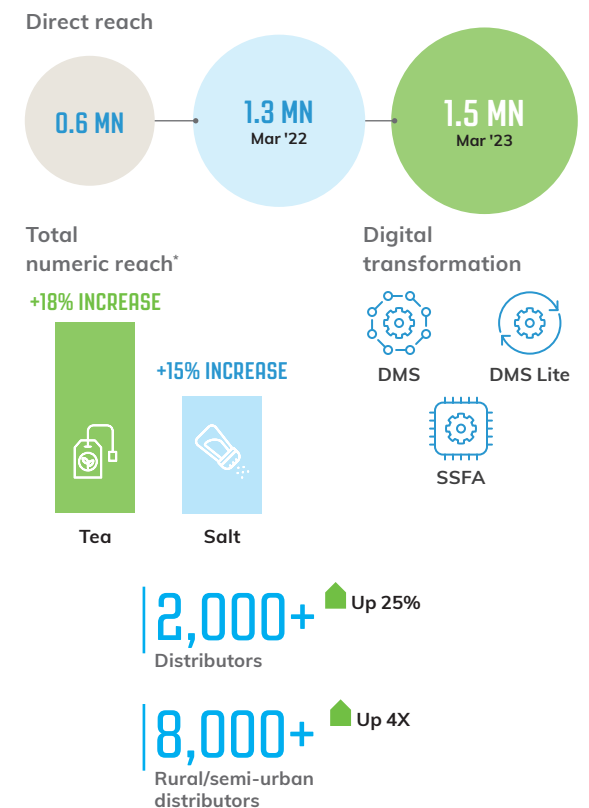
#### Winning in alternate channels – Modern Trade and e-commerce



### POSITIVE OUTCOMES REFLECTING OUR EFFORTS

Through our concerted endeavours to make our sales and distribution network more robust and future-ready, we achieved the following:

#### New milestones in S&D transformation



All numbers are for FY 21-22 vs FY 20-21 unless specified otherwise  
\* Increase in average number of dealers in FY 21-22 vs FY 20-21 (AC Nielsen)

#### A fit-for-purpose assortment





S2



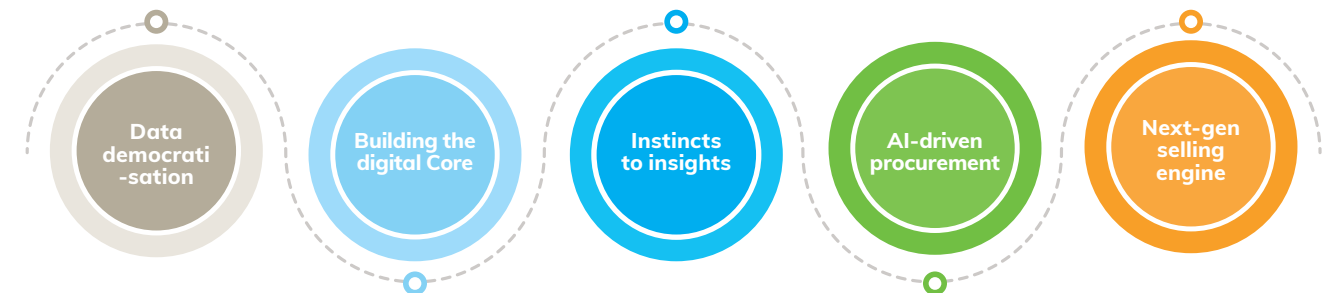
# DRIVE DIGITAL AND INNOVATION

We are leveraging the power of digital to gain new market and consumer insights while optimising resources and processes.

Through our digital transformation agenda, we have made significant progress in embedding digital across business functions and partner ecosystems. This has enabled faster and focused decision-making and sharpened our offerings and delivery. Our product and category innovations continue to address untapped and emerging consumer needs.

## DIGITAL TRANSFORMATION AGENDA

- Data Lake built on leading technology enabling 'single version of truth'
- Faster and more effective decisions through data democratisation across the organisation
- Launched augmented analytics platform 'Clearview'
- Insights from the platform help sharpen sales and marketing initiatives
- Enable on-time delivery to consumers
- Digitisation of distributor order booking for reduced cycle time.
- End-to-end visibility to distributor from request to invoice



- SAP S4 go live for Tata Consumer Products and NourishCo
- Onboarding of Tata Soulfull and Tata Q on our S&D platform

- Enables blending with precision for our tea brands
- Drives smart purchases by optimising sourcing decisions

## MINING INSIGHTS. STAYING AGILE.

We have made considerable investments in cutting-edge technology and machine learning systems to gain valuable insights from the value chain.

- Our revenue growth management team has taken a digital and analytics-first approach to generating optimum decisions in pricing, trade management, and assortment
- We have launched multiple D2C platforms and strengthened our play in e-commerce to enable an omnichannel presence, witnessing growth across Tata Tea 1868, Sonnets and Tata Soulfull

- We are bolstering NutriKorner, a one-stop, D2C channel for Tata Consumer Products in Delhi and Mumbai, with phased expansion plans. Through this channel, we aim to introduce consumers to the entire range of products being offered by Tata Consumer Products, educate them on the product range in a highly engaging manner and help consumers on their wellness and nutrition journey





## S2/Drive digital and innovation

### STRENGTHENING OUR DIGITAL CAPABILITIES

We are investing in building capability in our digital team. In addition, we initiated a focused effort to enhance digital acumen and adoption across the organisation. We are helping our employees make better and faster decisions through data democratisation. We have a single ERP system being used globally to simplify reporting. Automation of simple tasks enabled our employees to devote more time to value-added work. We also strengthened digital security measures across our platforms.

### DRIVING EFFICIENCIES FOR BUSINESS PARTNERS

For our distributors, we launched a digital order management platform with next-generation selling engine, which helps accelerate the entire ordering and fulfilment process. The platform is currently operational across 500+ distributors and we are scaling it further. We are also optimising our supply chain ecosystem with the use of digital tools across sourcing, manufacturing, packing, warehousing and distribution. This will enable end-to-end visibility across the value chain and result in efficiencies with the help of data.

**500+**

Distributors actively using the order management platform

### Strengthening online channel in international business

We launched Tetley.shop in the UK, as a home for all Tetley products while also selling some of the more unusual blends such as a combination of black tea and green tea, a top seller on the Tetley website. The range is being optimised as we drive new consumers to the website, gain insights and discover their distinct needs.

[TETLEV.SHOP](https://tetley.shop)



Teapigs.co.uk has continued to record strong growth, it being our largest online tea shop, catering to specialty tea drinkers. During the year, we added a new range of products such as Kombucha drinks on the website, which saw very good response. Select offerings such as a taster box of different flavours for some of our products helped generate new consumer traffic.

[TEAPIGS.CO.UK](https://teapigs.co.uk)



### Tata Coffee Quick Filter

Quick filter allows consumers to experience the taste of filter coffee while making it more convenient and hassle-free. Quick filter aims to provide an authentic coffee experience without the effort of brewing it.

We stepped up focus on our coffee portfolio with differentiated products catering to a variety of consumer segments and consumption occasions. In terms of innovation, this has been one of the best years for coffee. We launched four new products leveraging consumer trends on convenience and premiumisation.



ACCELERATING INNOVATION IN OUR COFFEE PORTFOLIO IN INDIA

**45%**  
Increase in volume growth (Coffee)

We launched Tata Coffee Quick Filter– a first-of-its-kind instant coffee that tastes like filter coffee, in select markets and across Modern Trade. We strengthened our premium coffee portfolio with Tata Coffee Gold in the freeze-dried coffee category. We also launched new variants of Tata Coffee Sonnets. Given their niche target customer group, Tata Coffee Sonnets are only sold through direct-to-consumer.

### Sonnets by Tata Coffee

Sonnets is a range of Reserve Single Origin Limited Edition Coffee produced from high quality Arabica coffee beans. Produced in small, limited batches, each coffee is processed in a unique way to bring out the best flavours. The D2C website allows consumers to customise their roast and grind levels for a great cup of coffee. Sonnets has expanded its offering with the Whole Bean range. Roasted beans from 8 estates were launched as part of this new range.

[TATACOFFEESONNETS.COM](https://tatacoffeesonnets.com)





S2/Drive digital and innovation



**~2X**  
Innovation to sales contribution (FY 21-22 vs FY 20-21)

DRIVING INNOVATION

ACROSS BRANDS



**ACCELERATING INNOVATION ACROSS BRANDS**

During the year, we accelerated our innovation agenda and launched several new products.

- New categories: TGP Jelly and Tata Sampann Dry Fruits, RTDs in International markets – Good Earth Kombucha & Good Energy
- Health and wellness platform: Tata Tea Gold Care, Chakra Gold Care, Tata Salt Super Lite with 30% lower sodium, Tetley Supers, Tata Soufull Muesli – Zero Added Sugar, Tata Soufull No Maida Choco
- Driving convenience: Tata Coffee Quick Filter, Tata Tea Agni Adrak
- Building premiumisation: Care range, new SKUs in Tata Coffee Sonnets, Tata Tea 1868, Good Earth Sensorial Blends, among others.

**Tata Sampann**

The Tata Sampann brand plays in the pantry staples space. Its portfolio includes pulses, spices, besan, poha, nutrimixes and dry fruits. There is a significant growth runway for Sampann since there is a large addressable market in the categories the brand operates in – for instance, India is the largest producer and consumer of pulses in the world and the market size is estimated at INR 150,000 crore – of which only 1-2% is branded. The conversion from unbranded to branded is expected to gain momentum led by increased awareness, focus on health and wellness, and increasing disposable incomes.

The pandemic resulted in consumers showing a preference for trusted brands. The 'Tata' brand has a track record of successfully driving unbranded to branded conversion in categories like tea and salt. All these factors position Tata Sampann to grow in the Foods category.

**28%**  
Volume growth in FY 21-22

One of the key differentiators for the Tata Sampann brand is our focus on quality and a sharp understanding of consumer preferences. For example, our pulses are unpolished, which offer better health benefits. For our spices portfolio, we take great care in sourcing authentic and quality spices. Their full-bodied flavour and nutrition are boosted by their natural oils that we ensure to keep intact. Poha is a category where the brand has launched offerings to cater to regional preferences. The nutrimixes range combines convenience and nutrition to offer quick, healthy and ready-to-cook Indian meals and snacks.



**RED RICE POHA RELAUNCH**

In Kerala and parts of Tamil Nadu, there is a marked consumer preference for red rice poha. We relaunched our red rice poha offering with revised pricing supported by Pongal activation. This resulted in good market response and higher growth for the product.



**ENTERING DRY FRUITS CATEGORY**

Tata Sampann recently entered the dry fruits category, which will help premiumise the portfolio and expand its addressable market further

- First national brand to launch Dry Fruits category under Tata Sampann in October 2021. Products include: Tata Sampann California Almonds, Tata Sampann Premium Cashews, Tata Sampann Premium Raisins, Tata Sampann Premium Pistachios
- Quality nuts, hygienically packed in a three-layer packaging for a fulfilling consumer experience
- Positive customer response with 4+ ratings across all e-commerce channels



**NUTRIMIXES- RE-ENERGISING THE PROPOSITION**

To become a brand that is synonymous with 'nutritious and tasty', we are relooking at consumer fundamentals and renewing brand packaging to bring the nutrition ethos alive while enhancing taste. We sharpened our consumer centricity with customised marketing.



53   
**UNLOCK  
 SYNERGIES**


**We are making the organisation more effective and agile on multiple fronts. It was a year of unlocking synergies, with acquisitions and divestments, restructuring initiatives, and fast-tracking the integration of newly acquired businesses. We will continue to optimise and transform the supply chain For Better.**

**STREAMLINING AND SIMPLIFYING THE ORGANISATION STRUCTURE**

To enable a sharper focus on our core FMCG business, we transitioned the Tata Cha franchise- a tea café format Quick Service Restaurant (QSR) chain to Qmin-Shops operated by a subsidiary of Indian Hotels Company Limited (IHCL).

In our International Beverages business, we moved to a distributor-led operating model in Australia to drive further efficiencies.

Most recently, we announced a reorganisation plan that entails a) Combining Tata Coffee's business into Tata Consumer and its wholly-owned subsidiary through a composite scheme of demerger and merger and b) Purchase of minority interests in Tata Consumer Products UK through a preferential issue of equity shares. These actions further our objective of creating a future-ready organisation and will act as a stepping-stone for further simplification. Importantly, these will result in operational efficiencies, faster decision-making and execution, creation of focused business verticals and unlocking of financial value.

 **Transforming the supply chain**

We are transforming our supply chain in India to service our customers better and stay agile in the marketplace. Our journey towards building an integrated and efficient supply chain is well underway, with the following focus areas.

-  **Improve customer service metrics**
-  **Build strong and scalable business processes**
-  **Automate production processes**
-  **Deliver cost synergies**
-  **Drive digitalisation**
-  **Focus on health and safety**





## S3/Unlock synergies

### Transforming the supply chain



#### CONSOLIDATION AND RATIONALISATION

During the year, we consolidated our integrated production and delivery network into 38 centres and optimised it for lower cost and improved service levels to over 11,000 drop off points across India. This resulted in >25% savings in secondary freight/kg. Integrated business planning has been activated, with automated demand and supply planning, inventory optimisation and S&OP as the first step to a digitalised and future ready supply chain. We are embedding sustainability into our transformation journey, with 24% of our current energy needs in the supply chain network being met by solar power.

#### ENHANCING THE SUPPLY CHAIN-INTERNATIONAL BUSINESS

In our International business, we restructured the supply chain to ensure high levels of service and resilience. This means ensuring sufficient asset capacity and people flexibility to react to changes in demand, choice of right strategic partners, focus on improving forecast accuracy and collaborating with customers.



### CREATING AN AGILE AND EFFICIENT SUPPLY CHAIN

#### Transformation journey to an integrated and digitised supply chain is well underway

Optimisation of India integrated production and delivery network  
**~11,000** Drop-off points serviced through  
**38** centres across India

Cost-saving from efficiencies in the network  
**>25%** Reduction in secondary freight/kg for integrated CFAs

Digital journey well underway  
 Integrated business planning activated - Automated demand and supply planning  
 Inventory optimisation and S&OP enabled as the first step to a digitalised and future-ready supply chain

Future-readiness  
 IoT-enabled flagship factory at Gopalpur – now being scaled up

#### Rapid integration of acquired businesses

Tata SmartFoodz and Tata Soulfull  
 – Successful integration within 3 months of transaction close

Transformation of our supply chain is helping us create a more efficient, cost-effective and sustainable footprint

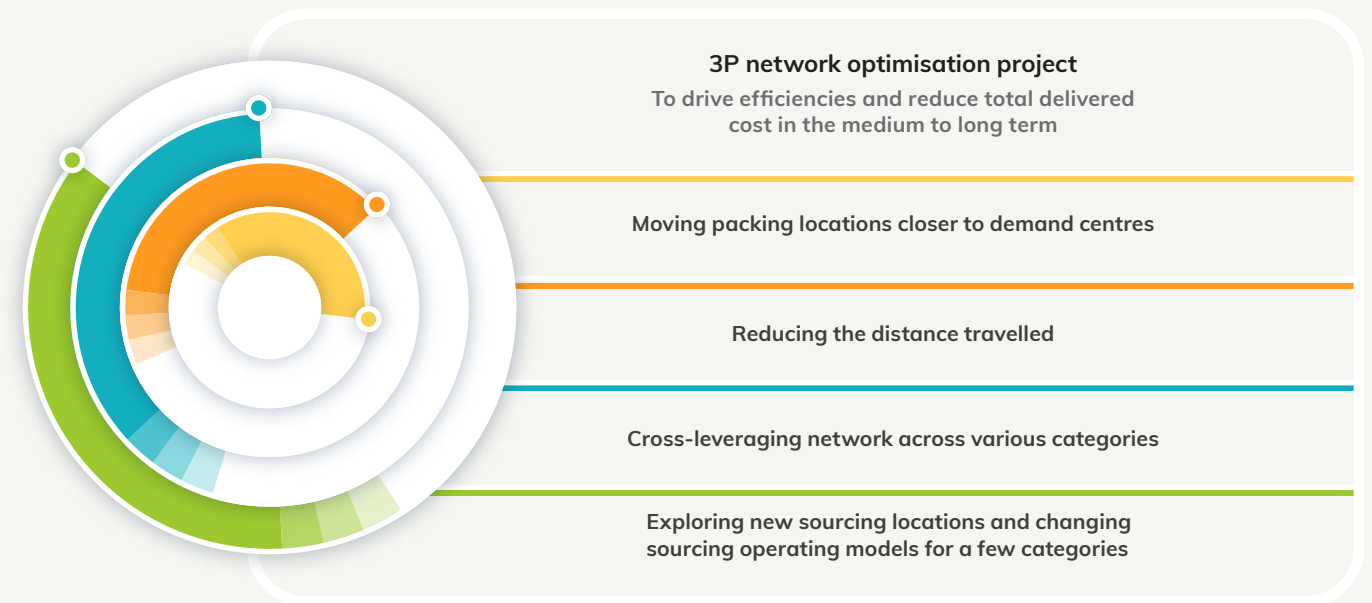
#### Sustainability

Renewable energy now accounts for **24%\*** of our current needs in the India supply chain network

\*As of FY 21-22 exit  
 Includes select own operations and supply chain units, plan in place to extend to remaining units

### OPTIMISING OUR FOODS BUSINESS NETWORK

The foods 3P network optimisation project aims to make the organisation more future-ready for categories, which are witnessing strong growth, as well as realising cost synergies over the medium to long term. The key outcomes from the project are as follows:





54  EXPLORE NEW OPPORTUNITIES



We are continually exploring and evaluating new opportunities to grow - both organically and inorganically. During the year, we entered the Ready to Eat category with Tata Q, expanded into new markets with Tata Sampann, accelerated the growth momentum for NourishCo, multiplied the reach of Tata Soufull and forayed into the energy drinks market in the UK with Good Earth. Tata Starbucks recorded its highest ever number of store openings during the year.



NEW ENGINES OF GROWTH

52%   
Revenue growth in FY 21-22



Accelerating growth in the RTD beverages segment with NourishCo

Since acquiring complete ownership of NourishCo in May 2020, we seamlessly integrated the business while achieving high engagement level within the team.

One of our key goals following the acquisition, was to expand distribution coverage to leverage the strength of our existing portfolio and maximise the potential of our innovations. Over the past year, we expanded distribution by 80% and capacity by over 50% through an asset-light model, while doubling down on innovation.





### S4/Explore new opportunities

#### Accelerating growth in the RTD beverages segment with NourishCo



For bottled water, our strategy was to expand distribution and strengthen the product portfolio across segments and price points. Some of the key initiatives undertaken in the Water business were:

- Rechristened Tata Water Plus, our mass packaged drinking water brand to Tata Copper Water to enliven the value proposition of added copper. Several other SKUs were launched to maximise the potential of the brand
- Our premium brand in the segment, Himalayan is the #1 natural mineral water brand in the country and has turned profitable during the year for the first time since inception. Direct distribution for the brand led to better control over the channel and profits

In RTD Beverages, our strategy is to rapidly increase addressable market through distribution and co-packer expansion, expand portfolio through innovations while building brands and retaining cost competitiveness. To achieve this, we:

- Forayed into 7 new states following successful pilots
- Launched a host of cost-saving initiatives
- Revamped Tata Fruski with the introduction of new flavours with an ethnic twist
- Introduced Tata Gluco Plus Jelly, a product at the cusp of snacking and beverages, to strengthen our functional beverage offerings.
- Focused on building a strong pipeline of new innovations

**83%**  
Revenue growth for NourishCo in FY 21-22

**10%**  
Innovation to sales contribution



#### Unlocking new markets with Tata Soulfull



The pandemic has triggered a demand for wellness-led products. Today, there's a greater tendency among Indian consumers to choose brands that offer healthier, more nutritious, and sustainable alternatives. This shift in consumer attitude has birthed new categories and expanded the market. With Tata Soulfull, we are strengthening our 'better-for-you' product portfolio and addressing new consumer needs with a portfolio of millet-based products for kids and adults. Millets are ancient grains that have been in use in traditional Indian kitchens for a long time and India is one of the largest producers of millets. Compared with other grains, millets require significantly less water and minimal fertilisers and pesticides to grow; thereby benefitting both the farmer and the planet.

Being gluten-free and nutrition-dense — as well as rich in iron, protein, dietary fibre and calcium — these grains are making a comeback in modern Indian kitchens, as consumers seek out healthy food options.

With rich expertise in ancient millets like ragi, Tata Soulfull has an innovative portfolio of products such as breakfast cereals, healthy snacks, muesli, and plant-based protein drinks.





## S4/Explore new opportunities

During the year, Tata Consumer acquired Tata Smartfoodz, owner of the brand 'Tata Q', which has enabled us to expand our product portfolio and enter the RTE segment. In India, the category grew significantly during the pandemic and is further expected to benefit from rapid urbanisation, high disposable income and consumers seeking convenience, variety and hygiene. The category is already large and growing strongly in the international markets where Tata Consumer Products already has a presence.



We will leverage our existing domestic and international distribution and focus on operational excellence to maximise value in the segment. The technology will also help us create a strong pipeline of value-added products in other parts of the Foods business.

# ENTERING THE READY-TO-EAT SEGMENT



Tata SmartFoodz commenced operations in 2019 and within a short time has established itself as the #2 player in the Ready-to-eat (RTE) market in India. It has a state-of-the-art manufacturing facility in Sri City, Andhra Pradesh. The Tata Q brand offers a range of innovative and differentiated products.

# BRINGING QUICK AND WHOLESOME MEALS ON-THE-GO WITH TATA Q

### Key differentiators

Each delicious TATA Q meal is prepared using high quality ingredients and sealed with care using state-of-the-art sterilisation technology. The innovative technology allows TataQ to keep the food delicious for 12 months from the date of packaging – with no refrigeration. Some of the new launches during the year include: Hot & Spicy Noodles, Pepper Masala Noodles, Classic Chicken Seekh Kebab, Spicy Jalapeno Chicken Sausages, Cheesy Pasta with Corn and Gujarati Daliya Khichdi.



## #2 BRAND

In the RTE market in India

## 230 MILLION

Impressions of Tata Q delivered across social media, OTT and YouTube



# TASTE THE GOODNESS WITH GOOD EARTH

With life returning to normal, the focus on physical and mental well-being remains top priority for the UK consumer, with their food and drink choices playing a big part in healthier lifestyles.

Good Earth, Good Energy is a new natural energy drink in 'good for you' beverages, which is grabbing the attention of young, health-conscious and planet savvy drinkers.

With vegan friendly, all-natural and organic ingredients Good Energy is a very different tasting energy drink to the norm. It's light and refreshing and for a natural boost of feel-good energy, has 80mg of natural caffeine, equivalent to a cup of coffee, sourced from Guayusa, a celebrated Ecuadorian leaf blended 15mg of added vitamin C.

All in all, it appeals to the health-aware who wants a more natural pick up, with no artificial ingredients and lower sugar levels, 4.4g per 100ml and less than 50 calories a can.

The recent 'Free the Good Energy' campaign aimed to leverage great taste and on-the-go consumption by driving distribution in key areas of London with an overarching experiential plan to accelerate product trial and awareness during the summer.





S4/Explore new opportunities

Tata Starbucks added 50 new stores to its portfolio this financial year, which is among the highest ever since its launch in India. The brand entered seven new cities of Jaipur, Siliguri, Trivandrum, Guwahati, Nashik, Bhubaneshwar and Goa and witnessed an outstanding response in each of the cities.

# TATA STARBUCKS

My Starbucks Rewards (MSR), the loyalty programme member base witnessed a growth of 21% last year and boasts of a loyalty base of close to 1.1 million customers.

Tata Starbucks focused on innovation, digital and deep customer connections to navigate this pandemic and make the Starbucks experience as engaging and personalised as ever.

## PRODUCT INNOVATION

### Launch of Bake In

For the first time in India, Tata Starbucks introduced the concept of 'bake-in-store format' with a delicious menu of freshly baked items. Launched exclusively at the iconic Red Chillies store in Khar, Mumbai, the brand is offering handcrafted savoury and sweet food items in store.

The specially curated #FreshlyBakedAtStarbucks menu features delicious offerings like the Cocoa Hazelnut Croissant, Chocolate Twist, Onion & Cheese Twist, Butter Croissant, which can be enjoyed with a berry preserve and Strawberry Lattice.

### Limited Time Offerings

We launched innovative limited time offerings inspired by local flavours like Thandai Spice Latte and Thandai Spice Frappuccino®, White Mocha Coconut Barfi Latte, White Mocha Coconut Barfi Frappuccino®, Mango on the Beach Frappuccino® among others.



### Exclusive blends

Starbucks launched 3 limited edition coffee blends as follows:

- The Starbucks Anniversary Blend to celebrate the brand's 50<sup>th</sup> anniversary
- The iconic Diwali Blend that pays tribute to the rich coffee-growing heritage of the country
- The fan favourite, Starbucks Christmas Blend marking the festive season and spirit of warmth and celebration

## BRAND INITIATIVES

### Reusable Cup Day

Celebrating 50 years of coffee and connections globally, the brand gifted customers a limited-edition reusable cup on purchase of any handcrafted beverage. Coinciding with Gandhi Jayanti, this initiative was aligned with the brand's sustainability agenda, by encouraging customers to shift away from single-use cups and promoting reusability.



### Partner-forward initiatives

As part of our commitment to partner care we introduced a number of initiatives to support our partners. We launched the Covid-19 assistance programme to offer medical and monetary help during the pandemic. YourDost was another initiative aimed at providing access to counselling sessions with mental health experts. We introduced the Menstrual Hygiene Programme to make menstrual health products more accessible for our partners. We also launched the Higher Education programme for our partners and supported our communities by collaborating with non-profit organisations, Educate Girls and VIDYA India, to improve girls' education in rural areas.

### Celebrating 50 years of Starbucks

The brand celebrated the Starbucks Coffee festival with special offers across retail coffees, followed by celebrations involving recognition of strides in sustainability and focus on communities as well the connect shared between customers and baristas.



55   
**CREATE A FUTURE-READY ORGANISATION**



**We are strengthening our future readiness by building a purpose-led organisation, augmenting our capabilities across businesses and fostering an inclusive culture. We are also leveraging technology and scaling our supply chain for better effectiveness and agility.**

**DIVERSITY AND INCLUSION**

We are proud to be an equal opportunity employer. We have undertaken various initiatives to build a safe and inclusive working environment for our employees.



**Supporting employees through CUSP (Caregivers Support Programme)**

Launched a Caregivers Support Programme (CUSP) for our employees in India, for new parents or those who are on the brink of experiencing parenthood.



**Women's Inclusion Network (WIN)**

This network is a forum for women across the organisation to connect, learn and grow together.

**Promoting inclusivity**

As part of our inclusion first agenda, we have extended the group health insurance policy to cover the partners of our employees belonging to the LGBTQ community.

**Building awareness**

In order to foster a culture of inclusivity, we conducted manager sensitisation workshops for all our people managers in India.

**Mentoring**

In partnership with Cromax, Starbucks and Titan, we concluded the first batch of inter-company mentoring for women employees during the year.



ON COURSE TO BUILDING A FUTURE-READY ORGANISATION

**EMPLOYEE WELL-BEING**

Our employees are our biggest asset. During the year, we ran various initiatives for employees, focused on emotional, physical and financial well being.



**Focus on emotional & mental health**

We have partnered with YourDOST since 2020 in order to provide counselling services to all our employees and the service is also extended to a total of four dependents.



**Awareness sessions**

Weekly wellness webinars are conducted focusing on mental, emotional and physical well-being.



**Health check-ups**

We partnered with Ekincare in 2021 to provide annual healthcare service to all employees in India. A virtual consultation service in partnership with the High Range Hospital, is also available. In addition, we partnered with HealthifyMe to promote holistic well-being through a gamified 8-week digital health challenge.



## S5/Create a future-ready organisation

### EMPLOYEE ENGAGEMENT

We undertook several initiatives during the year to keep motivation and inspiration levels high across the workforce. Some of our interventions include:



- InterACTIONS, a bi-annual survey, implemented to gain regular employee feedback
- The Curiosity Circle, a platform for sharing ideas and propagate learning was launched. Employees shared project journeys and latest developments in their functions as part of this programme
- Quarterly webinars with the leadership team for employees to engage with them and raise any questions they may have



We were recognised for our commitment to fostering a positive company culture with an employee-first approach. This certification is awarded purely on employee feedback. As part of the assessment, an extensive survey was shared directly with the employees, and an independent evaluation was carried out. The evaluation factored in key parameters such as culture, career growth, workplace environment, work-life balance etc.

### EMPLOYEE RECOGNITION

We have established various reward and recognition programmes to help foster a culture of appreciation and high performance in the organisation.

Some of our reward programmes include:



A peer-to-peer programme to recognise employees for going the extra mile.



The programme recognises employees who personify the Company's values and demonstrate them in their day-to-day work.



A recognition platform for our management staff for exceptional performance.



Aims to create an environment where employees feel valued and appreciated.



A programme that encourages innovative thinking and provides a platform for employees across the globe to share their ideas with the leadership team.

#### Functional recognition programmes

Several programmes conducted to recognise individual and team contributions across functions.



# SCALING CAPACITY

As part of embedding future readiness into our supply chain, we operationalised our latest tea packaging plant in Gopalpur Industrial Park of Tata Steel Special Economic Zone. This will enable us to scale supply chain capabilities and unlock efficiencies.

# LEVERAGING TECHNOLOGY

It is a state-of-the-art, IoT-enabled unit designed to meet enhanced operational efficiency standards. It is the largest tea packing plant for Tata Consumer Products and has been built with a focus on green manufacturing, in line with our sustainability agenda.

<p><b>16 ACRES</b> Of space with integrated production design and warehousing</p>	<p><b>60 MN KG</b> Annual capacity as the largest tea packing plant for TCPL</p>	<p><b>INR 100 CR</b> Project value</p>
<p><b>I-o-T</b> Enabled</p>	<p><b>350 KW</b> Capacity of in-house solar power unit</p>	



56



# EMBED SUSTAINABILITY



At Tata Consumer Products, we operate our business in a manner that strives for better nutrition, better sourcing, better communities and a better planet.

Our sustainability strategy at Tata Consumer Products is centred around ‘Better Living’ drawing from our corporate positioning of ‘For Better’. The strategy encompasses initiatives towards sustainable sourcing, natural resource management, net zero, circular economy and community development.

## SUSTAINABILITY GOVERNANCE

We have a robust sustainability governance committee comprising the Group CFO, CHRO and COO. The committee has overall accountability and responsibility for:

- The sustainability strategy and performance across key indicators
- Oversight on implementation and monitoring of projects while managing various risks and opportunities
- Providing resources and promoting sustainability related developments

We also have sustainability working groups that maintain oversight on specific ESG-related parameters, human rights and operations. The groups are responsible for:

- Identifying and assessing risks and opportunities that help in setting targets
- Understanding and implementing sustainability initiatives
- Reporting and communicating on our progress

## HIGHLIGHTS OF THE YEAR (INDIA)

**80%**  
Of the salt packaging is recyclable  
Impacted over

**24%**  
Renewable energy

**3,500+**  
women and adolescent girls through menstrual hygiene management

**500 TONS**  
Of plastic packaging reduced through packaging optimisation

**150 MILLION LITRES**  
Of groundwater recharged in Himachal

## HIGHLIGHTS OF THE YEAR (INTERNATIONAL)

Signed up for the European Plastics Pact

Biodegradable tea bags introduced in the UK market

Established partnership with Bright Green Future, a charity supporting the next generation of sustainability leaders

Extended our 1% for the planet partnership to France and Poland





S6/Embed sustainability

# FOR BETTER SOURCING



## SUSTAINABLE SOURCING WITH TRUSTEA

The Trustea programme has achieved the world's largest sustainable agri-certification position, and aims to sustainably transform the India tea industry. An ISO 9001:2015 certified organisation and member of ISEAL\* under a globally recognised framework, Trustea is driving sustainable sourcing that benefits both the planet and farmers.

The programme has facilitated better working environment for women (maternity benefits, crèche facility), market access and better prices for small tea growers, in addition to structured grievance redressal system, better housing, potable drinking water, and uniformity in the system of wage payment for tea workers.

### Programme impact

**| 790 MN KG**  
Tea sustainably transformed

**| 59%**  
Tata Tea verified by Trustea

The Trustea programme exceeded the verification target of 100 million kg in 2021 and has cumulatively verified 790 million kg till 2022, which is over 60% of the total tea sold in the Indian market. About 81,000 smallholder farmers were verified, 6.4 lakh workers were reached through Trustea and 59% of Tata Tea is Trustea verified.

## TRANSITIONING TO A NEW STANDARD WITH RAINFOREST ALLIANCE

The Rainforest Alliance is aimed at conserving biodiversity and supporting sustainable livelihoods. The Alliance has launched a new certification with a focus on building climate resilience, cultivating rural prosperity, protecting forests and biodiversity, and advancing human rights.

**| 100%**  
Tetley Tea in our International business is Rainforest Alliance certified

\* (ISEAL members are sustainability systems and accreditation bodies dedicated to delivering benefits for people and planet)





S6/Embed sustainability

# FOR A BETTER PLANET

### Conserving rainwater

Tata Coffee, our subsidiary, created 273 natural water storage ponds. The total area converted into reservoirs exceeds 120 hectares with water holding capacity of over 3 billion litres. Rainwater harvested meets the entire requirement of coffee cultivation and processing.

**273**

Natural water storage ponds (3.4 million m<sup>3</sup> capacity) to impound excess rainwater run-off in an area of 120 hectares

**2 BILLION LITRES**

Water holding capacity of reservoirs where rainwater is harvested

### MONITORING AND MITIGATING CLIMATE CHANGE

In line with the Tata Group sustainability commitments, we are also moving forward to align with and devise robust Science Based Targets (SBTi). We monitor and calculate the carbon footprint of our tea and coffee estates, that is verified by the British Standards Institution (BSI) as per the ISO 14064 standard.



**26%**

Decrease in Scope 1+2 emissions between 2010 and 2021

**24%**

Of current energy needs met by renewable energy in the India supply chain

### HIMALAYAN WATER FACTORIES

Are powered with solar energy and also equipped with a biomass boiler for reducing GHG emissions

### RESPONSIBLE USE OF RESOURCES

In collaboration with Tea Research Association (TRA), we were apprised on climate change impacts and predictions on Assam's tea growing regions. We are cognisant of the impact climate change can have on our tea business and we are actively facilitating dialogue between our stakeholders to empower them to face and address the challenges posed by climate change in order to build a climate-resilient tea supply chain.

Our Foods and Beverages units adopt effective water management practices to minimise wastage and encourage recycling and re-use. Our project Jalodari supports community watershed initiatives and has aided in groundwater recharge in the project areas.

All our hazardous and non-hazardous wastes are managed scientifically and as required by the Pollution Control Board norms. The manufacturing units have onboarded authorised recyclers for collection, treatment and disposal of waste.

To create a positive ecological impact, we conserve biodiversity hotspots and forests near plantations in our subsidiary and associate companies – at Coorg, Munnar and Assam. Our conservation measures include, guarding the forest areas and preventing human encroachment.

### Conserving India's rich biodiversity

The Kanan Devan Hills Plantations (KDHP), an Associate Company of Tata Consumer Products, administers a land area of ~60,000 acres. Being a biodiversity hotspot, located in the Western ghats, the plantations are tucked within ecologically sensitive areas. The areas under the Company were managed as a landscape with the objective of maximising tea productivity while conserving the area with all its natural habitat. The inherent culture of biodiversity and environmental protection inculcated among employees helped maintain the ecological equilibrium in the area, which comprises Shola forests, secondary forests, grasslands, watersheds and areas abundant in flora and fauna.

In addition, KDHP was certified carbon neutral using the PAS2060 standard. A scientific survey was conducted in its plantations at Munnar, which revealed the carbon sequestered from KDHP's landscape was ~4x of what was emitted. The study determined that because of its environment friendly initiatives, KDHP releases ~3.90 lakh tons of oxygen per annum.





## S6/Embed sustainability

### CIRCULAR ECONOMY OF PLASTICS

We are founding members of the India Plastics Pact, aimed at creating and enabling a circular economy for plastics. We had earlier joined the UK Plastics Pact in 2018 and EU Plastics Pact in 2021. Our teams are actively engaged in the advisory committee and Collaborative Action Groups (CAG) to co-create a road map for plastics management.



#### Cutting down on packaging waste

All our beverages factories worldwide are zero waste to landfill, with waste being disposed through authorised vendors, who recycle or re-purpose the same.

We are extending this model in our Foods and RTD factories in India. In the international markets, there is continued rollout of biodegradable tea bags.

We began converting the packaging of our largest selling line of Tetley Original 240's in international markets. Once the transition is complete, 60% of our core black tea volume will be compostable. We have started shifting towards plant-based teabags in a phased manner.

Furthering our sustainability packaging initiatives, Tetley is taking a big step forward with its programme to explore options to eliminate single-use packaging by taking part in a 10-store trial with Tesco and Loop, offering Tetley everyday tea bags in reusable tin canisters.

#### Spreading awareness on plastic waste management

We conducted various capacity building sessions in collaboration with an NGO, Saahas Zero Waste with an objective to create a zero-waste world through circular economy. The events were conducted across Udipi, Bengaluru, Pondicherry and Oulgaret to interact with employees handling garbage and waste. Through the trainings we educated them on basic personal hygiene and a good working environment. We performed a baseline health examination on workers and their families.

**210**

People participated across locations



We are conducting trials of a widely recyclable solution for Tetley polybags and Good Earth, while our business in India continues to increase the use of recyclable packaging. In the Salt category, 80% of laminate used in FY 21-22 was recyclable.

We are engaging in constant dialogue with our suppliers to add recycled plastics during the secondary packaging phase. Currently, we are undertaking plant scale trials with secondary packaging with recycled plastic.

#### EXTENDED PRODUCER RESPONSIBILITY (EPR)

Our EPR target in India is to collect 100% of total packaging for Beverages, Foods and RTD divisions. Our cross-functional team implemented EPR in Indian states and UTs with identified waste Producer Responsible Organisations (PROs) and are planning capacity building and awareness programmes for sanitation and waste workers, in collaboration with Urban Local Bodies and implementation partners across some South Indian states.



### PROJECT JALODARI: CONSERVING, RECHARGING AND PROMOTING WASH (WATER, SANITATION & HYGIENE)

Project Jalodari, our flagship water stewardship programme, achieved key milestones in helping communities create sustainable water sources and raising awareness on water conservation and sanitation in rural communities of Himachal Pradesh and Assam. The project is part of Tata Trusts' WASH (Water, Sanitation and Hygiene) initiative, aimed at supporting ~2.5 million people across 4,000+ villages in 12 states.

Paonta Block of Sirmaur District, Himachal Pradesh and estates in Jorhat and Golaghat districts of Assam have seen significant development as part of this project. Holistic strategies to conserve and improve rural water quality were promoted and implemented in these regions. This project also provides rural communities with sanitary infrastructure, through the Toilet Board coalition and menstrual hygiene management initiatives, in partnership with local NGOs.



“Water resource management continues to remain a critical part of our sustainability strategy at Tata Consumer. Through multi-stakeholder intervention, Project Jalodari creates sustainable water sources along with raising awareness on water conservation. We are motivated by the progress made so far with this initiative and hope to benefit many more communities through Project Jalodari.”

**Mr. Amit Chincholikar**

Global CHRO, Tata Consumer Products

Tata Trusts focuses on creating a healthy and water-secure future for underserved communities through the provision of access to safe, assured and adequate water along with improved hygiene services. Through a decentralised, demand-responsive and community managed approach, we promote innovative solutions that are technologically and economically sustainable.

The partnership between Tata Consumer and Tata Trusts, deploys a complementary approach to address the gaps of water management, sanitation and hygiene services among the vulnerable communities.”

**Mr. Divyang Waghela**

Head – Water, Sanitation, and Hygiene, Tata Trusts



#### Impact on Paonta Valley, Himachal Pradesh



#### Impact on Jorhat and Golaghat districts, Assam





S6/Embed sustainability

# FOR BETTER COMMUNITIES

## AFFORDABLE HEALTHCARE

We are working to make healthcare affordable for over 1,00,000 community members annually by supporting healthcare infrastructure building, as reflected in our efforts in developing the High Range Hospital, Munnar and Referral Hospital and Research Centre, Chubwa.



### High Range Hospital, Munnar

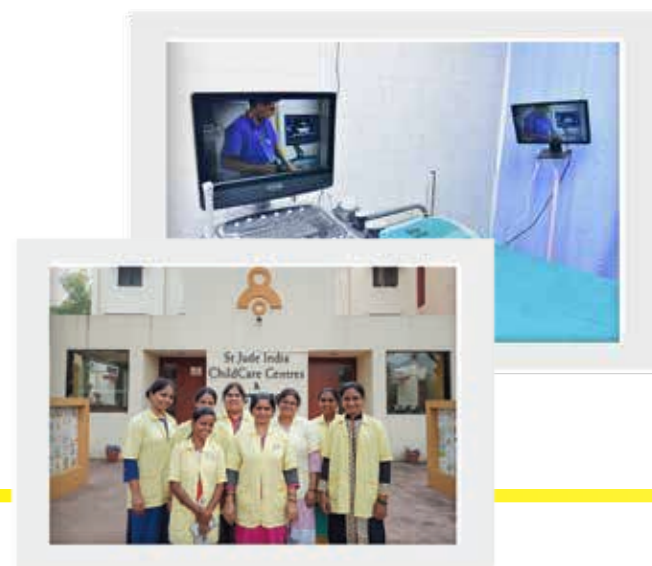
This hospital caters to ~3.5 lakh people covering a range of 40 kms where indigenous patients of Muthanan are treated gratuitously. The hospital has provisions for Covid-19 management, comprising a 12-bed high dependency unit with a dedicated team of doctors, nurses and attendees.

**38,600+**  
Patients treated

### Referral Hospital and Research Centre (RHRC) Chubwa

RHRC Chubwa provides patient care (OPD and IPD) across Tinsukia, Margherita, Namrup, Borhat and parts of Arunachal Pradesh. Medical consultations are provided to the patients through the telemedicine facility of e-Hub at RHRC.

**22,000+**  
Patients treated



## EDUCATION AND SKILL DEVELOPMENT



### High Range School, Munnar

The High Range School (HRS) is currently educating ~1,035 students (44.14% of the children in HRS are from affirmative action) and operates under the High Range Education Trust. In collaboration with the British Council, HRS has successfully achieved the International Dimension in Schools certificate for the period between 2022 and 2025.

### Srishti – Skill development for differently abled

Srishti is a charitable trust dedicated to the rehabilitation and generation of sustainable livelihoods for differently abled children and young adults in the rural plantation communities of Munnar, Kerala. Srishti has rehabilitated 123 youths through education, social and vocational skill development initiatives and received an increased grant of INR 4.4 crore in FY 21-22 for the upgradation of critical infrastructure and transportation facilities in the skill development centre.

## UNICEF – ETP PROJECT: IMPROVING LIVES PROGRAMME IN TEA ESTATES OF ASSAM

The Improving Lives programme for children and women in Assam's tea community is managed by UNICEF and the Ethical Tea Partnership (ETP) and funded partly by Tata Consumer. The programme promotes early childhood development and adolescent empowerment among women and children.

Over the past seven years, the programme has made a huge difference to the lives of children and young women in 205 tea estates across 8 districts of Assam. The project has expanded across the domains of education, health and nutrition, as well as water and sanitation challenges.

**60%**

ASHA/Anganwadi workers have confirmed that WASH implemented in gardens has improved post the UNICEF-ETP programme

**60%**

Mothers think that malnutrition is no longer a problem in the region



### Coorg Foundation

The Coorg Foundation, established by our subsidiary, Tata Coffee in 1994, is synonymous with bringing economic, ecological and social change in Coorg. Its objective is to promote the welfare of the local community of Coorg. Swastha Centre for Special Education & Rehabilitation supports around 237 beneficiaries with different needs through their community-based rehabilitation programmes.

### Menstrual hygiene

Activities in 2021 included:

- 42 field functionaries were trained on the effective use of Menstrual Health Management (MHM) communication packages
- 220 girls were trained on MHM. These girls reached out to 9,912 adolescent girls club (AGC) members on WASH and MHM
- 1,266 adolescent members, including 297 boys of the tea gardens were sensitised on MHM

Phase III of this project is under discussion, which is being curated with a focus on integrating Family Friendly Policies (FFPs) at the workplace, improving gender equity, and co-creating solutions for the sustainability of the environment.





## S6/Embed sustainability

### UNICEF PROGRAMME FOR EARLY CHILDHOOD DEVELOPMENT

Under the Tetley brand we had committed to a 5-year Tetley - UNICEF Project for Early Childhood Development (ECD) in Malawi tea estates. With this programme we intend to support a thriving, profitable and sustainable Malawi tea industry for producers, workers and smallholder farmers.

The project will support children aged between 0 and 5 with focus on the first 1,000 days in tea estates with quality, integrated early childhood development (ECD) services, including health, nutrition, early learning, child protection, caring, nurturing and a clean and protective environment.



### #SABKELIVEJAAGORE

Through Tata Tea, we launched the latest edition of 'Iss Baar, Sab ke Liye, Jaago Re', to spread awareness on an important cause. The initiative called on individuals to come forward and aid everyday workers such as maids, drivers, security guards and gardeners who may not have access to the right resources or platforms to register for their vaccination or may have limited access to knowledge on vaccination.

### TATA CHEMICALS SOCIETY FOR RURAL DEVELOPMENT

Salt is one of the core businesses of Tata Consumer Products and it is supplied by Tata Chemicals Limited (TCL). The Tata Chemicals Society for Rural Development (TCSRSD) was established by TCL in 1980 to fulfill the social responsibilities of TCL to communities neighbouring the Company's manufacturing plant in Mithapur (Gujarat).

We are extending financial assistance to TCSRSD since 2019 for carrying out work towards building economic capital, environmental integrity, and social development.

### LAMP (LEARNING AND MIGRATION PROGRAMME)

LAMP, in partnership with the American India Foundation, has helped implement learning and migration programmes across vulnerable communities in Kutch, Banaskantha, Dahod, among others. The programme has benefitted 9,035 students.

### JAL DHAN (WATERSHED DEVELOPMENT AND WATER MANAGEMENT)

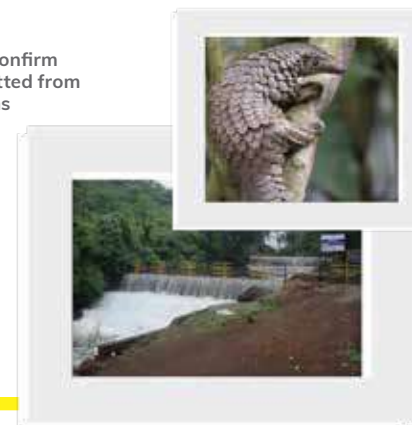
The TCSRSD has aided conservation and water management in 45 villages. The water harvest capacity in FY 21-22 reached 23 million cubic feet litres. The programme covered 412 farmers in the watershed management programme.

**INR 5,000-9,000**

Additional income earned by farmers

**100%**

Survey respondents confirm that they have benefitted from ponds and check dams



### INDIA BUSINESS

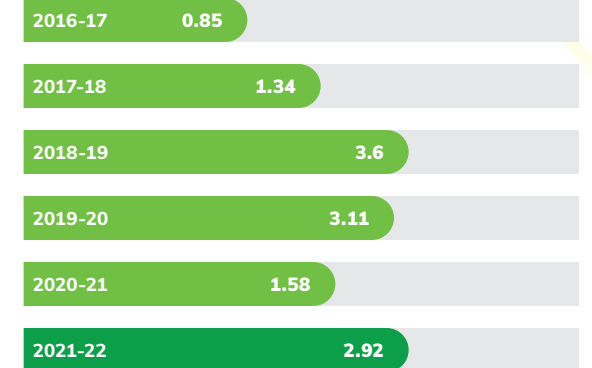
During the year, our employees volunteered in multiple activities, which were organised across our offices and manufacturing locations.

**8,565 HOURS**

Employee volunteering (India)



#### VOLUNTEERING STATS (HRS/EMPLOYEE)



# EMPLOYEE VOLUNTEERING

### INTERNATIONAL BUSINESS INITIATIVES

#### Positivi-tea

Our employees volunteer through the Positivi-tea team to engage with and help people through donations and collection of goods. Our CSR committee organises events and fundraisers that help us champion our volunteering programme.

#### Manufacturing tea and care

We support the local community of Teesside, UK through numerous programmes focused on promoting well-being and skill development. These include conducting mind and body workshops, supporting training initiatives towards local skill development, as well as helping generate employment opportunities for locals across our manufacturing sectors.

#### Covid-19 Support

We collected donations and raised money to support individuals in need. The vaccination rollout programme in the UK was successful thanks to the effort of our volunteers.

#### Fareshare

Fareshare redistributes surplus food to charities and during the year, we donated 16.6 tonnes of surplus food products to Fareshare, which contributed towards 39,451 meals for people in need.

**39,451 MEALS**

Donated through Tesco's winter food collection initiative

Tesco Food Collection Week, in partnership with Fareshare and Trussell Trust collected extra food to support people in urgent need during Christmas.

We also backed a local programme 'Donate a Plate' during Christmas, collecting food for underprivileged people.





# ON COURSE

# WITH ACCOUNTABILITY

Our Company is centered around the highest standards of governance, leading to fair, transparent and ethical business conduct.



Governance framework

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Board of Directors

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Board discussions and activities

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Leadership team

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# GOVERNANCE



Governance

# LEADING WITH PRINCIPLE AND PRUDENCE

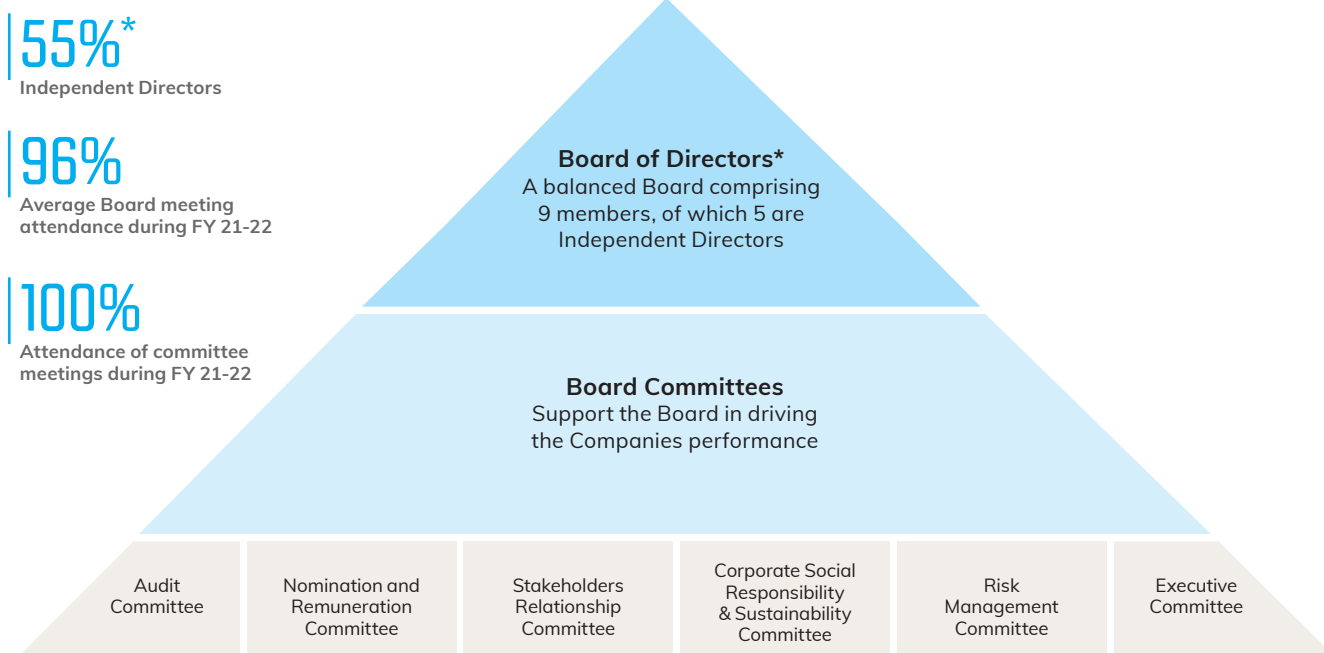
At Tata Consumer, corporate governance forms the cornerstone of our business. We comply with international governance standards and the Tata Code of Conduct in attaining the organisation’s vision and growth objectives. Our governance framework aligns the interests of all our stakeholders and forms the basis of our corporate strategy, environmental awareness, ethical behaviour, and risk management.

## THE BOARD PHILOSOPHY

We believe that corporate governance is not only a principle that the organisation follows but it’s a way of life that is embedded in its behaviour and culture. The philosophy of the Company’s corporate governance ensures transparency in its affairs, in the functioning of the Management and the Board and accountability

towards its stakeholders. It also encompasses the oversight of business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

## GOVERNANCE FRAMEWORK



\* as on May 4, 2022

## KEY BOARD DECISIONS UNDERTAKEN DURING THE YEAR



### Q1

- Evaluated the R&D structure and strategy
- Reviewed the digital strategy

### Q2

- Reconstituted the composition of the Audit Committee comprising only Independent Directors
- Reviewed the terms of references of all Board Committees and formalisation of the Charters of all Board Committees
- Expanded the role of Corporate Social Responsibility Committee to include sustainability; and CSR committee was renamed Corporate Social Responsibility (CSR) & Sustainability Committee

### Q3

- Reviewed the Foods business strategy
- Transitioned the Tata Cha business, a tea café format Quick Service Restaurant (QSR), as part of business rationalisation
- Acquired Tata Smartfoodz Limited from Tata Industries Limited
- Launched share-based, long-term incentive scheme for employees of the Company and subsidiary companies
- Revised policies for more clarity and accountability
- Adopted updated Anti-Bribery and Anti-Corruption (ABAC) policy
- Adopted policy on Human Rights and formulated Health, Safety and Well-being policy
- Appointed Dr. K.P. Krishnan as an Additional (Independent) Director effective October 22, 2021

### Q4

- Reorganisation of India and overseas business to simplify, align and synergize its business
- Amended enterprise risk management (ERM) policy
- Enlarged the metrics on Board skills and competencies
- Approved composite scheme of arrangement among the Company, Tata Coffee Limited and TCPL Beverages & Foods Limited, a newly formed wholly-owned subsidiary company
- Approved preferential issue of shares of the Company to Tata Enterprises (Overseas) AG ('TEO') as consideration for the purchase of 10.15% stake that TEO holds in Tata Consumer Products UK Group Limited (TCP UK)



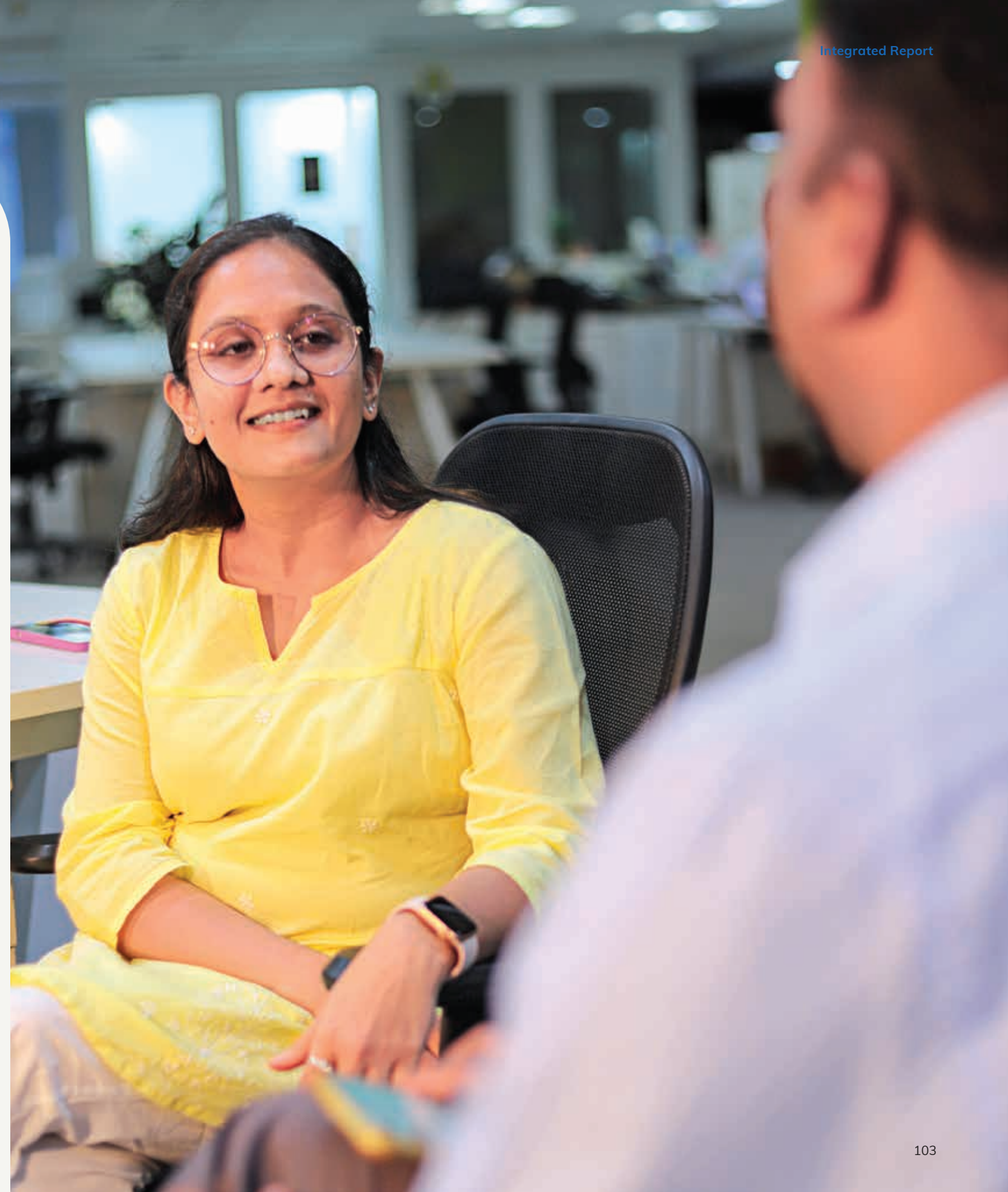
## Governance

### BUSINESS ETHICS AND COMPLIANCE

We believe in conducting our business with utmost integrity while complying with applicable statutory norms. We have devised robust policies to ensure that our business is responsibly carrying out its operations.

We have the following policies

-  Whistle blower policy
-  Tata Code of Conduct 2015
-  Remuneration policy
-  Policy on nomination, appointment and removal of directors
-  Corporate social responsibility policy
-  Policy on determination of materiality for disclosure
-  Policy for determining material subsidiaries
-  Dividend distribution policy
-  Code of corporate disclosure practices
-  Policy on related party transaction
-  Archival policy
-  Document retention policy
-  Tata affirmative action policy
-  Anti-bribery and anti-corruption policy
-  Supplier code of conduct
-  Group health safety & well-being policy
-  Business and human rights policy





# BOARD OF DIRECTORS

as on May 4, 2022



**Mr. N. Chandrasekaran**  
Chairman

**N**

Mr. Chandrasekaran is the Chairman of the Board at Tata Sons, the holding company and promoter of all Tata Group companies.

Mr. Chandrasekaran 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, Air India, Tata Chemicals, Tata Consumer Products, Indian Hotel Company, and Tata Consultancy Services (TCS) – of which he was Chief Executive between 2009 and 2017.

His appointment as Chairman followed a 30-year business career at TCS, which he joined from university. Mr. Chandrasekaran rose through the ranks at TCS to become the 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 FY 15-16 and consolidated its position as the largest private-sector employer in India and the country's most valuable company.

In addition to his professional career at Tata, Mr. Chandrasekaran is on the International Advisory Council of Singapore's Economic Development Board. He is the Chairman of the Indian Institute of Management, Lucknow as well as the President of the Court at the Indian Institute of Science, Bengaluru. He

is a member of Bocconi's International Advisory Council and the Co-Chair of the India US CEO Forum. He is on the Board of Governors of the New York Academy of Sciences and has been elected as an International Member of the United States National Academy of Engineering (NAE).

Mr. Chandrasekaran has been conferred with the Padma Bhushan, one of the highest civilian awards in India, in the field of trade and industry in 2022. He has been awarded several honorary doctorates by leading Universities in India and internationally, including an honorary Doctor of Letters from Macquarie University, Australia, an honorary Doctor of Science by the Aligarh Muslim University, and a Doctor of Letters from the Regional Engineering College, Trichy, Tamil Nadu, where he completed a Master's degree in Computer Applications before joining TCS in 1987.

Mr. Chandrasekaran is the author of Bridgital Nation, a ground-breaking book on harnessing technological disruptions to bring Indians closer to their dreams.

Mr. Chandrasekaran is an avid photographer and a passionate long-distance marathon runner. He has completed the World Marathon Majors. It includes the marathons in New York, Boston, Chicago, Berlin, Tokyo and London.

Born in 1963, Mr. Chandrasekaran lives in Mumbai, with his wife Lalitha.

**A** Audit Committee

**N** Nomination and Remuneration Committee

**S** Stakeholders Relationship Committee

**C** Corporate Social Responsibility (CSR) & Sustainability Committee

**R** Risk Management Committee

**E** Executive Committee

**●** Committee Chairman

**●** Committee Member



**Mr. P. B. Balaji**  
Non-Executive  
(Non-Independent) Director

Mr. P.B. Balaji is the group Chief Financial Officer of Tata Motors Limited since November 2017. In his role as the CFO of Tata Motors, he is a part of the executive committee of Tata Motors and is responsible for Tata Motors' financial performance and helps the Company make the right choices to seize the future while driving profitable and sustainable growth. He is also on the Boards of Jaguar LandRover, Tata Motors Finance Group, Tata Technologies.

Mr. Balaji is a global finance professional with almost three decades of experience in the corporate sector spanning the

FMCG and Automotive industries. He started his career with Unilever in 1995 and worked in different corporate finance roles across Asian markets, Switzerland, UK and India. He joined Tata Motors after his last assignment with Hindustan Unilever, a USD 6 billion enterprise, where he headed the finance function as CFO.

An alumnus of the Indian Institute of Technology, Chennai, Mr. Balaji also has a post-graduate degree in management from the Indian Institute of Management, Calcutta.



**Mr. Siraj Chaudhry**  
Independent Director

**A**

**S**

**C**

**R**

Mr. Siraj Chaudhry has worked extensively with industry, the social sector, and the government on transformational and numerous nation-building projects. He has over 34 years of experience in building, turning around, acquiring, and divesting businesses. In his current role as Managing Director & CEO of NCML, he is leading the organisation into greater diversification and expanding the company footprint across the country as a trusted and preferred agri supply chain and solutions company.

Mr. Chaudhry was the Chairman of Cargill India, the Indian arm of Cargill Inc., where he led the building and expansion of Cargill's Food Business in India. He was instrumental in transforming a traditional B2B business into an FMCG company of repute. He also serves as an Independent Director on the Boards of Tata Coffee Ltd., Dhanuka Agritech, Jubilant Ingrevia Ltd., and Carrier Aircon besides being on the advisory board of ABInbev and a member

of the Food and Agri Advisory group at British International Investment (earlier CDC Group plc). He has, in the past, been an Independent Director on the Board of IndusInd Bank and has served as the Co-chair of the National Committee for Agriculture at FICCI. He is a member of CDC Group's Food & Agriculture Advisory Council. He has been former Chair of the National Committee on Food Processing at FICCI and the National Alliance for Edible Oil Fortification, a joint initiative by CII and GAIN to address malnutrition through food fortification.

He has received numerous awards and recognitions, including Pride of Uttar Pradesh by Lucknow Management Association and Pioneer for Edible Oil Fortification by FSSAI.

He holds an MBA from the Indian Institute of Foreign Trade (IIFT) and is a graduate of SRCC, University of Delhi



**Mr. Bharat Puri**  
Independent Director

**A**

**N**

**R**

Mr. Puri is the Managing Director of Pidilite Industries Limited since April 2015, having joined the Board of Pidilite Industries Ltd as an Independent Director in 2008. Mr. Puri has been a successful global business leader who has built, energised, and led diverse teams across numerous geographies in both developed and developing markets.

He started his career with Asian Paints in 1982 and rose to becoming the Head of 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 levels, culminating in him becoming the Global President - Chocolates, Gum, and Candy for Mondelez International.



## Board of Directors



**Ms. Shikha Sharma**  
Independent Director

A  
N  
C  
R

Ms. Shikha Sharma is a B. A (Hons.) in Economics, PGD in Software Technology, and PGD from IIM, Ahmedabad. She has rich experience in banking and insurance and has an excellent track record. She led Axis Bank Limited 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 began her career with ICICI Bank in 1980. She was the MD and CEO of ICICI Personal Financial Services from May 1998 to December 2000. Thereafter, she was the Managing Director and CEO of ICICI Prudential Life Insurance Company from December 2000 to June 2009. Later she was appointed as the Managing Director and CEO of Axis Bank from June 2009 to December 2018.

Ms. Sharma has won many awards, including Outstanding Businesswoman of the Year - CNBC TV18, AIMA JRD TATA Corporate Leadership, Banker of the Year - Business Standard, and has been recognised among the Top 20 Women in Finance by Finance Asia and 50 Most Powerful Women in Business by Fortune. She is on the Board of public listed companies viz. Tata Consumer Products Limited, Ambuja Cements Limited, Tech Mahindra Limited, Mahindra & Mahindra Limited, Dr. Reddy's Laboratories Limited, and Piramal Enterprises Limited. She is also an Advisor to Piramal Enterprises Limited, Google India Digital Services Private Limited, NextBillion Technology Private Limited, Bahaar Foundation - a unit of Akshati Charitable Trust and a Member of the Board of Governors of IIM, Lucknow.



**Mr. David Crean**  
Independent Director

Mr. David Crean was the Vice President of Corporate R&D and Chief Science Officer at Mars Incorporated, Virginia, USA. He held global roles across all Mars business segments contributing to science strategy, delivery, research practices, policies, innovation as well as quality and food safety standards. He has held a variety of senior leadership positions at Mars, including that of Chief Science Officer 2018 onwards. His earlier roles also included European Food R&D Director at MasterFoods (Mars Food) Europe in the Netherlands, where he was jointly responsible for turning around Mars' European Food business into a highly profitable enterprise. He also held the

role of R&D Director at Mars Poland. He was a key player in commissioning three new factories in Poland, launching 70+ Mars products, developing local supply chains, and establishing a local Polish team. He has over three decades of experience in technology and R&D.

He was a Member of the Board of the Partnership for Aflatoxin Control in Africa and a panelist at events organised by the UN and the WHO on World Food Security and Food Safety.

Mr. Crean graduated with a bachelor's degree in Applied Biology in 1982 from Liverpool Polytechnic



**Dr. K.P. Krishnan**  
Independent Director

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Dr. K.P. Krishnan served in the Indian Administrative Service (IAS) for 37 years. In his IAS career, he served in various positions in the Government of Karnataka, the Government of India, and the World Bank. He superannuated from the IAS in 2019 as Secretary to the GOI in the Ministry of Skill Development & Entrepreneurship.

In parallel with his government career, Dr. Krishnan has been a strong researcher and academic. Besides being visiting faculty at IIM Bengaluru, ISB, and Ashoka University, he held the prestigious Bok Visiting Professorship of Regulation at the University of Pennsylvania Law School in FY 12-13. He has served as the

IEPF Chair Professor of Economics at the National Council of Applied Economic Research (NAER) New Delhi. At present, he is Honorary Research Professor at the Centre for Policy Research (CPR) New Delhi.

He is an Independent Director on the Boards of Shriram Capital Limited and Dr. Reddy's Laboratories Limited.

Dr. Krishnan was educated in Economics at St. Stephens College and studied Law at the Campus Law Centre University of Delhi. He joined IIM Bengaluru in 1999 and was awarded FPM (Ph.D.) in Economics at the 2003 graduation ceremony.



**Mr. Sunil D'Souza**  
Managing Director & CEO

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Mr. Sunil D'Souza is the Managing Director & CEO of Tata Consumer since April 2020. Prior to this, he served as the Managing Director of Whirlpool India Ltd. for over four years and is credited with having turned Whirlpool into a remarkable growth story in India. Prior to joining Whirlpool, he spent around 15 years at PepsiCo, where he held several leadership roles, handling commercial aspects of the company's foods and beverages portfolio and successfully

leading the business in a large cluster of Asian countries. He began his career at Hindustan Unilever in 1993. With 29 years of rich experience, he has strong domain knowledge of the consumer products business with distinct focus on strategy, growth and execution.

Mr. D'Souza is an engineering graduate from the University of Madras and an alumnus of the Indian Institute of Management, Calcutta (IIM-C).



**Mr. L. Krishnakumar**  
Executive Director & Group CFO

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Mr. L. Krishnakumar is the Executive Director and Group CFO of Tata Consumer Products. He started his career as a management consultant with A. F. Ferguson and Co. in India and the Middle East. He subsequently worked with Larsen and Toubro Ltd. across multiple functions as General Manager, Finance where he gained experience in of engineering, information technology, shipping and more.

In 2000, Mr. Krishnakumar joined the Tata Group in the hotel business as Vice President – Finance and was appointed Senior Vice President - Finance of the

erstwhile Tata Tea in India in 2004. During his tenure, he has handled different roles for the Company in India and the UK.

He is a Director on the Board of NourishCo Beverages, Tata Starbucks, and several of the Company's overseas subsidiaries in addition to Infiniti Retail. He has also been a member of the finance forums of CII and Bombay Chamber.

Mr. Krishnakumar is a qualified Chartered Accountant, Cost Accountant and a Company Secretary.

(A) Audit Committee

(N) Nomination and Remuneration Committee

(S) Stakeholders Relationship Committee

(C) Corporate Social Responsibility (CSR) & Sustainability Committee

(R) Risk Management Committee

(E) Executive Committee

● Committee Chairman

● Committee Member



# LEADERSHIP TEAM



**Sunil D'Souza**  
Managing Director & CEO

Mr. Sunil D'Souza is the MD & CEO of Tata Consumer Products since April 2020. Prior to this, he served as the Managing Director of Whirlpool India Ltd. for over four years and is credited with having turned Whirlpool into a remarkable growth story in India. Prior to joining Whirlpool, he spent around 15 years at PepsiCo, where he held several leadership roles, handling commercial aspects of the company's foods and beverages portfolio and successfully leading the business in a large cluster of Asian countries. Sunil began his career at Hindustan Unilever in 1993. With 29 years of rich experience, he has strong domain knowledge of the consumer products business with distinct focus on strategy, growth and execution.

Mr. Sunil is an engineering graduate from the University of Madras and an alumnus of Indian Institute of Management, Calcutta (IIM-C).



**T V Swaminathan**  
Global Chief Digital Officer

T. V. Swaminathan joined Tata Consumer Products in March 2021 as Global Chief Digital Officer (CDO) to chart out and execute a digital roadmap for the company. His responsibilities also include enabling the business using digital, enhancing analytical capabilities and leading the development of a digital vision and value proposition.

With 24 years of experience, Swami was previously with Nissan Motors, Japan, as Chief Digital Officer. Prior to this, he has held multiple leadership roles across various businesses in General Electric (GE) and has also been a part of Accenture and Servion Global solutions during his career.

Swami is a post-graduate in computer applications with a bachelor's in computer science.



**L. KrishnaKumar**  
Executive Director & Group CFO

Mr. L. Krishnakumar is the Executive Director and Group CFO of Tata Consumer Products. He started his career as a management consultant with A. F. Ferguson and Co. in India and the Middle East. He subsequently worked with Larsen and Toubro Ltd. across multiple functions as General Manager, Finance where he gained exposure to the fields of engineering, information technology, shipping and more.

In 2000, Mr. Krishnakumar joined Tata Group in the hotels business as Vice President – Finance and was appointed Senior Vice President - Finance of the erstwhile Tata Tea in India in 2004. During his tenure he has handled different roles for the Company in India and the UK. Mr. Krishnakumar is a Director on the Board of NourishCo Beverages, Tata Starbucks and several of the Company's overseas subsidiaries in addition to Infiniti Retail. He has also been a member of finance forums of CII and Bombay Chamber. Mr. Krishnakumar is qualified in Chartered Accountancy, Cost Accountancy and Company Secretarial.



**Gharry Eccles**  
President, International Business

Gharry Eccles joined Tata Consumer Products in January 2022 as President - International Business and is based in London. In this role, he is responsible for the business performance of international markets, including the development of a strong portfolio of brands, improved business growth and profitability, driving new products and innovation, and executing on new growth opportunities across markets and regions.

With over 3 decades of rich experience in consumer products, Gharry was previously with Cereal Partners Worldwide – a joint venture between Nestle and General Mills, where he was the Vice President, with business responsibility for the UK, Ireland, Australia and New Zealand covering over 1,000 employees, 3 factories and 2 R&D centres. Prior to this, he held various leadership positions across organisations such as PZ Cussons PLC, Muller Dairy Ltd, The Wrigley Company and Kimberly Clarke, Europe. He is a post-graduate in marketing from Kingston Business School.



**Ajit Krishnakumar**  
Chief Operating Officer

Ajit Krishnakumar joined Tata Consumer Products in January 2020 as Chief Operating Officer and is responsible for business integration and transformation as well as the integrated India operations and B2B businesses. Prior to this, Ajit was a Senior Vice President in the Chairman's Office at Tata Sons, with responsibilities for strategy, corporate finance and M&A for the consumer and other business verticals. Formerly an investment banker and advisor with companies such as Bank of America, Merrill Lynch and Rothschild & Co., Ajit has advised on mergers, acquisitions, divestitures and fundraising assignments across a number of industries and countries.

Ajit holds a post-graduate degree in business administration from the University of Michigan, Ann Arbor and has a bachelor's degree in business administration from the University of Hartford, Connecticut.



**Puneet Das**  
President, Packaged Beverages India & South Asia

Puneet Das joined Tata Consumer Products in November 2017. He was appointed President – Packaged Beverages (India & South Asia) in April 2021. Prior to this, he was Senior Vice President – Packaged Beverages, India where he played a key role in strengthening the core Tata Tea brand and sub-brands.

Puneet brings about 20 years of experience in the FMCG industry in India and other international markets such as the Sub-Saharan African region, Bangladesh, Nepal, Myanmar and Sri Lanka. He has held senior marketing positions in Marico, PepsiCo, GSK Consumer and has worked on iconic brands such as 7Up, Boost and Horlicks, among others. He also had a brief stint with Ola before moving to Tata Consumer.

A respected marketer and award winner, Puneet has been recognised as 'Marketer of the Year 2020' by Brand Equity.com, Pitch 'Best CMO award' for excellence in purpose-driven marketing (2020 and 2019) and is among the Super 30 CMO Honour Roll 2020 for the trailblazing work in marketing the Tata Tea portfolio. Puneet is a graduate from St. Stephen's College, Delhi, and holds a post-graduate diploma in management (MBA) from XLRI, Jamshedpur.



**Amit Chincholikar**  
Global Chief Human Resources Officer

Amit Chincholikar joined Tata Consumer Products in September 2018 and was appointed Global CHRO in December 2018. He moved from Tata Sons where he was Senior Vice President – Group Human Resources. Amit has been with the Tata Group since 2010 prior to which he has worked with Aditya Birla Group and Mercer Consulting across all HR domains, including mergers and integration, HR strategy, talent, learning, compensation and business partnership roles. Amit has also worked in several geographies across the world and has lived in India, Singapore and the US. In his current role, Amit is also responsible for and drives the key agendas of Sustainability and Business Excellence across Tata Consumer Products.

Amit is a post-graduate from Symbiosis Institute of Business Management. He graduated in science with specialisation in statistics and operations research from the University of Mumbai.



**Deepika Bhan**  
President, Packaged Foods (India)

Deepika Bhan joined Tata Consumer Products in May 2021, as President - Foods Business. Prior to this, she spent 15 years at Hindustan Unilever Ltd., most recently as the Global Brand Director where she led the brand development, innovation and communication agenda for the Hair Care portfolio for South Asia.

Having worked on leadership assignments across Sales & Marketing, Deepika brings her rich experience and expertise in brand crafting and communication, driving innovation, building new categories and P&L management combined with a strong understanding of frontline sales. She is particularly passionate about building brands and business with purpose at its heart.

Deepika is an Economics (Hons) graduate from St. Xavier's College and holds a master's degree in business administration from Xavier Institute of Management, Bhubaneswar, Odisha.



## Leadership Team



**Vikram Grover**  
Managing Director,  
NourishCo Beverages Ltd.

Vikram Grover joined Tata Consumer Products in 2011 as Marketing Head for South Asia and has played a key role in achieving several milestones for the Company's Branded Tea business in India. Now he leads the subsidiary, NourishCo Beverages. Prior to this, Vikram worked across sales, marketing and strategy at Hindustan Unilever Ltd. in India and in Unilever France and Indonesia holding significant roles such as Global Strategy and Brand Director.

He holds an MBA from the Indian Institute of Management, Calcutta (IIM-C) and a bachelor's degree from Punjab Engineering College, Chandigarh.



**Prashant Parameswaran**  
Managing Director & CEO,  
Tata Consumer Soufull Pvt. Ltd.

Prashant Parameswaran is the MD & CEO of Tata Consumer Soufull Private Ltd since April 2021. In his previous role, he served as the Co-Founder and MD/CEO of Kottaram Agro Foods (Soufull) for ten years. Under the brand name 'Soufull', he brought back traditional grains like millets to the modern Indian consumer in a form that is relevant for the 21<sup>st</sup> century.

With over 20 years of experience, Prashant began his career in 2001 by successfully setting up the distribution, operations and retail business units in India for the Kottaram Group. He has also worked in the US with international firms such as Limited Brands and Information Resources Inc., as a Director supporting the Marketing Strategies team at Safeway Supermarkets from their headquarters in California. He led the team in managing revenues and acquiring new business opportunities.

Prashant is an engineering graduate from PSG College of Technology, Tamil Nadu and holds an MBA from Babson College – Franklin W. Olin Graduate School of Business. He is a Member of the Young Presidents Organisation (YPO), Bangalore Chapter and was an active Round Tabler in Bengaluru and Cochin until 2020.



**Navaneel Kar**  
President and Head – India Sales

Navaneel Kar leads the Sales function in India for the Foods and Beverages portfolio. He joined Tata Consumer in August 2019 from ITC Limited where he spent 16 years managing multiple roles across Sales, Marketing, Strategy and Category Management. In his last role he served as General Manager – West with the responsibility for Sales across channels, Logistics, HR and Industry affairs, managing a team of 500 people and generating a turnover of INR 5,000 crore. His career coincided with the diversification of ITC from a single category company to a diversified FMCG organisation. He contributed significantly to the launch and scale up of the Foods businesses in ITC as Category Manager, helping establish S&D and category management processes. He was also the Brand Manager for Sunfeast Biscuits and played a key role in the expansion of the biscuits portfolio.

Navaneel has also worked as a Manager with Tata Motors, joining them as a Graduate Engineer Trainee (GET) from Delhi College of Engineering. He holds an MBA from XLRI, Jamshedpur.



**Punit Gupta**  
Senior Vice President,  
Strategy and M&A

Punit joined Tata Consumer Products in April 2021 and leads the Strategy and M&A function. He is responsible for driving the overall strategy for a sustainable and profitable growth mandate, as well as delivery of new businesses and acquisitions. Punit has over 16 years of experience across operational and consulting roles, including leading and delivering large-scale, complex transformation engagements across India, APAC, Europe and North America. Prior to Tata Consumer, Punit headed business strategy for Samsung Electronics for South-West Asia, driving strategic initiatives for the smartphone and the consumer durables businesses. Punit started his career in operational roles with Asian Paints and Hindustan Unilever Ltd., where he managed large sales teams across India, spanning more than 40 FMCG product categories like decorative paints, home and personal care, and foods and beverages. During his strategy consulting assignments with Accenture and A.T. Kearney, Punit led 30+ CXO-level engagements with cross-functional teams across the globe.

Punit is a Mechanical Engineer from Delhi College of Engineering and holds an MBA from XLRI, Jamshedpur.



**Rishi Gautam**  
Global General Counsel

Rishi joined Tata Consumer Products in June 2022. Prior to this, he was at Cyril Amarchand Mangaldas where he was a Partner with the general corporate practice. Rishi has extensive global experience, having worked in markets such as Australia and the United Kingdom. Rishi has worked in areas such as corporate finance transactions, structuring of investments, business and operations, day-to-day operational issues and advising on compliance and specialist legal advice in relation to disputes, employment, tax and related areas. He previously worked with organisations such as AZB & Partners, Clifford Chance LLP and Herbert Smith Freehills.



**Vikas Gupta**  
Global Head, R&D

Vikas Gupta was appointed the Global Head of R&D for Tata Consumer Products in June 2020. He began as the Head of Product Innovation for India in 2013 and was appointed the Head of Global NPD in 2017 for the Beverages business. Vikas has played a key role in achieving successful launches of innovation projects for the tea and coffee category globally.

Vikas brings diverse experience of the Food & Beverages industry with demonstrated leadership capabilities in new product development, cost innovation and supply chain to develop and launch innovation projects. Previously, he spent almost a decade in GlaxoSmithKline Consumer Healthcare Limited across R&D and Supply Chain functions and 3 years with Hindustan Unilever Ltd. in the R&D function.

Vikas has a master's in Food Technology from the Central Food Technology Research Institute, Mysore and is a graduate in Horticulture from University of Horticulture and Forestry, Solan, Himachal Pradesh. Vikas is based in Bengaluru.



**Chacko P. Thomas**  
Managing Director & CEO,  
Tata Coffee Limited

Chacko P. Thomas joined Tata Coffee Limited in 2015 as Executive Director and Deputy CEO, where he led the operations and strategic management of the plantations and later the instant coffee division. He was then appointed its Managing Director and CEO in April 2019. His stint with the Tata Group began in 1992 as an Assistant Manager in erstwhile Tata Tea. He was associated with the South India Plantations Division of Tata Tea, now known as Kanan Devan Hills Plantations Company (KDHP) in Munnar, for about 23 years. After his many roles in plantation management, he headed the business diversification when in 2012, he was appointed as Managing Director of KDHP.

Chacko has been part of the steering committees of various industry bodies like UPASI, KPA etc. He has also served as a Nominee Director of Tata Consumer on the Board of Watawala Plantations, Sri Lanka and is currently on the board of KDHP and Eight O Clock Coffee, USA. Chacko holds a degree in science with specialisation in computer science from the University of Jodhpur. He is also an alumnus of INSEAD Fontainebleau (France) following the completion of their Advanced Management Programme.



## TEN YEAR FINANCIAL HIGHLIGHTS

Particulars	Rs. in Crores										
	INDAS							IGAAP			
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2015-16	2014-15	2013-14	2012-13
<b>STANDALONE FINANCIAL HIGHLIGHTS</b>											
Revenue from Operations	7932	7154	5690	3430	3217	3064	2987	3084	2885	2683	2326
EBIDTA	1111	919	806	464	502	363	360	343	317	284	239
Operating Profits (EBIT)	969	793	692	432	475	339	337	321	297	268	222
Operating Profits Margin	12.2%	11.1%	12.2%	12.6%	14.7%	11.1%	11.3%	10.4%	10.3%	10.0%	9.5%
Profit before Tax	1151	836	729	576	723	386	317	661	349	585	321
Profit after Tax	886	620	524	411	534	276	226 \$	564	289	447	259
Earnings per Share (Rs.)	9.61	6.72	5.68	6.51	8.47	4.37	3.59	8.93	4.58	7.23	4.18
Dividend per Share (Rs.)	4.05	2.70	2.50	2.5	2.35	2.25	2.25	2.25	2.25	2.25	2.15
Dividend payout @	373	249	186	182	170	168	164	164	162	147	154
Shareholders' Funds	11762	11224	10850	4444	4213	3785	3437	2896	2502	2573	2318
Capital Employed ^	4357	3805	3588	3396	3079	3635	3505	2941	2837	2799	2568
Total Debt to Equity *	0.02	0.02	0.02	0.00	0.02	0.01	0.13	0.13	0.19	0.18	0.22
Return on Capital Employed (%)	22.2%	20.8%	19.3%	12.7%	15.4%	9.3%	9.6%	10.9%	10.5%	9.6%	8.7%
Return on Net Worth (%)	7.7%	5.6%	4.9%	9.5%	13.4%	7.6%	6.5%	20.9%	11.4%	18.3%	11.4%
Book value per Share (Rs.) *	127.39	121.56	117.50	70.07	66.42	59.62	54	45.54	39.29	41.26	37.13
Market Capitalisation	71631	58881	27173	12871	16330	9501	7652	7652	9202	9279	7906
No. of Employees	2932	2852	2689	2409	2565	2555	2552	2552	2549	2466	2489
<b>CONSOLIDATED FINANCIAL HIGHLIGHTS</b>											
Revenue from Operations	12425	11602	9637	7252	6815	6780	6637	8111	7993	7738	7351
EBITDA	1749	1569	1310	837	851	801	666	678	777	753	769
Operating Profits (EBIT)	1471	1315	1069	715	735	675	549	535	643	624	664
Operating Profits Margin	11.8%	11.3%	11.1%	9.9%	10.8%	10.0%	8.3%	6.6%	8.0%	8.1%	9.0%
Profit before Tax	1456	1311	809	735	753	662	170	545	500	707	637
Net Profit after Non Controlling Interest	936	857	460	408	496	389	(6) \$	326	248	481	373
Earnings per Share (Rs.)	10.15	9.30	4.99	6.47	7.85	6.17	-0.09	5.16	3.93	7.77	6.03
Shareholders' Funds	15142	14535	13815	7332	7,032	6,266	6,247	5,719	5,493	5,849	4,810
Capital Employed ^	4482	3791	4078	3650	3000	3232	3276	2719	2423	2355	1872
Total Debt to Equity *	0.09	0.10	0.11	0.14	0.13	0.11	0.19	0.18	0.21	0.21	0.25
Return on Capital Employed (%)	32.8%	34.7%	26.2%	19.6%	24.5%	20.9%	16.8%	19.7%	26.6%	26.5%	35.5%
Return on Net Worth (%)	6.36%	6.1%	4.0%	5.6%	7.3%	6.4%	-0.5%	5.0%	3.8%	7.8%	6.6%
Book value per Share (Rs.) *	164.07	157.48	149.67	115.82	111.07	98.93	98.64	89.96	86.38	93.90	77.08

@Includes Tax On Dividend where applicable

^ Capital Employed = Net Tangible Asset + Total Debt + Deferred Tax Liabilities

\* Total Debt includes Lease Liabilities. Equity excludes Revaluation Reserves.

\$ 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 + finance cost - interest and investment income



## BOARD'S REPORT

Dear Members,

The Board of Directors is delighted to present the 59<sup>th</sup> Annual Report on the business and operations of Tata Consumer Products Limited ("**the Company**") along with the summary of standalone and consolidated financial statements for the year ended March 31, 2022.

In compliance with the applicable provisions of the Companies Act, 2013, ("**the Act**"), the Securities and Exchange Board of India ("**SEBI**") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), this Board's Report is prepared based on the standalone financial statements of the Company for the year under review and also present the key highlights of performance of subsidiaries, joint ventures, and associate companies and their contribution to the overall performance of the Company during the year under review.

### FINANCIAL PERFORMANCE

Key highlights of consolidated and standalone financial performance for the year ended March 31, 2022, are summarised as under:

(₹ in Crores)

Particulars	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	12,425	11,602	7,932	7,154
Profit before Exceptional Items and Taxes	1,508	1,342	1,178	897
Exceptional items (net)	(52)	(31)	(27)	(61)
<b>Profit before Tax</b>	<b>1,456</b>	<b>1,311</b>	<b>1,151</b>	<b>836</b>
Provision for Tax	(377)	(317)	(265)	(217)
<b>Profit after Tax</b>	<b>1,079</b>	<b>994</b>	<b>886</b>	<b>620</b>
Share of net profit/(loss) in Associates and Joint Ventures	(64)	(63)	-	-
<b>Profit for the year</b>	<b>1,015</b>	<b>930</b>	<b>886</b>	<b>620</b>
Attributable to:				
- <b>Owners of the parent</b>	<b>936</b>	<b>857</b>	<b>886</b>	<b>620</b>
<b>Retained Earnings - Opening Balance</b>	<b>6,396</b>	<b>5,902</b>	<b>3,503</b>	<b>3,136</b>
Add/(Less):				
- Profit for the year	936	857	886	620
- Other Comprehensive Income/(Expense)	31	(112)	23	(4)
- Dividend Paid	(373)	(249)	(373)	(249)
- Other items	(18)	(1)	-	-
<b>Retained Earnings - Closing Balance</b>	<b>6,972</b>	<b>6,396</b>	<b>4,039</b>	<b>3,503</b>

### OPERATIONS AND BUSINESS PERFORMANCE

#### Consolidated Performance

Consolidated revenue from operations for the year at ₹ 12,425 Crores grew by 7% as compared to the last year. On a like-to-like basis i.e. net of exits of food service businesses in the international market, consolidated revenue improved by 9%. While the Indian Branded Business grew by 13%, led by Tea, Salt, and new engines of growth (Ready to Drink and Tata Sampann), the International Business, net of exits, was marginally lower

as compared to the previous year. India Branded Business benefitted from the expansion of the distribution reach, focus on premiumisation, and higher investment behind brands. For the International business, growth trends were witnessed similar to pre-covid levels in the later part of the year, offsetting the lower offtake in the earlier half due to covid induced pantry loading in the previous year. Improvements, mainly in Coffee plantation and extractions businesses, drove 8% growth in the Non-Branded segment.



## Board's Report

Profit before exceptional items and taxes at ₹ 1,508 Crores grew by 12%. Operating Margins remained healthy and improved over the prior year. India Branded Business margins improved for the year driven by tapering off of tea commodity cost, despite higher investments in brands, input cost inflation in foods, and growth initiatives. International Business margins improved over the previous year mainly due to control over spends despite a sharp increase in the coffee commodity prices. Strong headwinds faced for input cost inflation across business units in both International and Indian markets were managed well.

The Group's net profit at ₹ 1,015 Crores grew by 9% after absorbing higher exceptional expenditure whilst the share of profits from the joint venture and associates remained flat. Higher exceptional expenditure mainly represents costs incurred for restructuring and re-organisation and acquisition-related costs. Improved Joint Venture performance has been offset by an adverse performance by Associate companies. Tata Starbucks' performance improved significantly driven by revenue recovery and the opening of additional 50 new stores, in spite of covid led restrictions impacting performance in the early part of the year. The performance of associate companies was adversely impacted by lower price realisation, lower crop and cost pressures.

### Standalone Performance

Revenue from operations at ₹ 7,932 Crores grew by 11% reflecting growth in India Branded Business. Revenue grew mainly in the Tea, Salt, and Tata Sampann portfolio, led by higher distribution reach, investment in brands, and premiumisation. Strong support to the brands resulted in an improvement in the market share of Tea by 100 basis points and Salt by 400 basis points. Operating margins registered a healthy growth driven by tapering off of tea commodity cost in spite of input cost inflation and higher investments in brands.

Profit before exceptionals and taxes (PBIT) at ₹ 1,178 Crores grew by 31% led by revenue growth, improved margins and higher other income. Profit after tax at ₹ 886 Crores grew by 43% as compared to the previous year, mainly due to improved PBIT and lower tax rate.

## DIVIDEND & RESERVES

### Dividend Distribution Policy

According to Regulation 43A of the Listing Regulations, the Board has adopted a Dividend Distribution Policy, which had been placed on the website of the Company and can be accessed at the link:

<https://www.tataconsumer.com/investors/policies>, and is also provided in **Annexure 1** attached to this report.

### Declaration and payment of dividend

The Board is pleased to recommend a dividend of ₹ 6.05 per equity share of the Company of ₹ 1 each (605%) for the year ended March 31, 2022.

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

The said dividend on equity shares is subject to the approval of the Shareholders at the ensuing Annual General Meeting ("AGM") scheduled to be held on Monday, June 27, 2022. If approved, the dividend would result in a cash outflow of ₹ 557.54 Crores. The total dividend payout works out to 62.95% (Previous Year: 60.25%) of the Company's standalone net profit.

The dividend once approved by the Shareholders will be paid on or from June 29, 2022, and before July 27, 2022.

### Book closure

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, June 11, 2022, to Friday, June 17, 2022 (both days inclusive) to determine the eligible shareholders to receive the dividend for the year ended March 31, 2022. According to the Finance Act, 2020, dividend income will be taxable in the hands of the Members w.e.f. April 1, 2020, and the Company is required to deduct tax at source from the dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

### Unclaimed dividends

Details of outstanding and unclaimed dividends previously declared and paid by the Company are given under the Corporate Governance Report.

### Transfer to reserve

As permitted under the Act, the Board does not propose to transfer any amount to general reserve and has decided to retain the entire amount of profit for FY 2021-22 in the profit and loss account.

## SHARE CAPITAL

As of March 31, 2022, the authorized share capital of the Company was ₹ 125 Crores comprising of 125,00,00,000 equity shares of ₹ 1 each, and the paid-up equity share capital as at March 31, 2022, was ₹ 92.16 Crores comprising of 92,15,51,715 equity shares of ₹ 1 each.



## Board's Report

The Company had neither issued any shares nor instruments convertible into equity shares of the Company or with differential voting rights nor has granted any sweat equity. The Company has granted Performance Share Units to the eligible employees of the Company and its subsidiary companies in the year under review, the details of the same are provided below:

### Performance Share Units

Under authority granted by the Shareholders through Postal Ballot on December 28, 2021, the Company had adopted and implemented Tata Consumer Products Limited- Share-based Long Term Incentive Scheme 2021 (hereinafter referred to as "**TCPL SLTI Scheme 2021**" or "**this Scheme**") for grant of 5,00,000 Performance Share Units ("**PSUs**") to the Eligible Employees of the Company and its subsidiary under this Scheme. This Scheme is intended to reward, retain and motivate the Eligible Employees of the Company and its subsidiary companies as defined in the Scheme for their performance and participation in the growth and profitability of the Company.

The Nomination and Remuneration Committee ("**NRC**") administers TCPL SLTI Scheme 2021. This Scheme is in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SBEB&SE Regulations**"). There has been no material variation in the terms of the PSUs granted under this Scheme.

During the year under review, the Company has granted 65,780 PSUs to the eligible employees in terms of TCPL SLTI Scheme 2021 in January 2022 and no employee was granted PSUs equal to or exceeding 1% of the issued share capital of the Company. The Vesting period for the PSU granted under the Scheme shall not be less than one year and all the PSUs would vest, based on the Company's performance, within a period of 3 years from the date of Grant of such PSUs.

In compliance with the requirements of the SBEB&SE Regulations, a certificate from Secretarial Auditors, confirming implementation of TCPL SLTI Scheme 2021 following SBEB&SE Regulations and shareholder's resolution, will be available for electronic inspection by the members during the AGM of the Company.

The statutory disclosures as mandated under the Act and SBEB&SE Regulations, along with the aforesaid certificate from the Secretarial Auditors, have been hosted on the website of the Company at <https://www.tataconsumer.com/investors/investor-information/annual-reports>.

## KEY DEVELOPMENTS

### Combining Tata Coffee's business into the Company and its wholly-owned subsidiary through a Composite Scheme of Demerger and Merger

During the year under review, the Board has approved the Composite Scheme of Arrangement amongst the Company, Tata Coffee Limited ("TCL"), and TCPL Beverages & Foods Limited ("TBFL") and their respective shareholders and creditors ("the Scheme").

The Scheme *inter alia* provides for (a) as a first step, the demerger of the Plantation Business of TCL into TBFL, and in consideration, the Company (as the holding company of TBFL) will issue 1 equity share of the Company for every 22 equity shares held by shareholders of TCL (other than the Company) ("Demerger"); (b) as a second step, followed immediately by the amalgamation of TCL [comprising the Remaining Business of TCL (as defined in the Scheme)] with the Company and in consideration, the Company will issue 14 equity shares of the Company for every 55 equity shares held by shareholders of TCL (other than the Company) ("Amalgamation"). On the effectiveness of the Scheme, the shareholders of TCL (other than the Company) as on the record date will receive an aggregate of 3 equity shares of the Company for every 10 equity shares held by them in TCL.

Through this transaction, TCL shareholders will get access to multiple growth engines and participation in a larger and fast-growing FMCG business. The Company shareholders are expected to benefit from better synergies and business efficiencies going forward.

The Scheme is subject to *inter-alia* receipt of the approval of the requisite majority of the public shareholders and creditors of the Companies, the Stock Exchanges, the Securities and Exchange Board of India, Regional Director, MCA and the Registrar of Companies, National Company Law Tribunals (benches at Kolkata and Bengaluru) and other regulatory authorities, as may be applicable.

The Scheme and other documents are hosted on the website of the Company, which can be accessed at the link: <https://www.tataconsumer.com/investors/scheme-of-amalgamation/tc-tcplb-with-tcpl>.

### Purchase of non-controlling interests in Tata Consumer Products UK through a preferential issue of equity shares

The Board has approved the acquisition of 2,38,71,793 ordinary shares of £1 each representing 10.15% paid-up share capital of Tata Consumer Products UK Group Limited,



## Board's Report

United Kingdom, an existing overseas subsidiary of the Company ("TCP UK") from Tata Enterprises (Overseas) AG, Zug, Switzerland ("TEO"), a minority shareholder of TCP UK, for a total purchase consideration of ₹ 570.80 Crores. The consideration payable shall be discharged by way of issue and allotment of 74,59,935 equity shares of the Company having a face value of ₹ 1 each, at a price of ₹ 765.16 per equity share on a preferential basis. The issue of said equity shares on a preferential basis has been approved by Shareholders through Postal Ballot on April 29, 2022, and is subject to such other regulatory approvals, as may be required under applicable law. On the issuance and allotment of shares to TEO, under this transaction, TCP UK will become a wholly-owned subsidiary of the Company and TEO would become a shareholder of the Company holding 0.80% of the paid-up capital of the Company.

The Postal Ballot Notice, result, and other documents relating to preferential issue are hosted on the website of the Company, which can be accessed at the link: <https://www.tataconsumer.com/investors/shareholder-information/postal-ballots>.

The above transactions, along with future re-organisation, will help unlock value for both the Company and TCL shareholders who are expected to benefit from the resulting efficiencies and operational, administrative, and financial synergies.

### MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION

No material changes are affecting the financial position of the Company, after the close of the FY 2021-22 till the date of this report.

### IMPACT OF COVID-19 PANDEMIC ON THE PERFORMANCE

Overall the group performance was marginally impacted by the ongoing COVID-19. In the early part of the year, the 3<sup>rd</sup> wave caused some disruptions for India Branded Business, but it was able to recover in the later part of the year. The earlier uptick in tea prices due to covid induced shortage in crop tapered off and resulted in improvement in margins. International business in the early part of the year cycled a higher base with COVID-19 induced pantry stocking, however, volume growth returned in major markets for both tea and coffee in the international space by end of FY 2021-22. Tata Starbucks was impacted in the early part of the year with store operations being disrupted, however by end of the year 2021-22, operations are normalized.

### STRATEGIC INITIATIVES

The business continued to strengthen its foundations as a Focused Consumer Products Company. During the current year, significant progress was made on the six strategic pillars identified at the beginning of the year.

#### Strengthen and accelerate core business

Key initiatives include focus on powering brands through higher investments, driving premiumisation, distribution expansion, and developing alternate channels for growth in India Business. The Company has met the commitment of 1.3 million outlets, in India by end-March for direct reach. Significant progress made in sales through alternate channels with modern trade growing significantly and strengthening our position in the e-commerce channel. With investments and increased distribution, market share for both tea and salt has increased.

#### Drive digital and innovation

Digital is being embedded into every part of the business to stay in tune with technological advancements and drive efficiencies across the value chain. The distribution chain has been completely digitised. After the implementation of SAP S/4 HANA in the India business, the platform is being rolled out across our other businesses (mainly International and Tata Coffee) and we have initiated the setup of an enterprise data platform to draw rich insights and analyse to support the business. Digital initiatives are enabling every touchpoint in the consumer journey as well as enabling automation in the supply chain. The Company's innovation efforts are focused on understanding and pre-empting evolving consumer trends and coming up with high-quality and differentiated products to delight these increasingly discerning consumers. The innovation contribution to turnover has increased 2x times over prior year.

#### Unlock Synergies

The focus is on improving efficiency and during the year significant steps were taken. Integration of Tata Soufull and Tata SmartFoodz was completed within three months of transaction close. Operations were further streamlined in India and International markets to drive operational efficiency. The major initiatives include the Network optimization and operating model design for the foods 3P network and converting the Australian business into a distributor model. During the year, as part of our portfolio evaluation, we exited our tea café format Quick Service Restaurant business. This will enable our Company to better focus on its core FMCG business. A re-organisation plan was announced for the merger of



## Board's Report

Tata Coffee Limited and simplification of the international business. This would yield operational efficiencies in management, legal and administrative costs, assist in creating a single listed entity in capturing the full value of the Group, create focused verticals for extraction and plantations, and unlocking significant potential synergies going forward. We plan to further reduce the number of operational entities in the TCP Group over the period of the next few years to drive efficiencies.

### Create Future-Ready Organisation

The Company was certified as a 'Great Place to Work®' and recognized for its commitment to fostering a positive company culture with an employee-first approach. The Great Place to Work® is the global authority on workplace culture. In India, the Great Place to Work Institute partners with more than 1100 organizations annually across over 22 industries to help them build High-Trust, High-Performance Cultures™ designed to deliver sustained business results. The certification is awarded post an extensive survey and based purely on employee feedback and their experience working at the organization.

### Explore new opportunities

Our inorganic agenda allows us to expand into new categories and recruit new sets of consumers. With the acquisition of Tata SmartFoodz Limited, the Group forayed into the Ready to Eat ("RTE") category. The company owns the brand "TataQ" and a manufacturing facility that can cater to expansion in the Group's product portfolio. The acquisition provides a potential opportunity to unlock synergies across the value chain by integrating operations within the Group as well as the option to leverage technology to create a strong pipeline of value-added products in other parts of the food business.

### Embed sustainability

As part of the Tata Group, the ethos of responsibility and sustainability are interwoven in our corporate and work philosophy. We are committed to a sustainable way of doing business and for more details refer to Management Discussion and Analysis Report.

## SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATE COMPANIES

As defined under the Act, the Company has 42 subsidiaries, 3 joint ventures, and 2 associate companies as at March 31, 2022.

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

#### Tata SmartFoodz Limited, India ("TSFL")

During the year under review, the Company acquired a 100% equity stake of TSFL from Tata Industries Limited, consequent to which TSFL became a wholly-owned subsidiary of the Company with effect from November 16, 2021. TSFL is *inter alia* engaged in the business of manufacturing, distribution, and marketing of ready-to-eat packaged food products under the "Tata Q" brand in India.

#### TRIL Constructions Limited, India ("TRILC")

During the year under review, the Company acquired compulsorily convertible preference shares ("CCPS") held by the Tata Realty and Infrastructure Limited ("Tata Realty") in TRILC and made the additional investment by way of subscription of CCPS of TRILC. TRILC was formed as an SPV by the Company and Tata Realty with the object of real estate development of a land parcel in Bengaluru. The Company's effective stake in TRILC thereafter increased from 48.40% to 80.46% of the paid-up share capital of TRILC, on a fully diluted basis, resulting in TRILC becoming a subsidiary with effect from November 17, 2021 (earlier it was an associate company).

#### TCPL Beverages & Foods Limited, India ("TBFL")

TBFL was incorporated on February 25, 2022, as a wholly-owned subsidiary of the Company. The main objects of TBFL include, *inter alia*, carrying on the business of manufacturing, trading, producing, cultivating, and selling beverages and foods of all kinds and of cultivating coffee, tea, etc.

Except as mentioned above, no other company/entity became or ceased to be a subsidiary, joint venture, or associate during FY 2021-22 and there has been no material change in the nature of the business of the subsidiaries.

### Material Subsidiaries

The Company has 3 unlisted material subsidiaries incorporated outside India i.e. Tata Consumer Products GB Limited, Tata Consumer Products UK Group Limited, and the Eight O'Clock Coffee Company Limited.

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy for determining Material Subsidiaries and the same can be accessed on the Company's website at <https://www.tataconsumer.com/investors/policies>.



## Board's Report

During the year under review, the said Policy was reviewed and amended by the Audit Committee & the Board of Directors to encompass inter-alia the regulatory changes brought as per amendment in Regulation 16 of Listing Regulations (effective from May 5, 2021).

### Consolidated Financial Statements

According to Section 129(3) of the Act, the consolidated financial statements of the Company and its subsidiaries, joint ventures, and associates are prepared in accordance with the relevant Indian Accounting Standard specified under 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, joint ventures, and associates in Form no. AOC-1 is given in this Annual Report.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements along with other relevant documents, in respect of subsidiaries, are available on the website of the Company, at the link: <https://www.tataconsumer.com/investors/investor-relations/subsidiaries/subsidiary-financials>.

The details of the business of key operating subsidiaries, associates, and joint ventures during FY 2021-22 are given in the Management Discussion and Analysis Report, which forms part of this Annual Report.

### PERFORMANCE HIGHLIGHTS OF KEY OPERATING SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATES

#### SUBSIDIARIES

##### Tata Consumer Products UK Group Ltd, UK ("TCP UK")

TCP UK reflects the financial performance of International Tea Business. The major brands are Tetley, Good Earth and Teapigs. On a like-to-like basis, i.e. net of business exits, Revenue declined by 3% in constant currency. Whilst there was revenue growth in the later part of the year, the early part of the year recorded muted performance due to Covid related pantry loading in the previous year. Profit after tax at ₹ 143 Crores reflected a growth of 13% as compared to the previous year. Operating Margin generally remained flat against the prior year mainly driven by control over spends despite inflation driven input cost increases. Improvement in profit after tax was aided by lower exceptional expenditure. In the current year, exceptional expenditure mainly represents costs incurred for unlocking synergies and to create a future-ready organization whilst the previous year had the impact of disposal of businesses.

In the UK, revenue was lower by 3% mainly led by softness in mainstream grocery, however, Out-of-Home consumption has grown with trends back to pre-covid levels. Teapigs and Good Earth continue to grow by 8% over the prior year with the increase in market share. Fruit & Herbal based Good Earth tea, Good Earth Kombucha and Good Energy launched in the prior year continues to grow and is getting good traction with the consumers. Operating margins marginally improved led by control over spends offset partly by inflationary trends mainly on input costs. Investment behind brands continues with a new campaign on "Tetley" on National TV and social media.

In Canada, we continued to hold the leading position in the Tea market. For the current year, a revenue decline of 7%, in constant currency, was led by a decline in both specialty and regular tea, mainly due to Covid-related pantry stocking in the previous year coupled with covid-related restrictions in the early part of the year. The focus on digital sales led the e-commerce channel delivering double-digit growth and a Direct-to-Consumer website was launched. We continued to build on our success in Tetley Super Teas by driving distribution and launched the new Super Multivitamin teas which were supported by an integrated campaign.

Other smaller markets had a mixed performance. Australia had a favourable performance on account of the change in distribution model and Tetley continued to gain market share and firmly established itself as a significant player in the Mainstream black tea brand. US Branded Tea was impacted by volume decline due to the COVID-19 induced higher base in the previous year whilst the rest of Europe's performance was stable.

##### Tata Coffee Limited, India ("TCL"):

Revenue from Operations at ₹ 817 Crores grew by 11% against the prior year. Profit after tax at ₹ 102 Crores was marginally higher than the previous year. Revenue growth was driven by Coffee Extractions through higher volume, and value realisation, despite the challenging demand scenario in some markets. Coffee Plantations recorded growth both for Arabica and Robusta, led by higher volumes and prices. Tea plantations were impacted by lower volumes on account of adverse weather conditions and lower price realisation.

##### Tata Coffee Vietnam Company Limited, Vietnam ("TCV"):

Revenue from Operations at ₹ 258 Crores grew by 13% against the previous year in constant currency. TCV



## Board's Report

recorded a Profit after tax of ₹ 5 Crores as compared to a loss in the previous year. Revenue growth was led by higher volume and value realisation. Plant operations improved with 98% capacity utilization for the year. Profitability improvement was mainly led by revenue growth and cost mitigation strategy, despite significant inflationary pressure on costs.

### **Eight O'Clock Coffee Company, USA ("EOC"):**

Revenue from Operations at ₹ 1,296 Crores was flat against the previous year in constant currency. Profit after tax at ₹ 172 Crores grew by 10%. Price increase taken to manage inflation in coffee commodity costs was offset by volume-related softness mainly in bags due to covid led pantry loading in the prior year. Operating margin improved mainly due to price increases taken to partially offset inflationary pressure on green cost, proactive coffee commodity hedging, and cost management initiatives. A new Digital campaign was launched for the Eight O'Clock coffee brand, "Over delivery in every cup" and video creative for Barista blends - "Be Your Own Barista" proposition to drive awareness. EOC continued scaling innovations with range extensions in Flavors of America and Barista Blends.

### **NourishCo Beverages Limited, India ("NourishCo"):**

Revenue from Operations at ₹ 344 Crores grew by 83% over the previous year, driven by strong brand performance and higher distribution reach. All three flagship brands – Tata Gluco Plus, Tata Copper Water, and Himalayan registered strong growth. A new variant of Tata Gluco Plus in the form of Jelly was launched during the year which received good traction from target customers. Tata Copper Water continues to deliver substantial growth in the core markets while rapidly expanding its footprints in new geographies. Himalayan also registered double-digit growth with higher distribution and improved realisation against the prior year.

## ASSOCIATES

### **Amalgamated Plantations Private Limited, India ("APPL"):**

Revenue from Operations at ₹ 852 Crores, grew by 5%. APPL reported a net loss due to lower realization and wage cost increase. Prior year had recorded substantial increase in tea prices due to covid induced crop shortages, which tapered off in the current year. APPL with continued focus on quality initiatives achieved better realisation as compared to market trends.

### **Kanan Devan Hills Plantations Company Private Limited, India ("KDHP"):**

Revenue from Operations at ₹ 394 Crores, was lower by 8%. Profit after tax was lower as compared to the previous year mainly driven by crop loss due to extreme weather conditions.

## JOINT VENTURE

### **Tata Starbucks Private Limited, India ("TSPL"):**

Revenue from Operations at ₹ 636 Crores grew by 76% and net loss declined significantly. Revenue growth was led by higher revenue realization from existing stores and due to new stores added during the year. As Covid restrictions eased through the year, robust sequential recovery of sales was achieved and added 50 new stores with expansion into 8 new cities. The new stores are a mix of landmark store openings viz., Golden Temple complex in Amritsar, Jio World Drive in Bandra Kurla Complex in Mumbai and Brahmaputra Riverfront in Guwahati, and smaller footprint stores. Tata Starbucks café now has 268 stores, across 26 cities in India.

For further analysis on the consolidated performance, attention is invited to the section on Management Discussion and Analysis, notes to the consolidated financials and Form No. AOC 1

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### **Appointments & Cessation of Directors**

Mr. N. Chandrasekaran (DIN 00121863) Non-Executive, (Non-Independent) Director of the Company, who was retiring by rotation at the 58<sup>th</sup> Annual General Meeting held on June 25, 2021 ("58<sup>th</sup> AGM") was re-appointed by the Members at 58<sup>th</sup> AGM.

Mr. P. B. Balaji (DIN 02762983), who was earlier appointed as Additional Director with effect from August 8, 2020, and in respect of whom, a notice under Section 160 of the Act was received from a member, was appointed as Non-Executive (Non-Independent) Director by the Members at 58<sup>th</sup> AGM. Further, Mr. P. B. Balaji Non-Executive, Non-Independent Director of the Company, retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking Members' approval for his re-appointment forms part of the Notice of the ensuing Annual General Meeting.

Dr. K. P. Krishnan (DIN 01099097) was appointed as an Additional Director under the category of Non-Executive, Independent Director with effect from October



## Board's Report

22, 2021, subject to the approval of members. The Members through Postal Ballot on December 28, 2021, approved the appointment of Dr. K. P. Krishnan, as a Non-Executive, Independent Director of the Company for a term of 5 years commencing from October 22, 2021, up to October 21, 2026.

Mr. David Crean (DIN 09584874), was appointed as an Additional Director under the category of Non-Executive, Independent Director with effect from May 4, 2022, subject to the approval of members. Mr. David Crean holds office as an Additional Director, till the conclusion of the ensuing 59<sup>th</sup> Annual General Meeting ("59<sup>th</sup> AGM"). A notice under Section 160 of the Act, has been received from a member nominating the candidature of Mr. David Crean for appointment as Non-Executive, Independent Director of the Company. The Nomination and Remuneration Committee ("NRC") and the Board have considered and recommended to the Members for the appointment of Mr. Crean as Non-Executive, Independent Director and a resolution seeking Shareholders' approval for his appointment forms part of the Notice of the ensuing 59<sup>th</sup> AGM.

Mr. Siraj Chaudhry, (DIN 00161853) was appointed as an Independent Director at the 54<sup>th</sup> Annual General Meeting held on August 18, 2017, for a period of 5 years with effect from July 3, 2017, till July 2, 2022. Based on the recommendation of the NRC, his re-appointment for a second term of 5 years is proposed at the ensuing 59<sup>th</sup> AGM for the approval of the Members by way of special resolution.

Mr. S. Santhanakrishnan (DIN 00032049), Non-Executive, Independent Director of the Company has resigned and ceased to be a Director of the Company effective close of business hours of October 12, 2021. The Board places on record its appreciation for his invaluable contribution and guidance during his tenure as Director of the Company.

The above appointments/re-appointments were recommended by Nomination and Remuneration Committee and approved by the Board and consequently recommended by the Board to Members as applicable.

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.

### Key Managerial Personnel

As on March 31, 2022, the following were Key Managerial Personnel ("KMP") of the Company as per Sections 2(51) and 203 of the Act:

- a) Mr. Sunil D'Souza, Managing Director & CEO,
- b) Mr. L. Krishnakumar, Executive Director & Group CFO,
- c) Mr. John Jacob, Chief Financial Officer, and
- d) Mr. Neelabja Chakrabarty, Company Secretary.

### Pecuniary relationship or transactions with 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.

## BOARD OF DIRECTORS AND MEETINGS

### The Board of Directors

The Board of the Company is comprised of eminent persons with proven competence and integrity. Besides the 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 the requirement of the 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.

### Committees of the Board

As required under the Act, and the Listing Regulations, the Company has constituted the following statutory committees:

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Stakeholders Relationship Committee
- 4) Risk Management Committee
- 5) Corporate Social Responsibility & Sustainability Committee



## Board's Report

In addition to the above, the Board has formed an Executive Committee to review specific business operational matters and other items that the Board may decide to delegate.

Details of all the Committees such as terms of reference, composition, and meetings held during the year under review are provided in the Report on Corporate Governance, a part of this Annual Report.

The Board, from time to time, based on the necessity, has delegated certain operational power to committees of directors formed for specific purposes like disinvestment of non-strategic investment, matters relating to the Scheme of Arrangement, Preferential issue of shares, etc.

### Board Meetings

The Board meets at regular intervals to discuss and decide on the 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 or Committee's approval is taken by passing resolutions through circulation or by calling the Board Committee meetings at short notice, as permitted by law.

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

The Board of Directors had held 7 (seven) meetings during FY 2021-22. 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

As on March 31, 2022, Mr. Bharat Puri, Ms. Shikha Sharma, Mr. Siraj Chaudhry, and Dr. K. P. Krishnan were Independent Directors on the Board.

According to the provisions of Section 149 of the Act and Regulation 25 of the Listing Regulations, the Independent Directors of the Company have submitted declarations that each of them meets 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. There has been no change in the circumstances affecting their status as independent directors of the Company. 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 that exists 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.

Further, the declaration of compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended by the 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, had been received from all Independent Directors.

### SELECTION AND PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTORS

The Nomination and Remuneration Committee ("NRC") of the Board is entrusted with the responsibility 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 regarding the appointment/re-appointment of Directors, and Key Managerial Personnel ("KMP") and other members of the Senior Management. The role of the NRC encompasses conducting a gap analysis to refresh the Board periodically, including each time a Director's appointment or re-appointment is required.

The NRC is also responsible for reviewing the profiles of potential candidates vis-à-vis the required competencies, undertaking reference, and due diligence, and meeting potential candidates before 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 Remuneration Policy and the Policy on Nomination, Appointment, and Removal of Directors of the Company are available at: <https://www.tataconsumer.com/investors/policies>.



## Board's Report

During the year under review, the Policy was reviewed and amended by the NRC and the Board of Directors to encompass *inter-alia* the regulatory changes brought as per amendment in the Listing Regulations concerning the scope of NRC and criteria of Independence of a director.

The Company's governance guidelines cover aspects mainly relating to the composition and role of the Board, Chairman and Directors, Board diversity, and Committees of the Board. As per the Company's policy on the retirement of Directors, 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 Act 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, as amended from time to time.

### ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES, AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act, Listing Regulations and the Governance Guidelines for the Tata group companies, the Board of Directors has carried out an annual evaluation of its own performance, Board Committees, and Individual Directors.

The Nomination and Remuneration Committee ("NRC") approved a framework in the form of a questionnaire for annual evaluation of the Board, Board Committees and Individual Directors.

The Board evaluated its performance after seeking inputs from all the Directors based on 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 based on criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In order to ensure confidentiality, the Board evaluation was undertaken through a Board application for evaluation, managed by an independent agency. All the Directors participated in the evaluation process. The responses received from the Board members were compiled by the independent agency and a consolidated report was submitted to the Chairman of the NRC and the Chairman of the Board.

The Board and the NRC reviewed the performance of individual Directors based on 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, the performance of Non-Independent Directors and the Board as a whole, and the Chairman of the Company was evaluated taking into account the views of Executive Directors and Non-Executive Directors.

The above evaluations were then discussed at the Board meeting that followed the meeting of the Independent Directors and the NRC, at which the performance of the Board, its Committees, and individual Directors was also discussed. The performance evaluation of Independent Directors was done by the entire Board, excluding the Independent director being evaluated.

During the year, the Company had also actioned the feedback from the Board evaluation process conducted in FY 2020-21. The Board, Board Committees and the Independent Directors discussed the evaluation report and various suggestions received in the evaluation process in FY 2021-22 and agreed on an action plan.



## Board's Report

### REMUNERATION POLICY

According 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 to 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 are reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
- The 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 Remuneration Policy of the Company is available at: <https://www.tataconsumer.com/investors/policies>

The key principles governing the Remuneration Policy are as follows:

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

In accordance with the Policy, the Managing Director & CEO, Executive Director, KMP, Senior Management, and other employees are paid a 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, the complexity of the business, and the Company's capacity to pay the remuneration.

The Company pays a sitting fee of ₹ 30,000 per meeting per Director for attending meetings of the Board, Audit, Nomination and Remuneration, and Executive Committees. For Risk Management, Stakeholder's Relationship, Corporate Social Responsibility & Sustainability Committees, and other special Board committees, a sitting fee of ₹ 20,000 per meeting per Director is paid. The Company also paid sitting fees of ₹ 30,000 per meeting per Independent Director for attending the Independent Directors' meeting.

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 Members of the Company had approved payment of commission to the Non-Executive Directors at the 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 of net profit or such other percentage as may be specified by the Act, from time to time. No Stock option has been granted to any Non-Executive Director.

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



## Board's Report

the Non-Executive Directors of the Company, who are in employment with any other Tata Company. Accordingly, no commission was paid to Mr. P. B. Balaji, Non-Executive (Non-Independent) Director.

### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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 has 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 an overview of the Company's businesses, market and business environment, growth and performance, organizational 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 on newer challenges, risks, and opportunities relevant to the Company's context and to lend perspective to the strategic direction of the Company.

Familiarisation programme for the Independent Directors along with the details of familiarisation programmes imparted to Independent Director during and cumulative upto FY 2021-22 is placed on the Company's website and the same can be accessed at the link: <https://www.tataconsumer.com/corporate-governance/compliances-and-filings>.

### 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 (as a part of the Policy on Nomination, Appointment & Removal

of Directors) which sets out the approach to the diversity of the Board of Directors. The Policy is available on the website of the Company at <https://www.tataconsumer.com/investors/policies>.

### INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board has adopted policies and procedures for the 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 and such internal financial controls concerning the Financial Statements are adequate.

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. The 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. Further, Statutory Auditors in its report expressed an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial.

### AUDIT COMMITTEE

The Committee has adopted a Charter for its functioning. The primary objective of the Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity, and quality of financial reporting.

As on March 31, 2022, the Committee comprises Dr. K. P. Krishnan (Chairman), Mr. Bharat Puri, Ms. Shikha Sharma, and Mr. Siraj Chaudhry. During the year under review, Mr. S Santhanakrishnan, Non-Executive, Independent Director, ceased as Member and Chairman of the Committee w.e.f. October 12, 2021 and Mr. P.B. Balaji had stepped down as a member of the Committee w.e.f. August 3, 2021. Dr. K.P. Krishnan was appointed as a member as well as Chairman of the Committee effective October 22, 2021.

The Committee met 8 (eight) times during the year under review, the details of which are given in the Corporate Governance Report.



## Board's Report

During the year under review, there were no instances when the recommendations of the Audit Committee were not accepted by the Board.

### INTEGRATED REPORT

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

### CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

The Company has complied with the corporate governance requirements under the Act, and the Listing Regulations. A separate section on Corporate Governance along with a certificate from the practicing Company Secretary confirming compliance forms an integral part of this Annual Report.

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

### BUSINESS RESPONSIBILITY REPORT

In accordance with Regulation 34 (2)(f) of the Listing Regulations, for FY 2021-22, the Company is providing a Business Responsibility Report, which forms part of this Annual Report.

### 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 including the 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 2021-22.

Pursuant to Section 134 (5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that for the financial year ended March 31, 2022:

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed and 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 annual 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 a proper system to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

### CORPORATE SOCIAL RESPONSIBILITY ("CSR") AND SUSTAINABILITY INITIATIVES

In compliance with Section 135 of the Act, the Company has undertaken CSR activities, projects, and programs, excluding activities undertaken in pursuance of its normal course of business. The Natural Foods & Beverages Policy of the Company 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.

Under Section 135 of the Act, the Company was required to spend ₹ 13.32 Crores (2%) of the average qualifying net profits of the last three financial years on CSR activities on projects in FY 2021-22. During the year under review, the Company has spent ₹ 13.54 Crores (2.03%) on CSR activities, which includes the amount spent on administrative overheads and for impact assessment. The Board of Directors at their Meeting approved the same. Accordingly, the Company has met its obligation of spending ₹ 13.32 Crores for FY2021-22. In addition to the projects specified as CSR activities under section 135 of the Act, the Company has also carried out several other sustainability/responsible business initiatives and projects on a global scale.



## Board's Report

The Annual Report on CSR containing the composition of the CSR & Sustainability Committee, salient features of the CSR Policy, details of activities, and other information as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided in **Annexure 2** attached to this Report. The CSR Policy may be accessed on the Company's website at the link: <https://www.tataconsumer.com/investors/policies>.

Since the average CSR obligation for the preceding 3 financial years i.e. FY 2018-19, FY 2019-20, and FY 2020-21 was less than ₹ 10 Crores, the impact assessment report was not applicable in FY 2021-22. However, the Company has voluntarily undertaken the impact assessment of CSR projects carried out in FY 2020-21, through an independent agency. The impact assessment report for FY 2020-21 is available on the website of the Company <https://www.tataconsumer.com/sustainability>.

### STATUTORY AUDITORS AND AUDITORS' REPORT

At the 54<sup>th</sup> AGM held on August 18, 2017, the Members had approved the appointment of Deloitte Haskins & Sells LLP, ("Deloitte") Chartered Accountants (ICAI Firm Registration No.117366W/W-100018) as the Statutory Auditors for a period of 5 (five) years commencing from the conclusion of the 54<sup>th</sup> AGM until the conclusion of the 59<sup>th</sup> AGM to be held in the year 2022. Accordingly, their first term as Statutory Auditors expires at the conclusion of the 59<sup>th</sup> AGM.

Pursuant to the provisions of Section 139(2)(b), an audit firm can be appointed for two terms of five consecutive years each. Accordingly, the Board approved the re-appointment of Deloitte based on the recommendations of the Audit Committee and the same is subject to the approval of the Members of the Company. The Notice of ensuing 59<sup>th</sup> AGM includes the proposal for seeking Members' approval for the re-appointment of Deloitte as the Statutory Auditors, for the second term of 5 (five) years commencing from the conclusion of the 59<sup>th</sup> AGM until the conclusion of the 64<sup>th</sup> AGM to be held in the year 2027.

Deloitte has provided their consent and a certificate of their eligibility under sections 139 and 141 of the Act and the Companies (Audit and Auditors) Rules 2014 for their continuance as the Statutory Auditors of the Company for the second term of 5 (five) years. 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. Accordingly, Deloitte is eligible for re-appointment as Statutory Auditors of the Company.

The Statutory Auditors' Report for FY 2021-22 on the financial statement of the Company forms part

of this Annual Report. Auditors have expressed their unmodified opinion on the Standalone and Consolidated Financial Statements and their reports do not contain any qualifications, reservations, adverse remarks, or disclaimer.

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

### SECRETARIAL AUDITORS AND AUDITORS' REPORT

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 2021-22 is attached herewith as **Annexure 3**. There are no qualifications, observations or adverse remarks, or disclaimer in the said report.

### COST RECORDS AND COST AUDITORS

During the year under review, in accordance with Section 148(1) of the Act, the Company has maintained the accounts and cost records, as specified by the Central Government. Such cost accounts and records are subject to audit by M/s Shome and Banerjee, Cost Auditors of the Company for FY 2021-22.

The Board has re-appointed M/s Shome and Banerjee, Cost Accountants (Firm Registration Number: 000001) as Cost Auditors of the Company for conducting cost audit for the FY 2022-23. A resolution seeking approval of the Shareholders for ratifying the remuneration payable to the Cost Auditors for FY 2022-23 is provided in the Notice of the ensuing Annual General Meeting.

The Cost accounts and records as required to be maintained under section 148 (1) of the 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 the mid-term to the long-term objectives of the business, including those reputational in nature.



## Board's Report

The Company has an elaborate risk charter and risk policy defining the 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 the 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 pronounced it as a leader the FMCG category. The Company was consecutively for the third time declared as the winner in the category in "Master of Risk in FMCG category", at the eighth edition of The India Risk Management Awards 2022 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.

### VIGIL MECHANISM / WHISTLE-BLOWER POLICY

The Company's vigil mechanism allows the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct /business ethics as well as to report any instance of leak of Unpublished Price Sensitive Information. The vigil mechanism provides for adequate safeguards against victimization of the Director(s) and employee(s) who avail of this mechanism. No person has been denied access to the Chairman of the Audit Committee.

The Whistle-Blower Policy of the Company can be accessed on the Company's website at the link: <https://www.tataconsumer.com/investors/policies>.

### PARTICULARS OF LOANS, GUARANTEES, AND INVESTMENTS BY THE COMPANY

The particulars of loans, guarantees, and investments covered under the provisions of Section 186 of the Act have been disclosed in the financial statements.

### RELATED PARTY TRANSACTIONS

During the year under review, all Related Party Transactions (RPTs) entered into by the Company were on an arms' length basis and in the ordinary course of business. These RPTs did not attract provisions of Section 188 of the Companies Act, 2013 and were also not material RPTs under Regulation 23 of the Listing Regulations. All related party transactions were approved by the Audit Committee and are periodically reported

to the Audit Committee. Prior approval of the Audit Committee was obtained periodically for the transactions which were planned and/or repetitive in nature and omnibus approvals were also taken as per the policy laid down for unforeseen transactions.

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 does not apply to the Company for the FY 2021-22 and hence the same is not provided. The details of the transactions with related parties during FY 2021-22 are provided in the accompanying financial statements.

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

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same can be accessed on the Company's website at <https://www.tataconsumer.com/investors/policies>.

During the year under review, the Policy was reviewed and amended by the Audit Committee and the Board of Directors to encompass *inter-alia* the regulatory changes brought as per amendment in Regulation 23 of the Listing Regulations (effective from January 1, 2022) as well to bring more clarity on certain other operational aspects as per industry benchmark.

The said Policy was further amended by the Audit Committee and the Board of Directors on May 3 & 4, 2022 respectively, to encompass *inter-alia* the regulatory changes brought as per amendment in Regulation 23 of Listing Regulations (effective from April 1, 2022) and criteria for material modification of related party transactions.

### ANNUAL RETURN

As provided under Section 92(3) & 134(3)(a) of the Act, the Annual Return for FY 2021-22 is uploaded on the website of the Company and can be accessed at <https://www.tataconsumer.com/investors/investor-information/annual-returns>.

### PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and



## Board's Report

Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure 4** attached to this report.

Pursuant to Section 197(14) of the Act, the details of remuneration received by the Executive Director from the Company's subsidiary company during FY 2021-22 are also given in **Annexure 4** attached to this report.

The statements required under Section 197(12) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Rules'), as amended, form part of this report and will be made available to any Member on request, as prescribed therein.

### 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 the workplace and has formulated a policy on prevention, prohibition, and redressal of sexual harassment at the 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 the Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There were no complaints relating to sexual harassment pending at the beginning of the financial year. During the year under review, ICC received two complaints of which one was resolved and the other was under investigation at the end of the financial year. Accordingly, one complaint remained pending as on the end of the Financial Year 2021-22.

### SECRETARIAL STANDARDS

The Institute of Company Secretaries of India has currently mandated compliance with the Secretarial Standards on board meetings and general meetings. During the year under review, the Company has complied with the applicable Secretarial Standards.

### 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 the public was outstanding as on March 31, 2022.

### 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 5** 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 thank the Government of India, Governments of various States in India, Governments of various Countries, and concerned Government departments for their co-operation.

The Directors regret the loss of life due to the COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors appreciate and value the contribution made by every member, employee, and their families of the Tata Consumer Products Group.

**On behalf of the Board of Directors**

**N. Chandrasekaran**  
Chairman  
(DIN 00121863)

Mumbai  
May 4, 2022



## ANNEXURE 1 OF BOARD'S REPORT

### DIVIDEND DISTRIBUTION POLICY

#### 1. Introduction

The Company has in place a Dividend Policy since 2017. After incorporation of Regulation 43A in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations') the existing Dividend Distribution Policy has been revised and framed according to the SEBI Listing Regulations and the Companies Act, 2013 read with rules framed thereunder (hereinafter referred to as 'Act').

The Company aims at rewarding its shareholders by sharing a part of its profits after retaining sufficient funds for the growth of the Company. The Company has been able to pursue its aim over years and has been able to maintain fairness, consistency and sustainability while distributing profits to its shareholders.

This policy has been framed with an objective to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, this Policy lays down various guidelines, factors and parameters to be considered by the Board of Directors of the Company while recommending/ declaring Dividend from time to time.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board.

#### 2. Statutory Requirements

The declaration and distribution of dividend shall, at all times, be in accordance with the provisions of the Act, read with applicable rules framed thereunder, as may be in force for the time being and SEBI Listing Regulations, such other applicable provisions of law and the Articles of Association of the Company as amended.

Regulation 43A of the SEBI Listing Regulations requires top 1,000 listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy. The Company is thus required to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its website.

#### 3. Policy on Dividend declaration

<b>Declaration of dividend only out of profits</b>	Dividend shall be declared or paid only out of: i) Current Year's profit a) After providing for depreciation in accordance with law, b) After transferring to the reserves of the Company such percentage of profits as may be considered appropriate or as may be prescribed, or ii) The Profits for any previous financial year or years a) after providing for depreciation in accordance with law, and b) remaining undistributed, or out of i) & ii) both
<b>Set off of Losses and depreciation of previous years</b>	Before declaring any dividend, the carried over previous losses and depreciation not provided in previous year or years must be set off against the profits of the Company for the current year.
<b>Declaration of dividend out of reserves</b>	The Board of Directors should avoid the practice of Declaration of Dividend out of Reserves.
<b>Frequency</b>	The Dividends will generally be declared once a year after the announcement of full year results but before the Annual General Meeting.  In years of exceptional gains or other events a special dividend may be declared.  The Board of Directors may also declare interim dividend during the financial year, between two Annual General Meetings as and when they consider it fit.
<b>Parameters that shall be adopted with regard to various classes of shares</b>	Presently, the Company has one class of equity share of the face value of ₹ 1/- per share and no preference share capital. As and when the Company shall issue other class of equity shares or other kind of shares, the Policy may be suitably amended.

#### 4. Parameters / factors to be considered before declaring dividend

##### a) Financial parameters

- Current year profits
- Operating cash flow
- Outstanding borrowings, including debt to equity ratio.
- Cost of borrowings
- Past dividend trends



## Annexure 1 of Board's Report

### b) Internal Factors that shall be considered for declaration of dividend:

- Outlook of the company in line with its business plan
- Future capital expenditure program including
  - New project
  - Expansion of capacities of existing units
  - Renovation/ Modernization
  - Major Repairs & Maintenance
- Working capital requirements
- Likelihood of crystalization of contingent liabilities, if any
- Contingency Fund
- Acquisition of brands / businesses
- Sale of brands/ businesses
- Restrictions in any agreements executed by the Company.

### c) External factors

- Prevailing regulatory and legal requirements, including tax regulations
- Industry trends
- State of economy in the country and worldwide

### 5. Circumstances under which shareholders may or may not expect dividend

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Hence, the shareholders of the Company *may expect dividend* only if the Company is having surplus funds after providing for all the expenses, depreciation, etc., and after complying with the statutory requirements under the Applicable Laws.

The shareholders of the Company *may not expect dividend* in the following circumstances, subject to the discretion of the Board of Directors:

- the Company has inadequacy of profits or incurs losses for the Financial Year;
- the Company undertakes/proposes to undertake a significant expansion project requiring higher allocation of capital;
- the Company undertakes/proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital;
- the Company has significantly higher working capital requirement affecting free cash flow;
- the Company proposes to utilize surplus cash for buy-back of securities;
- the Company is prohibited to recommend/declare dividend by any regulatory body.

The Board may also not recommend a dividend on considering any compelling factors/parameters mentioned in point 4 above.

### 6. How the retained earnings will be utilized

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Acquisition of brands or businesses;
- Market Expansion Plans;
- Product Expansion Plans;
- Modernization Plan;
- Enhancement of production capacity;
- Diversification of business;
- Replacement of capital assets;
- Long-term strategic plans;
- Payment of Dividend or issue of Bonus Shares;
- Other such criteria as the Board may be deemed fit from time to time.



## Annexure 1 of Board's Report

### 7. Quantum of Dividend Pay-out

The Board of Directors would determine the Dividend pay-out based on the profitability under the Standalone and Consolidated Financial Statements of the Company for the financial year/ period under consideration.

Subject to the circumstances and scenarios mentioned above, the Company shall endeavor to maintain a total dividend pay-out ratio (Dividend/ Net Profit after tax for the year) in the range of 50% to 75% of the Annual Consolidated Profit after Tax (PAT) of the Company.

### 8. Disclosures

The Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at [www.tataconsumer.com](http://www.tataconsumer.com)

If the Company proposes to declare dividend on the basis of parameters in addition to the parameters/ factors mentioned in this policy or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its Annual Report and on its website.

### 9. Policy review and amendments

The Policy will be reviewed periodically by the Board. The Policy may be amended, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

### 10. Disclaimer

The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.



## ANNEXURE 2 OF BOARD'S REPORT

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

**1. A brief outline of the Corporate Social Responsibility (CSR) Policy of the Company:**

The Natural Food and Beverages Policy of the Company is the apex policy that incorporates all relevant elements of Sustainability, Corporate Social Responsibility ("CSR"), Affirmative Action, Community Initiatives and volunteering

The CSR Policy set outs the Company's commitment & approach towards CSR under Section 135 of the Companies Act, 2013 ("the Act") based on its legacy of 'Giving Back to Society'. The Company endeavors to facilitate livelihood opportunities & socio-cultural development in areas of its operations.

**Sustainability & Corporate Social Responsibility Policy:**

The Company is committed to being the most admired natural food & beverage company in the world by making a big and lasting difference through Sustainability and Corporate Social Responsibility. The Company shall achieve this by being the consumer's first choice in sustainable foods & beverage production and consumption.

The Company focuses on Climate Change, Water Management, Sustainable Sourcing, Waste Management, and Community Development.

Towards community development, the Company undertakes programs focused on education and skills, healthcare, and women empowerment. The Company also actively participates in Tata Group activities and programs for volunteering and affirmative action.

The Company 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 the communities.

**Defined locations and target beneficiaries:** The CSR projects of the Company 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).

**Weblink of CSR Policy:**

The CSR policy of the company can be accessed at <https://www.tataconsumer.com/investors/policies>

**2. Composition of Corporate Social Responsibility & Sustainability 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 Act. The CSR governance structure will be headed by the **Corporate Social Responsibility & Sustainability Committee** ("CSR&S Committee"). The CSR&S Committee grants auxiliary power to the Working Committee of the Company to act on their behalf. The members of the CSR&S Committee during the year ended March 31, 2022, were as under:

Sl. No.	Name of Director	Designation (Nature of Directorship)	Number of meetings of CSR Committee during the year:	
			Held	attended
1	Mr. Siraj Chaudhry	Chairman of the Committee (Independent Director)	2	2
2	Ms. Shikha Sharma	Member (Independent Director)	2	2
3	Dr. K. P. Krishnan*	Member (Independent Director)	1	1
4	Mr. S. Santhanakrishnan**	Member (Independent Director)	-	-

\*Dr. K. P. Krishnan was inducted as a member of the Committee w.e.f. October 22, 2021

\*\*Mr. S Santhanakrishnan ceased as Member & Chairman of the Committee w.e.f. October 12, 2021, on account of his resignation as Independent Director and during his tenure in FY2021-22, no meeting of the Committee was held.

**Weblink Composition of CSR&S Committee :**

The Composition of the CSR&S Committee of the Company can be accessed at <https://www.tataconsumer.com/about/leadership>.



## Annexure 2 of Board's Report

### 3. Overview of CSR projects approved by the Board implemented during 2021-22:

Details of CSR projects approved by the Board and undertaken by the Company during FY 2021-22 are as under:

- a) Promoting special vocational skills for differently-abled at Munnar and Kerala
- b) Rural Development
- c) Affordable Healthcare for all
- d) Project Jalodari – Water and Sanitation
- e) Supporting Cancer-affected children
- f) Supporting vulnerable communities during the COVID-19 pandemic
- g) Welfare for people of Coorg
- h) Promoting healthcare activities

**Weblink of details CSR projects approved by the board:**

Details of such projects are annexed to the CSR Policy of the Company which can be accessed at the website of the Company at <https://www.tataconsumer.com/investors/policies>.

### 4. Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Since the average CSR obligation for the preceding 3 financial years i.e. FY 2018-19, FY 2019-20, and FY 2020-21 was less than ₹ 10 Crores, the impact assessment report was not applicable in FY 2021-22. However, the Company has voluntarily undertaken the impact assessment of CSR projects carried out in FY 2020-21, through an independent agency. The impact assessment report for FY 2020-21 is available on the website of the Company at <https://www.tataconsumer.com/sustainability>

**Summary of the impact assessment reports:** Social projects undertaken by the Company have impacted more than 8 lakhs lives, with more than 4500 volunteer hours. The CSR activities undertaken are directly linked to the 17 Sustainability Development Goals (SDGs), and as a responsible business, the

Company is committed to sustainable production and consumption. The Company has successfully scaled 8 projects across 5 thematic areas: rural development, WASH, Education, Healthcare, and Gender Equality. As tea communities are the backbone of the Company, programmes in Munnar and Assam were executed towards healthcare, education and vocational training. Striving for water security, under the Jalodari Project, 150 million liters of groundwater have been recharged in the Poanta Valley Aquifer System. In addition, 3354 women and adolescent girls have been a part of Menstrual Hygiene Management (MHM); Impacted the lives of 2710 beneficiaries through all 4 MHM modules. Three Iron Removal Plants (IRPs) have been operational, and 1137 households have been provided jars and cards for water collection. On average, 295-330 households are fetching water daily considering the consumption of water was less in winters. Community engagement in Mithapur, Gujarat has helped in uplifting the lives of farmers in 11 villages with alternative livelihoods opportunities.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
1	2020-21	₹ 0.30 Crores	Nil
	<b>TOTAL</b>	<b>₹ 0.30 Crores</b>	<b>Nil</b>

### 6. Average net profit of the Company as per section 135(5): ₹ 665.95 Crores

7. a)	Two percent of the average net profit of the company as per section 135(5)	₹ 13.32 Crores
b)	Surplus arising out of the CSR projects or programs or activities of the previous financial years.	Nil
c)	Amount required to be set off for the financial year, if any	Nil
d)	Total CSR obligation for the financial year (7a+7b- 7c).	₹ 13.32 Crores



8. (a) CSR amount spent or unspent for the financial year 2021-22:

Total Amount Spent for the Financial Year		Amount Unspent (in ₹) – NIL	
Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per the second proviso to section 135(5).	
Amount	Date of transfer	Name of the Fund	Amount
₹ 13.54 Crores	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year 2021-22:

Sl. No	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.	(6) Project duration.	(7) Amount allocated for the project (in ₹ lakhs)	(8) Amount spent in the current Financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementing Agency
1	NIL						NIL			
TOTAL										

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.	(6) Amount spent for the project (in ₹ crs)	(7) Mode of implementation Direct (Yes/No)	(8) Mode of Implementing Agency	CSR registration number
1	Supporting communities during Covid19	(i)	Yes	Maharashtra Mumbai	0.10	No	Taj Public Welfare Trust	CSR00000540
2	Promoting healthcare activities	(i)	Yes	Kerala Kerala	0.50	No	Citizens India Foundation	CSR000112261
3	Promoting vocational skills for differently-abled	(ii)	Yes	Kerala Munnar, Idukki District.	4.38	No	TGBL Foundation	CSR00007356
4	Rural Development	(i)(iii)(iv)	Yes	Gujarat Mithapur	3.00	No	Tata Chemical Society	CSR00002564
5	Affordable Healthcare for all	(i)	Yes	Assam Chubwa, Dibrugarh	3.50	No	APPL Foundation	CSR00006630
6	Supporting Concer-affected Children	(i)	Yes	West Bengal Kolkata	0.20	No	St. Jude's Child Care	CSR00001026
7	Welfare for people of Coorg	(i)(ii)	Yes	Karnataka Kodagu	0.30	No	Coorg Foundation	CSR00005504
8	Supporting vulnerable communities during Covid19	(i)	Yes	All India All India	1.00	No	Tata Community Initiatives Trust	CSR00002739
9	Project Jalodari – Water and Sanitation	(iv)	Yes	Assam Jorhat & Golaghat,	0.20	No	Centre for Microfinance and Livelihood	CSR00004635
TOTAL						13.18		



## Annexure 2 of Board's Report

- (d) Amount spent on Administrative Overheads: 0.28 Crores  
 (e) Amount spent on Impact Assessment, if applicable: ₹ 0.08 Crores  
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 13.54 Crores  
 (g) Excess amount for set-off, if any

Sl. No.	Particulars	Amount
(i)	Two percent of the average net profit of the company as per section 135(5)	₹ 13.32 Crores
(ii)	Total amount spent for the Financial Year	₹ 13.54 Crores
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 0.22 Crores
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 0.22 Crores

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2020-21	NA	NA	NA	NA	NA	NA
2	2019-20	NA	NA	NA	NA	NA	NA
3	2018-19	NA	NA	NA	NA	NA	NA

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>TOTAL</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

10. In case of creation or acquisition of the capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s). NIL  
 (b) Amount of CSR spent for the creation or acquisition of the capital asset. NIL  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc. NIL  
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NIL

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5). Not applicable

**Siraj Chaudhry**  
 Chairman of the Committee and Independent Director  
 (DIN 00161853)

**Sunil D'Souza**  
 Managing Director & CEO  
 (DIN 07194259)



## ANNEXURE 3 OF BOARD'S REPORT

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Regulation 24A of SEBI (LODR) 2015]

To,  
The Members,  
**TATA CONSUMER PRODUCTS LIMITED**  
1, Bishop Lefroy Road  
Kolkata – 700020

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 (CIN: L15491WB1962PLC031425)**, (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 31<sup>st</sup> March 2022 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 31<sup>st</sup> March 2022 according to the provisions **as may be applicable** to the Company of:

- i. The Companies Act, 2013 and any Amendments thereof (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 and other amendments thereof (hereinafter collectively referred to as "Listing Regulations");
  - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - 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 and Sweat Equity), Regulations, 2021;
  - 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** and
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and Amendment thereof. **Not applicable during the period under review.**



## Annexure 3 of Board's Report

- j. The Securities and Exchange Board of India (Depositories and Participant(s) Regulations, 2018
- k. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preferences Shares) Regulation, 2013. – **Not applicable during the period under review**, AND
- l. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Amendment thereof.
- 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 Amendments thereof 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 1<sup>st</sup> July 2015 and Dividend (SS-3) made effective 1<sup>st</sup> January, 2018 ICSI Auditing Standards (CSAS-1 to CSAS-4) made effective 1<sup>st</sup> April, 2021 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 conference facilities/ other audio-visual means 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 case 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 the strategic corporate actions during the period under the review are highlighted below and the supporting documents & / Laws were duly verified by me.**

**Share based Long-Term Incentive Scheme 2021 ("LTIS") for Employees of the Company and its subsidiary companies:**

The Company has launched an LTIS for the employees of the Company and its subsidiary companies, which was duly approved by the Nomination and Remuneration Committee and by the Board of Directors at its respective meetings held on October 22, 2021 and was approved by



### Annexure 3 of Board's Report

the shareholders through postal ballot process (Remote E-Voting) on December 28, 2021. I have verified the minutes of the above meetings along with all relevant documents and confirm that the LTIS was in compliance with the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 and other applicable laws.

#### Acquisition of Tata Smartfoodz Limited

The Company has acquired 100% stake in Tata Smartfoodz Limited from Tata Industries Limited for a consideration of ₹ 395 crores in November 2021. The transaction was approved by the Audit Committee and the Board of Directors at its respective meetings held on November 11, 2021. I have verified the minutes of the meetings, share purchase agreement and other related documents and found the same in compliance with provisions of the Companies Act, 2013, SEBI LODR Regulations, 2015 and other applicable laws.

#### Increase in stake in TRIL Constructions Limited (TRIL C)

The Company has increased its stake in TRIL Constructions Limited (TRIL C) wherein the Company had infused ₹ 47 crores for purchasing the Compulsorily Convertible Preference Shares (CCPS) held by Tata Realty and Infrastructure Limited in TRIL C and further infusion of ₹ 25 crores in the form of CCPS in TRIL C. Post the above transactions, the effective holding of the Company in TRIL C has increased from 48.40% to 80.46%. I have verified the minutes of the Board meeting held on August 3, 2021 approving the above investments and the related documents and found the same in compliance with provisions of the Companies Act, 2013, SEBI LODR Regulations, 2015 and other applicable laws.

#### Preferential issue of shares for acquiring minority stake held by Tata Enterprises Overseas AG, Zug ("TEO") in Tata Consumer Products UK Group Limited ("TCP UK")

The Board, subject to approval of the shareholders, has approved on March 29, 2022, the acquisition of 2,38,71,793 (Two crores, thirty-eight lacs, seventy-one thousand, seven hundred ninety-three) ordinary shares of £1 each representing 10.15% paid-up share capital of TCP UK from TEO, a minority shareholder of TCP UK, for a total purchase consideration of ₹ 570.80 Crores. The consideration payable shall be discharged by way of issue and allotment of 74,59,935 equity shares of the Company having face value of ₹ 1 each, at a price

of ₹ 765.16 per equity share, on a preferential basis, this being derived based on independent valuation report by a Registered valuer. Consequent to this transaction, TCP UK will become a wholly-owned subsidiary of the Company. I have verified the minutes of the above meeting, the postal ballot notice sent to the shareholders seeking the approval for issuance of the shares on preferential basis on March 30, 2022, Valuation Report by the Registered valuer and other related documents and found the same in compliance with provisions of the Companies Act, 2013, SEBI ICDR Regulations 2018, SEBI LODR Regulations, 2015 and other applicable laws. The E-Postal Ballot result dated 30/04/2022 revealed that the Special Resolution was duly passed by the shareholders with requisite majority.

#### Composite Scheme of Arrangement amongst the Company and Tata Coffee Limited ("TCL") and TCPL Beverages & Foods Limited ("TBFL") and their respective shareholders and creditors

The Board of Directors of the Company, based on the recommendations of the Audit Committee and of the Independent Directors, at its meeting held on March 29, 2022, has approved the Composite Scheme of Arrangement amongst the Company, TCL and TBFL and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the rules and/ or regulations made thereunder. I have verified the minutes of the above meetings, and other related documents including the Scheme of Arrangement, Valuation Report by the Registered valuers and the Fairness Opinion on the valuation by the Independent Merchant Banker, as was placed before the above meetings and found the same in compliance with provisions of the Companies Act, 2013, SEBI LODR Regulations, 2015 and other applicable laws. In the same meeting, the Board has also approved infusion of ₹ 7.50 crores in the form of equity or preference share capital in the newly formed wholly-owned subsidiary company named TCPL Beverages & Foods Limited.

**Dr. Asim Kumar Chattopadhyay**  
Practising Company Secretary

FCS No. 2303

UDIN: F002303D000263608

Date: 04<sup>th</sup> May, 2022

Place: Kolkata

Certificate of Practice No. 880

Peer Review – 792/2020

**ANNEXURE A**

**(TO THE SECRETARIAL AUDIT REPORT OF TATA CONSUMER PRODUCTS LIMITED  
(CIN: 15491WB1962PLC031425) FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2022)**

To,

The Members

**TATA CONSUMER PRODUCTS LIMITED**

1, Bishop Lefroy Road

Kolkata 700020

My Report for the financial year ended 31<sup>st</sup> March 2022 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

Peer Review – 792/2020

Date: 4<sup>th</sup> May, 2022

Place: Kolkata



## ANNEXURE 4 OF BOARD'S REPORT

## PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the (Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the financial year ended March 31, 2022 is 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, Chairman <sup>@</sup>	-
Mr. P. B. Balaji <sup>#</sup>	-
Mr. Siraj Chaudhry	17.11
Mr. Bharat Puri	18.21
Ms. Shikha Sharma	18.30
Mr. S. Santhanakrishnan <sup>^</sup>	6.00
Dr. K. P. Krishnan <sup>^^</sup>	8.48

Executive Directors	Ratio to the median remuneration
Mr. Sunil D'Souza	168.40
Mr. L. Krishnakumar	90.11

## Notes:

\*Median remuneration computation is based on a total employee headcount of 2932, of which approximately 1750 employees are within the collective bargaining process.

<sup>@</sup>As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company.

<sup>#</sup>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 companies. Accordingly, no commission is paid to Mr. P. B. Balaji, Non-Executive (Non-Independent) Director.

<sup>^</sup>Mr. S. Santhanakrishnan ceased to be Director w.e.f. October 12, 2021.

<sup>^^</sup>Dr. K. P. Krishnan was appointed as a Director w.e.f. October 22, 2021

- b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, and 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, Chairman <sup>@</sup>	-
Mr. P. B. Balaji <sup>#</sup>	-
Mr. Siraj Chaudhry	25.51%
Mr. Bharat Puri	14.27%
Ms. Shikha Sharma	15.30%
Mr. S. Santhanakrishnan <sup>^</sup>	-
Dr. K. P. Krishnan <sup>^^</sup>	-
Mr. Sunil D'Souza <sup>^^^</sup>	(27.34%)
Mr. L. Krishnakumar <sup>*</sup>	(2.99%)
Mr. John Jacob, Chief Financial Officer <sup>**</sup>	3.71%
Mr. Neelabja Chakrabarty, Company Secretary <sup>**</sup>	(2.38%)

## Notes:

<sup>@</sup>As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company.

<sup>#</sup>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 companies. Accordingly, no commission is paid to Mr. P. B. Balaji, Non-Executive (Non-Independent) Director.

<sup>^</sup>Mr. S. Santhanakrishnan ceased to be Director w.e.f. October 12, 2021.

<sup>^^</sup>Dr. K. P. Krishnan was appointed as a Director w.e.f. October 22, 2021, percentage increase in remuneration is not applicable and hence, not stated.

<sup>^^^</sup>With effect from FY 2021-22, long term incentive relating to the year is compensated through performance share units (PSU) and accounted as remuneration over the vesting period of 3 years based on performance measures achieved.

<sup>\*</sup>For computations of increase, incentive remuneration has been considered based on accruals, and payments relating to earlier years have been excluded. Compensation paid from a subsidiary company in the UK has also been considered for computation of increase.



## Annexure 4 of Board's Report

\*\*For computations of increase, incentive remuneration has been considered based on accruals, and payments relating to earlier years have been excluded.

- c) The percentage increase in the median remuneration of employees in the financial year was 3.13% .
- d) The number of permanent employees on the rolls of the Company as on March 31, 2022, was 2932 employees.
- e) Average percentiles 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:

The average percentage increase for other than managerial personnel (excluding unionized staff) works to around 8.50% and the percentage increase for all employees was 10.61%. The change in the managerial remuneration was (19.92%) on a like-to-like basis (including compensation paid from a subsidiary company in the UK, also refer note above). 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. L. Krishnakumar, Executive Director & Group CFO, received remuneration of ₹ 37.97 Lacs from the Company's overseas subsidiary, Tata Consumer Products GB Limited during the year 2021-22. (The remuneration drawn in GBP has been converted into INR at the average exchange rate).

**On behalf of the Board of Directors**

Mumbai  
May 4, 2022

**N. Chandrasekaran**  
Chairman  
(DIN 00121863)



## ANNEXURE 5 OF BOARD'S REPORT

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

**A. Conservation of Energy**

Energy conservation measures taken during the financial year 2021-22:

**1. Steps taken or impact on the conservation of energy:**

- Installation of VFD panel for borewell Submersible pump at Poanta site, resulted in annual energy saving of 4500 units.
- Installation of automatic lighting controller at Paonta site, Warehouse resulted in annual energy saving of 675 units.
- Automation of Warehouse conveyors, streetlights & Admin block lighting by sensors in Gopalpur plant resulted energy savings by 68806 units.
- Controlling lighting through LDR in Aurangabad plant resulted energy savings by 475 units.
- Compressed air optimization in Kellyden & Nonoi plant resulted energy savings of 154302 units.
- Implemented dust collection system at Coalberth/ Pullivasal/Sampla units with energy efficient motor's IE-3 standard.
- Installation of Energy Efficient IE3 Motor for High-capacity loads at Instant Tea Division resulting in savings of ₹ 3.25 lakhs per annum. This has been initiated and routed through the National Motor replacement Program conducted by Central Government Agencies.
- Derating of high loads motors based on the study leads to energy savings of ₹ 1.17 lakhs per annum, at Instant Tea Division.
- Level interlocks, PID controllers and VFDs for pumps with throttling operation resulting in 1 lakhs savings per annum, at Instant Tea Division.
- Upgrade ACSR for the township power distribution and load balancing for voltage improvisation in Pretreatment, AC plant and Evaporator resulted in savings of ₹ 0.50 lakhs, at Instant Tea Division.
- Replacement of 150 fluorescent tubes with LED light fixtures leads energy savings of ₹ 0.21 lakhs per annum, at Instant Tea Division.
- Transparent sheet provision implemented in Shop floor as Day light concept provided us good energy savings, at Instant Tea Division.
- Replacement of 30 HP Air compressor with Variable Frequency Drive, estimated saving of 10,200 KWh per year, at Tata Tetley Division.
- Replacement of 25 years old GI piping with new Aluminium piping to reduce the air losses, estimated saving of 5,600 KWh per year, at Tata Tetley Division.
- Replacement of 45 fluorescent tubes with LED light fixtures, estimated saving of 500 KWh per year, at Tata Tetley Division.
- Installation of Tuflite sheets (translucent fiberglass sheets) and replacement of 142 LED lights at Pullivasal and Periakanal Estate
- Improvement in manufacturing of per kg tea against per unit consumption of energy from 0.97 kgs/unit to 1.09 kgs/unit, resulted in a savings of electrical energy charges of Rs 7.10 lacs per annual, at Pullivasal and Periakanal Estate
- Appropriate monitoring of the Captive Power Usage during FY 2021-22 was at 3% of the total units consumed as compared to 6% during FY 2020-21, at Pullivasal and Periakanal Estate, resulted savings of approximately 20 kiloliters of HSD; valued at Rs 13.45 lacs.

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

Following Renewable energy projects (Solar plants) executed this year:

- Damdim Packeting Center: 150 KWP
- Kellyden Packeting Center: 177 KWP
- Hinganghat Concentrate plant: 175 KWP
- Sampla Packeting Center: 450 KWP
- Gopalpur Packeting Center: 350 KWP
- Indore CFA: 150 KWP
- Jaipur CFA: 200 KWP
- Vaishali CFA: 100 KWP(WIP)

**3. Capital investment in Energy Conservation Equipment**

- Implemented bucket elevator system for Blending lines at sampla unit, substitution by low motor load resulted in annual energy saving of 171000 units, capex investment of ₹ 50 lakhs.
- Total investment to attain the Energy conservation projects for ITO division was ₹ 24 lakhs.



## Annexure 5 of Board's Report

**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 & process development, new packaging development, research-oriented projects, and analytical service support. Technical discussions were held to identify the appropriate technologies, solutions and development and process improvement support. The Company has entered into Memorandum of Understanding with many external Companies and Institutes under Confidentiality agreements to work further on various collaborative projects and assignments. Focus of the company on science and technology-based projects has been augmented to create disruptive and niche products that cater to consumer needs.

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

a) During the year, the Company launched several new products:

- Packaged Beverages: Chakra Gold Care, Tata Tea Care, Tata Tea Agni Adrak, Tata Tea 1868 Range extension, Sonnets by Tata Coffee, Eight O clock Coffee, Tata Coffee Quick Filter, Tata Coffee Gold
- Packaged Foods: Tata Salt Immuno, Tata Shuddh, Tata Salt SuperLite, Shuddh by Tata Salt, Tata Sampann Dry Fruits, Tata Sampann Rice masala, Tata Sampann Dal Tadka Masala
- Ready-to-Drink Beverages: Tata Gluco Plus Jelly Energy Drink, Tata Nature Alive
- Soulfull: Tata Soulfull Ragi Bites- No Maida Chocos, Tata Soulfull 0% added sugar Millet Muesli, Tata Soulfull Millet Smoothix- 0% Added Sugar

This has been achieved through the successful initiatives undertaken in regards to technology and product & pack development and collaborations with different business partners.

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

During the year, we have sharpened our focus on ensuring disruptive innovation ideas and concepts through external collaboration, in a planned, strategic way. We have a clear demarcated approach to engage external partners via three pillars:

i) Knowledge Harvest – Connecting with ingredient, flavour, market insights partners for extending innovation pipeline as well as to bring in new platforms and ideas into the innovation funnel. Collaboration with major ingredient manufacturers and suppliers like Givaudan, IFF, Firmenich, Symrise, MANE, Kerry, Novozymes continued during the year for the development of newer formulations & products with scientific credentials and identifying new opportunities and ideas to feed into the Innovation funnel.

Collaborated with Mother Dairy, Doehler, Arihant Pure Chem, Hexagon nutrition, Ganshmuell, Orana for the development of water plus and fruit- based beverages.

ii) Open innovation – We have engaged with strategic technical partners and start-ups to enable co-development and testing of product concepts in the market, to establish technical feasibility and business viability.

iii) Community of Experts:

To strengthen TCPL play in grains and Millets, the company signed a MOU with Indian Institute of Millets Research (IIMR). The focus of this collaboration is to invest into research and development capabilities for company readiness towards 2023 international year of Millets.

Projects were taken up with CSIR (Council of Scientific & Industrial Research) Lab which include CFTRI (Central Food Technological Research Institute) Mysore, CSIO (Central Scientific Instruments Organization), Chandigarh, IITR (Indian Institute of Toxicology Research) on research and development-oriented projects to identify new opportunity on superior claims and new analytical method development for Food & Beverages products. Also collaborated with Eurofin Advinus (Contract Research Organization) Bengaluru for strategic initiatives related to product claims. Central Institute of



## Annexure 5 to Board's Report

Petrochemicals Engineering & Technology (CIPET), Chennai was engaged for a project on recyclable laminates.

To augment our capabilities in existing platforms and categories, we have been liaising heavily with consultants, academia, functional area experts and specialized consultant groups (such as Thinking Forks). We will continue to strengthen our association with expert communities to ensure robust product delivery with agility, given our organization vision and ambitious plans.

Service agreements were entered/continued with NABL accredited Analytical labs – Eurofins Analytical lab Bangalore, TUV SUD Lab Bangalore, TUV NORD Lab Pune, SGS Lab, Gurugram, ALS Testing Services Bengaluru, Vimta Labs Hyderabad, Intertek lab Gurugram, Envirocare Labs Pvt Ltd, FICCI Research and Analysis Center Delhi, Fare Lab, Gurugram, NCML-Unjha, and Neogen-Cochin, for analytical support on product stability, nutrition & safety front.

The product lifecycle management and food safety risk are managed through a Specification Management System developed and optimized by Hamilton- Grant, UK.

- c) Active engagement with different companies was taken up during the year for packaging development to contribute towards cost savings, packaging sustainability and packaging innovation to support the NPD pipeline delivery.

A number of packaging specific initiatives were implemented in FY 2021-22 which has not only resulted in substantial cost savings but also contributed for roughly 500 MT reduction in annual packaging material consumption.

Engagement with Lucro has resulted in us introducing recycled content in our secondary packaging portfolio, which is a first for TCPL. We have also partnered with Dow Chemicals for continued focus on sustainable packaging in flexibles. We are in the process of initiating a partnership with Manjushree Extrusions for

development of recycled content in our rigid bottles. For the design and development of rigid packaging, we have engaged with Tata Elxsi and Sidel. New bottle design and mould was developed for Tata Nature Alive PET bottles and Tata Gluco Plus Jelly Drink.

Various new to TCPL post-print finishes were developed for our NPD pipeline projects (e.g. 1868 Tins, Sonnets, Tata Coffee Gold FDC and Quick-filter) by engaging with key vendors such as ITC, Uflex, Paharpur and Avery Dennison.

For design and development of pack graphics we have engaged with Icarus & Elephant Design. As an on-going process, online artwork approval system "ALIA" from SGS&CO, Mumbai is in use.

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

- The details of technology imported: The Company has not imported any technology during the last three financial years.
- The year of import: Not Applicable
- Whether the technology has been fully absorbed: Not Applicable
- If not fully absorbed, areas where absorption has not taken place and the reasons thereof: Not Applicable.

**(iv) Expenditure incurred on Research & Development in FY 2021-22:**

Capital Expenditure	₹ 1.78 Crores
Revenue Expenditure	₹ 17.15 Crores
Total R&D expenditure as a % of Net Sales is	0.24 %

**(C) Foreign Exchange earnings and outgo in FY 2021-22:**

Foreign Exchange earned	₹ 412.35 Crores
Outgo of foreign Exchange	₹ 108.46 Crores

On behalf of the Board of Directors

**N. Chandrasekaran**

**Chairman**

(DIN 00121863)

Mumbai  
May 4, 2022



# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. ECONOMIC REVIEW

### 1.1 Global

Global growth is estimated at 6.1% in 2021 as per the International Monetary Fund compared to the contraction of 3.1% in 2020 mainly owing to the pandemic (*World Economic outlook April 2022*). The year 2021 saw economic recovery aided by supportive fiscal policy globally; however, the momentum slowed due to various factors, including subsequent Covid-19 waves (Delta and Omicron variant in Q2 and Q4, respectively), lower vaccine access in developing economies (leading to divergence in rate of recovery) and inflation with the increase in demand, supply disruptions and increase in prices (energy, freight and food).

#### Outlook

In its April 2022 outlook, the IMF estimates global economic growth to moderate to 3.6% in 2022 – marginally higher than the historical average of around 3.4% (2015-19). The recovery is expected to be supported by a consumption boost from pent-up household savings, an increase in vaccinations, and inventory restocking partly offset by headwinds of broad-based inflation continuing to impact near-term growth. We will also see the tightening of monetary policies by various central banks to stabilise inflation, with the US Federal Reserve announcing its intentions to further raise rates and taper asset purchases at a faster pace in 2022.

Geopolitical tensions as a result of the Ukraine-Russia war and economic sanctions imposed on Russia are expected to dampen the above outlook (Russia supplies ~10% of the world's energy). These developments have further elevated inflation and are likely to result in aggressive tightening policies by banks and a decline in private demand. There is a higher risk to growth with prolonged conflict.

### 1.2 India

India's economic growth is estimated at 9% in 2021, the highest among large economies, reflecting a strong recovery led by favourable monetary and fiscal policy, mass vaccinations and significant progress on structural reforms. The year witnessed strong growth momentum in exports and improvement in credit uptake driven by agricultural and industrial sectors. Banks and Non-Banking Financial Companies have healthier balance sheet positions compared to 2018 levels. However, India has also been witnessing significant inflationary pressures similar to the global economy.

## Outlook

Indian economy is expected to benefit from the recovery in consumption supported by increasing normalisation of activity, higher rural income, and the boost from pent-up household savings in addition to continued emphasis on infrastructure spending by the government. Government CAPEX is budgeted to grow to 2.9% of GDP in FY 2022-23 the highest in nearly two decades. Private corporate investment is also expected to pick up in the second half of the year with improvement in demand leading to increased manufacturing sector capacity utilisation and roll-out of the Production-Linked Incentive Scheme.

The outlook stands to be impacted given sustained inflation pressures in the next few quarters including the impact of the Russia - Ukraine conflict, quicker tightening of financial conditions with RBI's rate hikes, high oil prices impacting current account balance and fiscal deficit and subsequent Covid-19 outbreaks.

## 2. STRATEGIC PRIORITIES

### 2.1 Overall strategy

Tata Consumer Products Limited (referred to as '**Tata Consumer**' or 'the Company') is among the top 10 FMCG companies in India with a portfolio of offerings in foods and beverages. The Company owns iconic brands with a strong heritage like Tata Tea, Tata Salt, Tetley, and Eight O'Clock Coffee as well as new-age brands like Tata Sampann, Teapigs, Good Earth, Himalayan Water, Tata Gluco Plus, Tata Soufull and Tata Q. It is the second-largest branded tea player globally, houses the largest salt brand in India, and is expanding its portfolio into other product categories like staples, snacks, ready-to-eat, ready-to-cook, and coffee. The Company is committed to delivering 'Better for You' products with quality, nutritious ingredients that are innovative, delightful and convenient for consumption.

The business continued to strengthen its capabilities as a focused consumer products company with a wide portfolio of products aspiring for a larger share of the consumer basket. Despite an inflationary and volatile environment, we continued to increase distribution reach to 38 lakh retail outlets in India, supported growth with high investments behind brands, accelerated innovation, improved operational efficiency, and undertook strategic reorganisation. We completed our brand integration



## Management Discussion and Analysis

with Tata Soufull and acquired Tata SmartFoodz Limited (TSFL). We also continued driving the digitisation agenda, including enabling business from a digital perspective and enhancing analytical capabilities across the value chain.

We remain aligned to our six stated strategic pillars:

- **Strengthen and accelerate core business**

We continued to power our brands with higher investments in the year while driving premiumisation, distribution expansion and developing alternate channels for growth. During the year, we strengthened our share position in India while keeping it stable in our International business.

- **Drive digital and innovation**

We are embedding digital in every part of the business to stay in tune with technological advancements and drive efficiencies across the value chain. Our e-commerce channel performed well, and we plan to continue driving growth in this channel and strengthen digital marketing across markets.

Our innovation efforts are focused on understanding and pre-empting evolving consumer trends and coming up with quality and differentiated products to delight increasingly discerning consumers. We are well-positioned to tap consumer trends and offer new products by leveraging our core systems. We are on track to ramping up the contribution of innovation to overall revenues in the next few years and cross pollinate successful launches across different geographies (Good Earth sensorial blends, Tetley Super Teas). As a result of our focus on innovation, for FY 2021-22, the innovation to sales contribution almost doubled over last year.

- **Unlock synergies**

We continue to focus on improving efficiency and have implemented two major integrations with the acquisition of Tata Soufull and Tata SmartFoodz into the Tata Consumer fold. We are restructuring to combine Tata Coffee's business into Tata Consumer and its wholly-owned subsidiary and purchase a non-controlling interest in Tata Consumer UK Group through a preferential issue of equity shares. This will simplify the legal structure,

create focused business verticals, and unlock synergies. We are looking at further simplification and consolidation of operations to reduce the effective number of legal entities over a period of time.

- **Exploring new opportunities**

We aspire to be a leading player in the FMCG industry, by expanding our play in existing categories and venturing into new spaces. We have taken both organic and inorganic routes to capitalise on industry trends and tap into new consumer segments or markets. This includes piloting launches into new categories by leveraging a differentiated offering and a 'right-to-win' strategy as well as realigning capital investments to markets or businesses that have higher growth potential and the ability to generate sustainable returns. Our inorganic agenda allows us to expand into new categories and recruit new sets of consumers. With the acquisition of Tata SmartFoodz, we ventured into the ready-to-eat portfolio, which caters to consumers seeking convenient and wholesome meals.

- **Create a future-ready organisation**

We transitioned smoothly to a new and integrated organisation structure with the right capabilities and a culture that empowers our people to realise our shared vision. As part of our ongoing commitment to promote a more inclusive and diverse workplace, we extended the group health insurance policy to cover partners of employees belonging to the LGBTQ community. We remain committed to investing in building people's capabilities and creating a sustainable, high-performance work culture.

Recognised as a  
Great Place to Work®

- **Embed sustainability**

Being part of the Tata Group, the ethos of responsibility and sustainability are interwoven in our corporate culture and philosophy. During the year, we signed up as a founding member of the India Plastics Pact, which is a collaboration between the Confederation of Indian Industry



## Management Discussion and Analysis

(CII) and WWF India that brings together multiple stakeholders to set time-bound, target-based commitments to transform the current linear plastics system into a circular plastics economy.

You will find more details of our efforts and progress against each of these strategic priorities in later sections of this report.

To read “Progress against strategic priorities” click [here](#).

### Key strategic developments

During the year under review, we increased our investments in our brands, streamlined operations and drove synergies, including network optimisation in India and simplification of our Indian and International businesses.

- We accelerated our innovation agenda and launched several new products, foraying into new categories/geographies, including Added new products in our health and wellness segment - Care range (Tata Tea Gold Care, Chakra Gold Care, Tata Tea Care), Tata Salt Super Lite with 30% lower Sodium, Tata Soulfull Muesli (Zero Added Sugar), Tata Soulfull No Maida Choco
- Prioritised customer convenience by introducing Tata Coffee Quick Filter Coffee and Tata Tea Adrak Chai
- Built on our premiumisation agenda with a care range, new SKUs in Tata Coffee Sonnets, Tata Tea 1868, and Good Earth Sensorial Blends, among others
- Entered new segments with TGP Jelly and Tata Sampann Dry Fruits in India
- Introduced TATA Soulfull portfolio in the Middle East and took RTD liquids to the International markets with Good Earth Kombucha & Good Energy

During the year, we expanded our portfolio with the acquisition of Tata SmartFoodz Ltd, which owns the TataQ (#2 player in the RTE category in India, manufacturing products using the MATS technology in its Sri City facility in Andhra Pradesh). The RTE category provides a sizeable opportunity in both

International and Indian markets and has a strong overlap with Tata Consumer's existing footprint. We are in the process of unlocking synergies across the value chain by efficiently integrating operations and leveraging technology and manufacturing facility to create a strong pipeline of value-added products in other parts of Tata Consumer's Food business.

During the year, as part of our portfolio evaluation, we transitioned our tea café format Quick Service Restaurant business - Tata Cha - to Qmin-Shops operated by a subsidiary of Indian Hotels Company Limited (IHCL). This will enable us to better focus on our core FMCG business.

### Digital integrations and organisation restructuring

We have laid out our digital strategy and vision, and are embedding digital across the value chain of the company. After the implementation of SAP S/4 HANA in the India business, we are now rolling this out across our other businesses (mainly International and Tata Coffee) and have initiated the setup of an enterprise data platform to draw insights and analysis to support the business.

We streamlined our operations further in India and International markets to drive operational efficiency. Major initiatives include network optimisation and operating model design for the foods 3P network and converting the Australian market into a distributor model.

As part of organisational restructuring and to simplify the legal structure while unlocking synergies, we announced the re-organisation plan during the year with two key steps – a) Composite Scheme of Arrangement with Tata Coffee Limited, our listed Indian subsidiary company and b) purchase of non-controlling interest held by Tata Enterprises Overseas AG (**TEO**) in Tata Consumer Products UK Group Limited (**TCP UK**), our subsidiary company in UK.

The Composite Scheme of Arrangement includes the demerger of our plantation business, Tata Coffee Limited (TCL) into TCPL Beverages & Foods Limited (TBFL), a newly formed wholly-owned subsidiary of Tata Consumer. The second part of the restructure includes the merger of the remaining business of TCL, comprising its extraction and branded coffee business, with TCPL.

Additionally, the Company proposes to purchase the non-controlling interest in TCP UK by way of



## Management Discussion and Analysis

a share swap, through a preferential issue of its equity shares. Currently, Tata Consumer (directly/through its subsidiary companies) holds 89.85% of the share capital of TCP UK, and the balance 10.15% stake is held by TEO. Through this transaction, the Company intends to purchase this non-controlling interest and the purchase consideration is to be paid through the preferential allotment of shares of Tata Consumer to TEO, based on an independent valuation by a registered valuer and subject to other regulatory approvals.

This reorganisation accelerates the Company's objective of creating a future-ready organisation and will act as a stepping-stone for further simplification. It will also result in operational efficiencies, faster decision-making and execution, creation of focused business verticals and unlocking of potential synergies. These initiatives will enable simplification of the Group structure (one listed entity instead of two previously), helping us drive synergies in the organisation, unlock market potential and increase operational control by consolidating the tea and coffee extraction businesses. We plan on significantly reducing the number of operational entities at Tata Consumer group over the period of next few years as part of our simplification agenda.

The Company was certified as a 'Great Place to Work®' and recognised for its commitment to fostering a positive company culture with an employee-first approach at the Great Place to Work® platform, which is a global authority on workplace culture.

### 2.2 Opportunity and strengths

The Company has leading market positions in the Tea and Salt segments, which contribute a significant share of the revenue and is projected to steadily grow over the next few years. We are continuously advancing our distribution and operational capabilities and institutionalised benchmark practices for strong customer engagement and delivery processes. This approach helps create a platform for future businesses through organic and inorganic means to flourish.

These new businesses have the potential to scale over a period and become engines of growth (including Packaged Food, Liquid Beverages, Breakfast Cereals, Healthy Snacks, Ready-to-Eat as well as newer categories being explored). The rich

heritage of the Tata brand name inspires widespread trust and allows us to play in different categories. We are rapidly digitising our processes throughout the value chain, which will further add to the maturity of the organisation.

We are the #2 branded Tea player globally and have a sizeable presence in Coffee in the US with our heritage brands - Tetley and Eight O'Clock, respectively. In the international markets, we enjoy strong brand equity built over years and a loyal customer base. Good Earth and Teapigs are brands with premium offerings targeted at serving emerging consumer needs and provide opportunities for growth in the International business.

We are strengthening the Black Tea business, which forms the largest Tea category while focusing on product innovations in the non-black segment, (a growth segment), and strategically expanding the ethnic portfolio (beverages and food). We are well positioned to address the growing consumer preference for wellness, sustainability, authenticity and premium choices with products like Tetley Super Teas, Tetley Herbals, Good Earth, Eight O'Clock Barista Blends and Teapigs, including ready-to-drink offerings like Kombucha. We continuously evaluate our portfolio and drive cost optimisation to enhance business effectiveness and profitability.

In the B2B segment, which constitutes the extraction business (Tea and Coffee), we enjoy healthy margins – though, during the year, the Tea Extraction business volumes were adversely impacted by the pandemic. At Tata Coffee Limited, our Coffee and Pepper Plantation and Extractions business performed well with improved realisations. As we consolidate and simplify the corporate structure with a demerger/merger scheme, we will work to create focused business verticals in the Extractions business and unlock potential synergies.

We operate in large and growing segments in India and the International markets. The Indian packaged foods and beverage consumption growth story remains strong with preferences tipping towards health, wellness and convenience as a result of the pandemic. The penetration of branded products continues to remain untapped and will increase due to favourable demographics, urbanisation, higher awareness and expansion of modern retailing and e-commerce.



## Management Discussion and Analysis

We are well-positioned to tap into this opportunity with our diverse and growing portfolio, focused expansion of sales and distribution system as well as improvements across our supply chain. Premium product offerings and new market models are also being developed. We are exploring opportunities to selectively introduce products from the Indian to the international markets, where we have a presence, to cater to both ethnic food aisles and the needs of the Indian diaspora.

### 2.3 External threats and mitigation strategies

Key threats to our business include changing consumer preferences, volatility in commodity and currency, inflation, and the concentration of retailers in developed markets. In the year gone by, we witnessed broad-based cost pressures and continue to manage the same. These include commodity prices (coffee prices reaching an 11-year high with supply volatility and adverse weather conditions, temporary disruption in salt supply during monsoons, India tea prices normalised after tumultuous 2020 but remained above 2019 levels), input cost (packaging cost inflation) and freight (container availability issues and inflation). The Company has taken strategic pricing interventions to mitigate some of the effects of input cost inflation while protecting the interests of the consumers.

We continue to closely monitor the pandemic situation across the globe and place a high priority on the health and safety of our employees. With several factories, warehouses, and other on-ground operations across the world engaging thousands of workers daily, we have taken robust steps to ensure employee safety and business continuity during the pandemic. While the pandemic situation has improved globally, any further rise in cases in our key markets could pose a challenge. However, having successfully navigated this over the last couple of years, we believe we are well-positioned to combat it.

### 2.4 Growth drivers

#### 2.4.1 India

During the year, we integrated our operations across different functions (sales force, operations, procurement, and support) in Indian markets, which will enable us to drive value for the whole India business.

We continued to strengthen our leadership position, gain market share in our core Tea and Salt businesses and build a strong platform for growing scale in new categories. We remain focused on delivering profitable and sustainable growth in India.

13% growth in the overall India business

83% growth in the RTD Beverages segment

Unlocking distribution efficiencies

In the Indian market, the Company expanded its distribution footprint to increase direct distribution reach to ~2x through a structured programme led by efficient planning. We also focused on driving improvement in salesforce productivity, better visibility and servicing at the outlets, and capability building for the frontline sales force. We added 8,000+ rural/semi-urban distributors in the year to expand our presence in these markets, which presents a large opportunity for us. We also started a premium distributor sales representative programme to enable focus on the premium portfolio and newer brands like Tata Sampann, Tetley, Tata Coffee, Tata Soufull and Tata Q. The rapid expansion in distribution was enabled with digitally connected sales infrastructure and the use of data and analytics for decision-making. We engaged closely with our modern retail, e-commerce and institutional customers to improve assortment, coverage, availability and servicing metrics to drive growth during the year.

2X increase in direct distribution reach  
8,000+ rural/semi-urban distributors added to network in FY 21-22



## Management Discussion and Analysis

### Digitising and optimising

We continue our journey of digitising and transforming all elements of our value chain, with the implementation of SAP S/4 HANA followed by integrated business planning and interventions towards optimising our network and operating model across different parts of the business.

During the year, we initiated the 3P network optimisation project to make the Company future-ready for food categories as well as realising cost synergies over the medium to long term. The key outcomes from the project are around moving packing locations closer to demand centres, cross-leveraging networks across various categories, exploring new sourcing locations and changing sourcing operating models (for a few categories). This will help drive efficiencies and reduce total delivered costs over the medium to long term.

#### India Business

##### Tea and Coffee

Tea business grew 6% by value and **3% by volume terms**. The premium tea brands grew at a faster pace (1.2x) than the overall tea portfolio. Coffee business grew 48% by value and **43% by volume terms**. In the packaged tea market, we improved our value market share position by ~100 basis points to 22.2% and volume share by 154 basis points to 22% driven by the increase in distribution and supported by brand investments.

We invested in brand building across our portfolio; adopted hyperlocal strategy for Tata Tea Premium and Chakra Gold with regional campaigns relaunched Tata Tea Agni with new packaging and positioning of “Josh Jagaye Har Roz”, positioned Tetley Green Tea Immune to promote internal health and wellbeing, launched a clutter-breaking Tata Coffee “Shik Shik” campaign to name a few.

##### Salt

Salt business grew by 17% in value terms and **8% in volume terms**. Tata Salt led the portfolio performance, gaining value market share and we

further strengthened our market leadership in Salt category by gaining 400 basis points to 37% value share (source: Nielsen). We continued to expand the salt portfolio with three launches during the year:

- Tata Salt Super Lite in the premium segment (India’s first specially formulated 30% low sodium salt)
- Shuddh by Tata Salt – mainstream solar salt play for the South Indian market
- Tata Salt Immuno, our value-added play fortified with Zinc to help improve immunity

Premium Salt portfolio delivered double-digit growth during the year with the increase in distribution and initiatives taken to improve awareness and accelerate trials.

Overall Salt business grew by 17% while Premium Salt grew at a faster pace

##### Water

The RTD beverages portfolio delivered 83% growth as the lockdown restrictions eased through the year. Tata Gluco Plus grew by 43% led by the core and new markets and supported by TV campaigns. Tata Water Plus, now rebranded to Tata Copper Water, was able to grow to 3x with new markets now contributing to almost 36% of the overall revenue. This was a record year for Himalayan as it reported break-even performance for, the first time since inception. Our new launch– Tata Gluco Plus Jelly received a positive response.

##### Pulses, Staples, and Spices

Tata Sampann portfolio delivered double-digit growth during the year led by higher distribution. For Tata Sampann Poha sales were 2x times of the previous year. We also entered a new and premium category with the launch of Tata Sampann Dry Fruits pre-Diwali in e-commerce channel and a pilot launch across select stores in Mumbai and Delhi.

##### Snacks and Breakfast Cereals

We completed the integration of Tata Soulfull into the sales and distribution network of Tata Consumer



## Management Discussion and Analysis

during the year, which resulted in a significant ramp-up of outlet reach to over 3 Lakhs by end of March 2022. Soufull became TATA Soufull with the new logo being integrated into all brand touchpoints. Our new launch 'No Maida Choco' garnered a positive market response. Besides traditional channels, the business scaled up in the e-commerce/D2C channels as well with consistent customer acquisition and effective performance marketing.

### Ready to Eat

We made a strategic acquisition of Tata SmartFoodz Ltd (TSFL), in line with our ambition of exploring new opportunities, and forayed into the RTE category. TSFL owns the brand Tata Q and is the #2 player in the RTE category in India. It manufactures products using MATS technology in its plant in Sri City, Andhra Pradesh. The RTE category is expected to grow at a fast pace in India and presents a sizeable opportunity in the overseas markets (USA, Canada, UK, and Australia), which have a strong overlap with Tata Consumer's existing footprint. MATS technology and Tata SmartFoodz's in-house manufacturing and R&D capabilities will enable Tata Consumer to create a strong pipeline of value-added products across TCPL's Foods business. There is also a potential opportunity to unlock synergies across procurement, manufacturing, and logistics, among other functions.

### TATA Starbucks JV

Tata Starbucks, our 50:50 JV with Starbucks, saw a strong recovery since re-opening following the second wave of the pandemic. It accelerated its store openings during the year with 50 new stores, the highest number of store openings in a single year so far. We are now present in 268 stores across 26 cities in the country. Delivery vertical continues to perform well even after the easing of dine-in restrictions. The business was able to deliver breakeven at the operating profit level before depreciation and amortization (EBITDA).

### 2.4.2 International Business

The International Branded business grew at a 2-year CAGR of 6%, excluding exits of the food service business, with most categories now returning to pre-pandemic trends. The business delivered margin improvement due to restructuring (portfolio exit from non-branded and unprofitable markets, distributor model change in Europe and Australia) and strategic price increases to offset the inflationary pressures in

input cost. As part of the digitalisation agenda, SAP S4 HANA was implemented across international markets resulting in a common global integrated system. We remained focused on structural simplification in the business, sales performance and growth through innovation. In addition, we continue to focus on cost re-engineering across the value chain and general & administration, process interventions and model optimisation to support the business.

The Company continues to focus on scaling the non-black tea portfolio and attracting new consumers. Some of the initiatives undertaken include supporting Cold Infusions range in the UK and Canada, the launch of Tetley Herbal range, Good Earth F&H rollout across markets, entry into Liquids in the UK under both Good Earth and Teapigs brand (Kombucha, Natural Energy) and continuing to build distribution for Barista Blends and Flavors of America under the Eight O'Clock brand in the USA. We also grew the ethnic food and beverages portfolio across markets.

### 2.4.3 Tata Coffee

During the year, Tata Coffee Limited (including Vietnam) witnessed 11% revenue growth, led by the Extractions business and Coffee and Pepper plantations. The Extractions business saw both volume and price led growth despite the challenging demand scenario in some of our markets. The plantation business was impacted by weather related issues and growth was primarily led by the increase in realisation in coffee, which more than offset lower realisations in tea, where prices tapered down from the abnormally high levels seen in 2020. Our instant coffee plants operated at near full capacity utilisation in India and Vietnam, and we undertook a slew of productivity initiatives in the business to control costs in an inflationary environment.

### 2.5 Road ahead

Tata Consumer Products will continue to focus on portfolio expansion and inorganic opportunities. We will drive top-line as well as bottom-line growth by working to strengthen and expand the core (in India and International markets) and rapidly scaling the new growth businesses in India supported by brand investments and an increase in breadth and depth of distribution expansion. We will focus on premiumisation and innovation to fuel growth in the business and execute cost initiatives, including unlocking synergies through legal and organisational restructuring to support the business. We will closely



## Management Discussion and Analysis

evaluate and take strategic pricing interventions to manage inflationary pressures and volatility. Strengthening our commitment to sustainability, we will drive engagement with Trustea as well as execute the agenda for a circular economy in a phased manner, beginning with our International markets.

### 2.6. Sustainability

Sustainability continues to be core to our vision at Tata Consumer, as we stand for better products, for better nutrition, for better living, for a better community, for better sourcing, and for a better planet.

- Our Company's sustainability strategy 'For Better Living' is inspired by the Tata core values of Integrity, Responsibility, Excellence, Pioneering, and Unity and focused on our corporate identity of 'For Better'. The strategy incorporates metrics from Tata Group's Sustainability strategy around Driving Net Zero, Pioneering Circular economies, and Preserving Nature and Biodiversity. Tata Consumer supports development programmes for 1 million community members. We received the award for Best Growth Performance – F&B at India's top 500 Companies 2021 conference by Dun & Bradstreet on the theme of 'Laying foundations for an ESG ready corporate India'. We were also recognised on the CDP India leadership index.
- We are committed to sustainably sourcing our tea and encourage our supply chain partners to follow sustainable agricultural practices through Rain Forest Alliance (International markets) and Trustea programmes (India). All our Tetley blends in the international markets are Rainforest Alliance certified. Tetley in UK and USA is recognised on the Amazon website with the Climate Pledge Friendly logo that uses sustainability certifications to highlight products that support Amazon's commitment to help preserve the natural world.

The India trustea programme exceeded the verification target of 100 million kg in 2021 and has cumulatively verified over 60% of the total tea sold in Indian markets. Over 80,000 small growers were verified and 6.4 Lakh workers reached under trustea. It has facilitated a better working environment for women (maternity benefits, crèche facility), as well as market access and better prices for small tea growers. It has also enabled a structured

grievance redressal system, decent housing, portable drinking water, and uniformity in the system of wage payment for tea workers. The trustea Sustainable Tea Foundation is now an ISO 9001:2015 certified organisation and member of ISEAL under a globally recognised framework, which defines practices for effective and credible sustainability systems.

- We are dedicated to supporting a thriving, profitable and sustainable Malawi tea industry for producers, workers and smallholders. The Malawi Tea 2020 partnership brings together a coalition to achieve a competitive and profitable Malawian tea industry. The 5-year Tetley - UNICEF Project for Early Childhood Development in Malawi tea estates was launched on 20<sup>th</sup> November 2020 (World Children's Day) and aims to support young children in the tea estates with quality and integrated ECD services, including in health, nutrition, early learning, child protection, caring, nurturing, and a clean and protective environment.
- In India, we provide affordable healthcare to over 100,000 tea community members annually through our hospitals in Munnar (Kerala) and Chubwa (Assam). The hospitals are recognized for healthcare facilities, professionalism, safety, ethics, and affordability. They have the lowest infant and maternal mortality in the industry and in respective states and were equipped to manage emergencies and Covid-19 cases through infrastructure improvements and professional training. The Improving Lives programme with UNICEF-ETP is facilitating better health, nutrition, water, sanitation, education, skilling and empowerment for adolescent girls and women in over 200 tea estates in Assam.

We were acknowledged for our sustainable sourcing practices in the tea industry and conferred the CII Food Future Foundation (FFF) National Award for Sustainable Sourcing 2020. The Company also won the Outstanding Performance in the Category of 'Sectoral Value Chain on Tea' award.

- We aligned its GHG emissions targets with the larger Tata Group. Our UK factory uses offsite solar power for its operations and has also installed a biomass boiler for reducing its



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GHG emissions. Our different factories in India commissioned solar PV modules using the latest multi-crystalline technology

- We joined the India Plastics Pact, as a founding member, which focuses on creating a circular economy for plastics. We had earlier joined the UK Plastics Pact in 2018 and EU Plastics Pact in 2021. Our teams are actively engaged in the Advisory Committee and Collaborative Action Groups (CAG) to co-create a roadmap for plastics management. All TCPL beverages factories worldwide are now zero waste to landfill and all wastes are disposed of through authorised vendors who recycle or repurpose them to avoid landfills. In our International markets, there is continued rollout of biodegradable tea bags. Our tea brand Tata Tea Premium has completely changed the 500 gm SKU to recyclable packaging and the remaining packs are also in process. Tata Consumer's Extended Producer Responsibility (EPR) target in India is to collect 100% of total packaging for Beverages, Food and RTD divisions. We conducted a capacity building and awareness programmes for sanitation and waste workers in collaboration with Urban Local Bodies and the NGO, Saahas across a few South Indian states.
- Project Jalodari is the Company's flagship water management programme with the goal to provide water and sanitation solutions for communities. The project has established rainwater harvesting structures across packeting centres in India, and 98% of the rooftop area was connected for water recharge. The project received the CII National Award for Water Management 2021 in the category 'Beyond the Fence', has been extended between 2021 and 2025 and will expand to other areas.

### 3. INDUSTRY AND BUSINESS OVERVIEW

#### 3.1 India business

The Food and Beverages segment continued to drive growth for the FMCG industry as the underlying drivers remain robust, including India's attractive demographic profile, rising consumer affluence, increasing penetration and organised share. Lately, the industry has been witnessing inflation, due to global supply disruption caused by the pandemic and exacerbated by the Russia-Ukraine war. This has resulted in significant price hikes in recent months.

Packaged foods and beverages segment continues to drive growth in the FMCG industry. The organised Indian food and beverage market is estimated at ₹ 5 lakh Crores and is expected to grow at 10-15% over the next 5-year period.

#### Industry overview and outlook

We operate in the sub-categories of Tea, with brands like Tata Tea Premium, Tata Tea Gold, Tata Tea Chakra, Tetley, KananDevan, Gemini, Lal Ghoda, Kala Ghoda and Teaveda, and in Coffee with the brand Tata Coffee Grand and Sonnets. In the water category, we play in four segments – Fortified Water or Energy Drinks (Tata Gluco Plus), Natural Mineral Water (Himalayan), Packaged Drinking Water (Tata Copper Water) and Fruit-based drinks (Tata Fruski). Our brand Himalayan was the first entrant in the naturally sourced mineral water category and continues to enjoy a leadership position in the Premium sub-segment.

#### Tea

The total Indian Tea market is estimated to be worth ~₹ 27,300 Crores, with the branded business constituting ~70% of the overall market (by value). The branded market grew by ~15% last year mainly driven by price inflation as a result of the unusual tea cost increase seen in 2020 due to the pandemic. Tea remains the favourite Indian beverage with a high consumer preference for boiled milk tea. 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. Green Tea is estimated to be a niche segment (~3%). The emerging channels of modern trade and e-commerce are gaining significance. Health and wellness remain a significant trend post the pandemic as consumers are increasingly showing a preference for the functional benefits of their cup of chai.

#### Coffee

Branded Coffee is estimated at ~₹ 2,600 Crores and Instant Coffee is the largest sub-segment, forming ~80-85% of the category. It is growing as consumers continue to prioritise convenience. We are also seeing the emergence of artisanal and gourmet premium coffees, which are estimated to be ~5% of the organised market. In terms of at-home consumption, consumers in South India prefer to consume both instant and roast & ground (filter coffee) regularly throughout the year, while



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coffee remains an aspirational product across the rest of India with higher demand for Instant Coffee during winters.

### Salt

The Indian Branded Salt market is estimated at ~₹ 6,900 Crores. We have a national presence in the category with vacuum evaporated Tata Salt, the lower-priced solar evaporated I-Shakti salt and a range of value-added premium salts (Tata Salt Lite, Tata Salt Super Lite, Black Salt, Rock Salt, among others). In addition, this year, we launched Shuddh by Tata Salt (mid-tier space) and Tata Salt Immuno (value-added zinc variant) to strengthen our portfolio play.

Our supply partners, Tata Chemicals have the largest manufacturing facility to produce vacuum evaporated salt in India.

Consumers are upgrading from loose and unbranded to packaged and branded iodised salt, and from local brands to regional and national brands. Awareness on purity and micronutrient delivery is the key growth driver for Tata Salt, even as we increasingly cater to health-conscious consumers with lower sodium alternatives like Tata Salt Lite, Tata Salt Super Lite, and mineral-rich, rock salt, and black salt. I-Shakti and crystal salt are being used to drive penetration and growth in the South Indian markets.

### Water/Ready to Drink

The India packaged water market is estimated at ~₹ 18,000 Crores. The segment was adversely impacted by the pandemic but has seen recovery with the gradual normalisation of out-of-home activity.

### Pulses and Spices

Structurally, the Indian packaged staples industry is under-penetrated with a significant portion of the category still remaining unbranded. The conversion from loose and unorganised to branded is aided by an emphasis on overall health and well-being considerations. Tata Sampann is the pioneer and the first national branded player in the pulses category, which enjoys a high brand affinity among its core consumer segment. India is the largest producer (~25% of global production) and consumer (27% of global consumption) of pulses. The Indian Pulses and Derivatives industry is growing at ~10% with high penetration of loose and unbranded products.

The industry is estimated to be larger than 1.5 Lakh Crores with only 1-2% of the segment being branded.

The trend towards migration from loose to packaged pulses and besan (chickpea flour) was fuelled by increasing consumer awareness and preference for better quality packaged products, the launch of differentiated products (Tata Sampann unpolished dals and organic range of pulses), and growth in the number of organised players entering the category, thereby, expanding the base.

Branded spices in India form a ₹ 23,400 Crores industry. It is a highly cluttered market, driven by regional preferences for taste. The product mix in spices needs to be tailored as per geography and market. Straight/Pures form a significant share of the market, with competition from loose players, while blended spices are mainly branded with a loyal consumer base, driven by higher convenience and certainty of taste. There is an increasing demand for branded products with consumers looking for unadulterated, hygienic and authentic straight/pure spices and convenient to use blended spices with the certainty of taste. The pandemic has reinvigorated the discussion on traditional recipes and the usage of spices to strengthen immunity. For instance, curcumin found in turmeric has anti-inflammatory properties and is known to prevent flu, and chilli is known to be a rich source of Vitamin C – which essentially supports the immune system.

### Snacks/Ready to Cook

Overall Snacks (excluding confectionary) market is estimated at ₹ 81,000 Crores with a high share of branded play. Today, consumers are looking at diverse taste choices, including healthier food and convenience in multiple mini-meals (For example: Tata Sampann Chilla Mix, millet-based breakfast cereals). Work from home and higher in-home consumption led to a greater preference for healthier snacking options. Focus on health and wellness is also reflected in the increasing importance of natural ingredients and functional propositions like protein.

The Breakfast Cereals (muesli) market is estimated at ~₹ 200 Crores, mostly dominated by a single player in the branded market. In recent years, new players like Soulfull entered the category and are growing the overall base.



## Management Discussion and Analysis

### Outlook

We will continue to see volume-led growth in India with a favourable young demographic profile, rising affordability, and urbanisation supported by the increase in penetration and rising share of the branded market. The shift in preferences towards premium products and consumers making conscious choices to consume trusted and healthier products, especially post covid, will continue to play out within the category. With internet users multiplying and increased access to social media, we are also seeing the emergence of digital-only brands with a direct-to-consumer business model.

We will continue to focus on growing and building distribution with our combined sales infrastructure, investing in equity for our brands, and new product innovation centred on the health, convenience and premiumisation platform. Conversion to branded packaged food will continue to accelerate in the post-Covid era. Health and immunity building categories in the Food business will witness sustained growth. We will tap opportunities at the intersection of health and taste with both ready-to-eat and quick-to-cook options.

### Business performance

#### Tea

We improved both the range and depth of our distribution in the business leading to an improvement in value market (MAT) share by ~100 bps to 22.2% [Source: Nielsen]. Tata Tea emerged as the 'Most Purposeful Brand' in the 2021 Kantar report in the FMCG category. The report showcased how the brand exhibited a clear sense of purpose from a consumer standpoint and adopted a bold social stance during the pandemic. During the last fiscal, the tea business delivered value and volume growth of 6% and 3%, respectively. Our premium brands – Tata Tea Premium and Tata Tea Gold delivered double-digit growth in sales. Tata Spice Mix (Elaichi, Masala) continues to perform well and is now the 5<sup>th</sup> largest brand in the portfolio.

There were various innovation launches in the year in the category leveraging the underlying category trends – health and wellness (extending Care range under Chakra Gold and Tata Tea brands; value-added variant in Agni with Ginger/Adrak) and premiumisation (new variants for specially curated black and green teas under Tata Tea 1868).

To strengthen our brands, we launched multiple hyperlocal campaigns in our core markets for Tata Tea Premium (#Dumdaar UP, #Kadak Haryana), Chakra Gold ('Ghanam' taste of Andhra Pradesh and Telangana), and Kanan Devan. We also launched special festive packaging for Tata Tea Gold and Tata Tea Leaf for Durga Puja and Chhath Puja alongside artistic expressions such as sand art installation on Utkal Dibas in Odisha and a 3D projection mapping show in Visakhapatnam. Chakra Gold became the co-sponsor for Big Boss Tamil Nadu, the biggest reality TV show in the state.

We supported the packaging refresh of Tata Tea Agni with a new TV campaign (Josh Jagaye Har Roz). The TVC captures 3 key players from the Indian Women's Hockey Team- Arjuna award winner, Vandana Katariya, drag-flicker and a key architect of India's success over Australia in the Tokyo Olympics, Gurjit Kaur, and Asian Games medalist, Neha Goyal. It pays an ode to their journeys, displaying the real stories of their hardship, purposefulness, 'josh', and their prevalence over challenges. Tata Tea Premium also launched a first-of-its-kind Holi party in the Metaverse, in an effort to leverage the growing power of digital storytelling and personalisation, as a means to connect with our consumers.

We ran two campaigns during the year highlighting social causes. During the first quarter of the year, we ran the Tata Tea Jaago Re campaign to sensitise and encourage people to help the underprivileged in their vaccination journey. On Independence Day, we partnered with Rare Planet – a startup that promotes the work of local Indian artisans, to unveil a 'Desh ka Kulhad' collection. The aim was to lend support to the artisan community especially as they faced a severe setback due to the ongoing pandemic. The hand-painted kulhads (earthen pots) were crafted with region-specific art forms such as Madhubani folk art from Bihar, and Warli art form from Maharashtra; and the funds collected from the sale of these kulhads were given to the artisans of Okhai.

We accelerated our health and wellness agenda and invested in brand building. Tetley launched a campaign for Tetley Immune with added Vitamin C, driving the key message of staying fit from within, beyond pursuing physical fitness. We invested in creating awareness on our Tata Tea Gold Care range, launched in FY 20-21, to support scale-up



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and expansion across different markets. We drove awareness and trials of Chakra Gold Care in Tamil Nadu with a state-specific campaign showcasing the Tamizh way of showing care. Chakra Gold Care is infused with the goodness of five natural ingredients: Adhimadhuram, Tulsi, Elaichi, Ginger and Brahmi, used traditionally in Tamil households for their health benefits,

To support the transformation journey at the front end, we made multiple interventions in the supply chain network as well. We inaugurated our new tea packaging plant in Gopalpur Industrial Park following successful trial production. It is a state-of-the-art unit and the largest tea packing plant for Tata Consumer. It will be a key hub in our supply chain network and has been built with a focus on green manufacturing, in line with our sustainability agenda. We implemented an integrated business planning solution, which will allow automated S&OP capabilities, help optimise inventory and improve service levels for the organisation.

### Coffee

We were able to grow coffee volumes by 44% during the year with the increase in distribution, albeit on a small base. We built on the 'Shik Shik' campaign released last year in Tamil Nadu inspired by the spirit and sounds of Pongal. The campaign captures the excitement of the festival along with the emotions of drinking coffee. In terms of innovation, this has been one of the best years for Coffee as we launched four new products leveraging consumer trends on (i) convenience with quick filter coffee – a promising taste of filter coffee in instant coffee format and (ii) premiumisation with Eight O Clock – Roast & Ground in gourmet coffee space; Freeze Dried Coffee – Tata Coffee Gold and extending the Tata Coffee Sonnets range. Given their niche target customer group, Eight O' Clock and Tata Coffee Sonnets are only sold through direct-to-consumer and e-commerce channels.

### Salt

We remain the dominant player in Salt in the packaged salt category with a value share of 37.0% (MAT), which is an increase of ~400 basis points on a year-on-year basis. The brand is distributed across 25.5 lakh outlets and 214 million households across the country making it the largest distributed brand in the country. We also doubled our direct reach

with a weighted distribution gain of 3.4% on our Salt portfolio.

While Tata Salt recorded double-digit growth (15%) during the year, we were able to ramp up our Premium Salt portfolio (Tata Salt Lite, Tata Salt Super Lite and Rock Salt) by 26% and gross sales crossed the ₹ 100 Crores benchmark during the year. We made three launches in the Salt portfolio – (i) Tata Salt Super Lite with 30% less sodium than ordinary iodised salt and formulated for the needs of the health-conscious consumer looking to reduce sodium intake and manage blood pressure (ii) Tata Salt Shuddh - the first new brand launch from the Tata Salt stable in a decade, specifically for South and other markets in the mid-tier segment (iii) Tata Salt Immuno, with the added benefit of Zinc, which increases immunity. We ran different campaigns to support our businesses, including the 360-degree campaign 'Namak Badalne ka Socho' with Supriya Pathak to increase awareness on Tata Salt Super Lite, the Navatra campaign for Rock Salt and a regional campaign for Shuddh by Tata Salt.

### Water/Ready to Drink

Following our acquisition of NourischCo Beverages last year, the business witnessed exceptional growth despite recurrent lockdowns during the year. This was driven on the back of portfolio and distribution expansion in core and newer markets, led by our key brands - Tata Gluco Plus and Tata Copper Water (Tata Water Plus was rebranded during the year to underscore its differentiation of added copper). We almost doubled the sales of our Himalayan brand, albeit on a smaller base, and were able to achieve breakeven at the operating profit level for the first time since its inception. We expanded the distribution of Tata Fruski, a drink with an ethnic street twist, to newer markets such as Odisha, Bihar, Delhi-NCR, Uttar Pradesh and West Bengal to upgrade consumers from unbranded to branded.

We expanded our portfolio with two launches - Tata Nature Alive, a mass-premium mineral water brand in select markets and TGP Jelly, the first drinkable jelly in India. Tata Nature Alive will help strengthen our portfolio further since it is positioned in the mass premium segment between Himalayan and Tata Copper Water. This will enable us to address a larger market opportunity while increasing access to natural mineral water for consumers, at the premium



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end. TGP Jelly is a unique product combination of fruit-based beverage and jelly, playing at the cusp of snacking and beverages, and has received promising customer feedback.

### Pulses, Staples, and Spices

The Tata Sampann portfolio continued to grow in double digits. In Spices, we crossed the ₹ 100 Crores benchmark (gross sales) and were able to double the sales of Poha. We ran several campaigns like the monsoon print campaign to build awareness on turmeric's immunity-boosting powers, a TV campaign around the benefit of unpolished pulses, #SpiceUpYourHealth in select priority markets and a consumer outreach programme on World Heart Day on the TATA 1mg platform, among others. We also launched multiple new products – Dry Fruits (new category) and a range of ready-to-cook mixes like Masala Daliya Khichdi Mix, Dhokla Mix, Supergrain Ragi Mixes, and so on.

### Snacks and Breakfast cereals

After acquiring Kottaram Agro Foods (owner of Soulfull brand) in February 2021, we completed its integration with the Tata Consumer system and rebranded 'Soulfull' to 'Tata Soulfull'. We have a harmonised pan-India distribution system and this has enabled a rapid increase in reach for the brand. We launched a TV campaign for Ragi Bites (Kids range) and onboarded actress Sameera Reddy as a brand ambassador. In terms of innovation, we launched three products - No Maida Choco Ragi Bites, Muesli Zero Added Sugar and Smoothix Zero Added Sugar. No Maida Choco Ragi Bites grew to account for 24% of the overall Ragi Bites portfolio. We entered an MoU with the Indian Institute of Millet Research (IIMR) to unlock the potential of millets as a healthier and more sustainable alternative to traditional grains. As part of the agreement, we are collaborating on R&D operations and developing more value-added and contemporary formats for consumers. The next year 2023 was announced as the International Year of Millets and there is a considerable thrust on enhancing the consumption and branding of millet products nationally and internationally.

### Ready to Eat

In line with our strategic priority of exploring new opportunities for growth, in November 2021, the Company acquired Tata SmartFoodz Ltd.

(TSFL), the owner of the brand Tata Q along with its manufacturing facility for food products. The acquisition will enable Tata Consumer to expand its product portfolio into more value-added and the premium Ready to Eat segment.

We continue to explore opportunities to optimise our supply chain network and realise cost synergies in the medium to long term. This includes moving packing locations closer to demand centres, cross-leveraging networks across various categories, exploring new sourcing locations and changing sourcing operating models for relevant categories.

## 3.2 International Business

### Industry overview and outlook

#### Tea

According to Euromonitor, the Global Hot Tea sector is estimated at US\$ 45 billion. The largest category sub-segment globally is Black/Everyday Black Tea, followed by Non-Black segments (Green, Fruit & Herbal, Decaf, Specialty, Cold Infusions, among others). We are now seeing pre-pandemic trends being played out in the category with the decline in Everyday Black volumes. Although out-of-home consumption slowed down due to the pandemic, it is now seeing recovery. Focus on health and wellness as well as immunity became more pronounced. There is a growing interest for different formats such as fermented beverages like Kombucha, which are low in sugar and good for gut health. Sustainability is increasingly becoming a focal point for consumers in the developed world. Online channel adoption and e-commerce continue to grow and are becoming more significant (we launched our D2C sites for Tetley in the UK and Canada to strengthen our presence digitally). Disruptions in the supply chain impacted the tea segment as well leading to an inflationary impact on input costs.

#### Coffee

The size of the retail hot coffee market is double that of tea. The United States continues to be the world's largest coffee market, estimated at US\$ 11 billion and is spearheading the category's growth. Roast & Ground, Beans, Pods, and Instant Coffee are the four sub-categories of coffee. Affordable ground and instant versions are more common in tea-drinking regions like Asia, Africa, the United Kingdom, and the Middle East, whereas Roast & Ground and Pods are more common in countries with developed café



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cultures. We are now seeing stabilisation in category growth levels in Coffee with pods continuing to grow by 4-5%. Café styled or barista coffees for at-home consumption gained popularity during the pandemic, since many restaurants and cafes remain closed during lockdown. The segment was also impacted by supply disruptions and adverse weather in Brazil leading to coffee prices touching a historical 11-year high.

### Outlook

While the industry has normalised to pre-pandemic levels, we are witnessing demand headwinds and inflation, which are expected to stabilise over the short term depending on how the Russia-Ukraine conflict unfolds. We are seeing an increase in competitive activity, including among retailers, grocery and discounter channels as well as higher promotional intensity. Innovation will play a key role in terms of growth in the segment and for us at Tata Consumer.

### Business Performance

#### UK

We restructured our sales operations in the UK in line with the integrated three brand strategy. The business witnessed a decline in revenue led by Tetley as the black tea segment was challenged to sustain the Covid-led pantry stocking gains seen in the previous year. However, Teapigs and Good Earth revenues grew by 8% year over year. The total market share for the business remained steady, led by Tetley Everyday Black. We participated in a pilot with Tesco and Loop to explore options to eliminate single-use plastics by offering Tetley everyday tea bags in reusable tin cannisters. The new tins, containing 80 biodegradable Tetley tea bags were available at a deposit to the consumer, which could be redeemed following returning; and the cannister is washed, refilled, and returned for sale as part of the loop zero-waste system.

We strengthened the Tetley brand recall with a national TV and social campaign titled 'For the love of tea, for the love of Tetley' evoking the country's love for tea and trust in Tetley's long-standing heritage across different formats. In the summer, we also ran a campaign to drive awareness and trials for Tetley Cold Infusion with Rebecca Adlington, an Olympic medallist.

We launched Teapigs Kombucha this year (following Good Earth Kombucha range launched last year) and continued to scale up the launches by increasing reach. Leveraging the health and wellness platform – Tetley Supers, Specialty, and Herbals ranges performed well. Tetley Herbals is now formed ~1% share of the total F&H segment. Good Earth Kombucha and Good Energy (natural energy drink) are also showing encouraging results.

Teapigs celebrated its 15<sup>th</sup> anniversary by running a cross-channel campaign, #teapigsfreeteaday where free tea samples and birthday boxes were distributed by 350 stockists across 15 countries all day, creating a huge buzz on social media. Good Earth ran a geo-targeted campaign during Christmas, to generate awareness and drive trials online and offline.

Teapigs was also recognised by the Guild of Fine Food (an acknowledged benchmark for fine food and drink) and won 15 'Great Taste Awards' for its tea range, Kombucha and cold brew this year. This brings teapigs' total to an impressive 152 prizes to date. Tetley and Good Earth also won a total of 10 'Great Taste Awards.'

#### USA

In Coffee, we delivered 5% revenue CAGR growth over 2 years. We ran a new digital campaign for our brand, titled 'Overdelivery in every cup' for the core Eight O'Clock coffee brand and video creative for Barista blends – 'Be Your Own Barista' proposition to drive awareness. The coffee prices touched historic highs and while we had proactively covered for the majority of our requirements, we did take strategic pricing interventions during the year, in line with the competition. We continued scaling our innovations with range extensions (Flavors of America, Barista Blends) and K-cup SKUs.

In Tea, Teapigs continued to grow in double digits, albeit on a smaller base and outpaced the Specialty Tea category. Tetley and Good Earth sales were impacted as the gains led by pantry stocking with Covid-led lockdown did not get repeated. In terms of innovation, this year we had several launches, including Tetley Irish Breakfast Teas, Tetley British Blends, Good Earth Sensorial Blends, and Teapigs Cold Brew.



## Management Discussion and Analysis

### Canada

We continued to hold our #1 position in the Canadian Tea market and delivered a growth of 3% on a two-year CAGR basis. During the year, our sales were impacted due to the lockdown restrictions implemented in the initial months. Our e-commerce channel delivered double-digit growth and we launched a direct-to-consumer site. Tetley emerged as the 'Most Trusted Tea Brand 2022' - Reader's Digest, for the 8<sup>th</sup> consecutive year reinforcing our position in the consumer's mind, more so after the pandemic.

We continued to build on our success with Tetley Super Teas by driving distribution and share. We launched the new Super Multivitamin teas and supported the range with an integrated campaign, including TV sponsorship, and digital and social media. We also collaborated with one of Canada's most prominent health and wellness influencers, Sasha Exeter, and launched Tetley's first-ever co-created limited edition custom tea 'Be Still' Tetley, sold exclusively on our e-commerce channel. The collaboration with Sasha Exeter garnered strong social media attention and PR impressions, creating quite a buzz. We continued to market the Cold Infusions range with Canadian Olympic Swimmer, Penny Oleksiak and moved to a new ethnic distributor for our beverage and food portfolio.

### Australia

Tetley continued to gain market share and firmly established itself as the second most mainstream black tea brand in the country (gained 210 bps on a MAT basis). We scaled up our e-commerce sales significantly by building product range and presence for both Tetley and Good Earth. As part of our efforts to simplify the organisation structure and realise efficiencies, we transitioned our operating model to being a distributor-led model in Australia. This will help us optimally distribute our products and utilise efficiency gains to invest in our brands for the long-term success of the business.

### 3.3 Non-Branded business

Non-branded portfolio performance was led by the Coffee Extractions businesses in Tata Coffee. Tea Extraction was adversely impacted by the pandemic. In the Coffee Extraction business, we delivered good growth both in our domestic operations (2<sup>nd</sup> highest sales historically) and Vietnam, despite challenging

macro-economic conditions with severe inflationary pressures on ocean freight and input costs (eg fuel). Vietnam saw an increase in premium product sales and achieved 98% capacity utilisation for the year. We implemented cost optimisation initiatives at the plants to improve profitability.

The Tea Plantations business in Tata Coffee was adversely impacted due to external factors resulting in lower crop and realisation. The crop was impacted by adverse weather conditions while prices normalised following the unusual hike in 2020 due to the pandemic. However, we continued to focus our efforts on improving the yield and made strategic interventions in field and factory operations to improve the quality of output. Coffee and Pepper plantations' revenue growth was driven by higher volumes and realisations. We continue to explore opportunities for yield enhancement, cost optimisation, and diversification for increased value addition.

Tata Coffee received multiple accolades during the year. Tata Coffee's Jumboor estate won two acclaimed awards – 'India's Best Coffee' and 'Best of the Best' – overall best coffee in the world, at the Ernesto Illy International Coffee Awards 2021. This was the first time that an estate from India won this prestigious award. Tata Coffee also won the 'Sustainable Agriculture Award' at the Federation of Indian Chamber of Commerce and Industry (FICCI) Agriculture Summit and Awards 2021 as recognition of its soil and water conservation initiatives undertaken at its plantations and instant coffee plants. The Theni extraction plant won the Gold Award from the Society of Energy Engineers and Managers for Energy (SEEM) as a recognition of its efforts in achieving sustainable energy performance at the unit.

### Road ahead

Apart from the oil and related inflation impact, which was already starting to be felt, the Russia - Ukraine conflict has added more unknowns into an already uncertain environment for coffee globally, both on the cost front in terms of packaging and ocean freight, and from a demand perspective, given that Russia is a key market for Instant Coffee operations globally (with the presence of all leading global soluble coffee brands and assets). We will continue to expand markets and undertake measures to mitigate some of the risks and focus on cost optimisation initiatives



## Management Discussion and Analysis

as well as yield and drive productivity improvement to improve profitability.

### 3.4 Others

#### Tata Starbucks

Despite the pandemic, we maintained momentum in increasing the store base and added 50 new stores to take the total count to 268. The stores were a mix of landmark store openings (Golden Temple complex in Amritsar, Jio World Drive in BKC, Brahmaputra Riverfront in Guwahati) and smaller footprint stores. We were also able to achieve regional milestones (crossed 100 stores in the West and 75 stores in the North) and format milestones (crossed 100 high street stores and 75 mall stores). We entered 8 new cities during the year, taking the total count to 26. We also entered 8 new Airports.

As Covid restrictions eased through the year, we saw a robust sequential recovery of sales in the business (by March – the store operation index reached 95%). The business delivered revenue growth of 77% over FY 20-21 and ~9% on a 2-year CAGR basis, led by growth across different formats. We also saw an increase in average daily transactions on our delivery channel with the restrictions, and the levels stabilised higher versus pre-Covid even as the restrictions eased. We ran targeted promotions in the channel (eg: Starbucks 190, Valentine's Day) to drive trials.

We continued investing behind the brand as we partnered with Chennai Super Kings during IPL 2021 and launched Starbucks merchandise on Tata CLiQ Luxury platform. Starbucks also collaborated with FILA for the first time to offer an exclusive, co-branded collection of sporty, street-style essentials that seamlessly combine fashion, function, and on-trend design for customers in the Asia Pacific. We pioneered store formats with the launch of the first-ever Nitro Cold Brew store in India, operated solely by women baristas and the first-ever 'bake-in store' format in Mumbai, offering a delicious menu of freshly baked items inside the store.

Tata Starbucks was awarded India's Best Workplace for Women 2021 in Large Companies Category – Top 100 by Great Place to Work®, which reaffirms our commitment to promoting an inclusive and diverse workforce by empowering women leaders.

#### Road ahead

We expect the post-pandemic recovery to continue across different store formats. Delivery will remain a channel of focus as work from home through a hybrid model continues in the near term. We are working on expanding the store portfolio, streamlining operations and driving new customer acquisition through product innovation and improved customer and partner experience.

## 4. FINANCIAL REVIEW

### 4.1 Consolidated performance

#### Key financials

- **Revenue from operations** stood at ₹ 12,425 crores, growing by 7% (6% in constant currency) mainly driven by our Branded business. On a like-to-like basis, and net of exits of food service, business growth reached 9% (8% in constant currency):
  - India Business delivered 13% revenue growth. In terms of our base business - Tea Business delivered 6% value growth while Salt grew at 17% value growth. The new businesses delivered an overall growth of 52% led by ready-to-drink and Tata Sampann,
  - International business revenues, net of exits of food service business on a like-to-like basis witnessed a decline of 2% in constant currency terms due to an elevated base with Covid-induced pantry loading
  - Non-Branded business revenue grew by 8% in constant currency driven by higher realisation in Tata Coffee and Vietnam
- **Earnings before interest, taxes and depreciation and amortisation (EBITDA)** were at ₹ 1,749 Crores, which is higher than the previous year by 11%. EBITDA margin stood at 14.1%, an improvement of 60 basis points
- **Profit before exceptional items and taxes (PBIT)** at ₹ 1,508 Crores was higher than the previous year by 12%.
  - Improvement in India Branded business led by higher revenue and growth in



## Management Discussion and Analysis

- margins, driven by tapering of tea commodity cost despite input cost inflation and higher investments in brands and growth initiatives
- International business margins improved over the prior year driven by good management over spends despite a sharp increase in coffee commodity prices and input cost inflation
  - Non-Branded businesses witnessed a marginal increase in profitability in the performance of coffee extractions and pepper, offset by the adverse performance of tea plantations
- **Exceptional items** represent re-structuring & re-organisation costs and acquisition costs
  - **Group net profit for the year stood at ₹ 1,015 Crores**, higher than the previous year by 9%, driven by improved operating performance partly offset by higher exceptional expenditure
  - **Earnings per share** were at ₹ 10.15 for the year as compared to ₹ 9.30 in the previous year.

### Performance snapshot

The consolidated financial highlights for FY 2021-22 are as follows:

	₹ in Crores		
<b>Particulars</b>	<b>2022</b>	<b>2021</b>	<b>Change</b>
Revenue from operations	12,425	11,602	7%
Operating profit before depreciation and amortisation (EBITDA)	1,749	1,569	11%
EBITDA %	14.1%	13.5%	60 bps
Operating profit (EBIT)	1,471	1,315	12%
EBIT %	11.8%	11.3%	50 bps
Profit before exceptional items and taxes	1,508	1,342	12%
PBT (bei)%	12.1%	11.6%	60 bps
Exceptional items (net)	(52)	(31)	(70%)
Profit before tax	1,456	1,311	11%
Profit after tax	1,079	994	9%
Share of profits/(loss) of JVs and Associates	(64)	(63)	(1%)
Group net profit	1,015	930	9%
Net Profit Margin %	8.2%	8.0%	20 bps

	₹ in Crores		
<b>Particulars</b>	<b>2022</b>	<b>2021</b>	<b>Change</b>
Net worth	16,294	15,627	4%
Capital employed	4,482	3,791	18%
Goodwill	7,754	7,597	2%
Brand (indefinite life)	2,093	2,093	0%
Borrowings (excluding lease liabilities)	1,011	1,207	-16%
Cash and cash equivalents, including current investments and ICDs	3,455	3,589	-4%
Net Cash/(Debt)	2,444	2,383	3%



## Management Discussion and Analysis

Key financial ratios	2022	2021	Change
Return on Capital Employed (RoCE) %	32.82%	34.68%	-186 bps
Return on Net Worth (RoNW)%	6.36%	6.09%	27 bps
Basic EPS (₹/Share)	10.15	9.30	9%
Debtors' turnover (Days)	23	26	11%
Inventory turnover (Days)	66	62	-6%
Interest coverage ratio	21.72	20.53	-6%
Current ratio	2.25	2.28	-1%
Debt equity ratio	0.09	0.10	14%

## 4.2 Standalone performance

## Key financials

- **Revenue from operations** at ₹ 7,932 Crores, higher than the previous year by 11%, driven by higher distribution reach, investment in brands, and premiumisation. There was growth across categories, mainly led by volume growth in Tea and Tata Sampann and value increase in Tata Salt.
- **Earnings before interest, taxes and depreciation and amortisation (EBITDA)** at ₹ 1,111 Crores, higher than the previous year by 21%. EBITDA margins at 14.0% improved by 120 basis points.
- **Profit before exceptional items and taxes (PBIT)** at ₹ 1,178 Crores was higher than the previous year by 31%, with higher revenue and growth in margins, driven by tapering off of tea commodity cost in spite of input cost inflation and higher investments in brands
- **Exceptional items** represent re-structuring & reorganisation costs and acquisition costs.
- **Profit after tax** at ₹ 886 Crores was higher than the previous year by 43%

## Performance snapshot

The standalone financial highlights for FY 2021-22 are as follows:

₹ in Crores

Particulars	2022	2021	Change
Revenue from operations	7,932	7,154	11%
Operating profit before depreciation and amortisation (EBITDA)	1,111	919	21%
EBITDA %	14.0%	12.8%	120 bps
Operating profit (EBIT)	969	793	22%
EBIT %	12.2%	11.1%	110 bps
Profit before exceptional items and taxes	1,178	897	31%
Exceptional items (net)	(27)	(61)	55%
Profit before tax	1,151	836	38%
Profit after tax	886	620	43%
Net Profit Margin %	11.2%	8.7%	250 bps



## Management Discussion and Analysis

₹ in Crores

Particulars	2022	2021	Change
Net worth	11,762	11,224	5%
Capital employed	4,357	3,805	15%
Goodwill	3,579	3,579	0%
Brand (indefinite life)	2,093	2,093	0%
Borrowings (excluding lease liabilities)	-	-	-
Cash and cash equivalents, including current investments and ICDs	2,047	1,916	7%
Net cash/(Debt)	2,047	1,916	7%

Particulars	2022	2021	Change
Return on Operating Capital Employed (RoCE)	22.25%	20.83%	142 bps
Return on Net Worth (RoNW)%	7.71%	5.61%	210 bps
Basic EPS (₹/Share)	9.61	6.72	43%
Debtors' turnover (days)	12	15	15%
Inventory turnover (days)	62	59	-4%
Interest coverage ratio	40.57	32.90	23%
Current ratio	2.56	2.75	-7%
Debt equity ratio	0.02	0.02	8%

### 5. RISK MANAGEMENT

At Tata Consumer, our Board of Directors formed a Risk Management Committee to frame, implement and monitor the risk management plan. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Committee considers those risks that impact mid- to long-term objectives of the business, including those reputational in nature.

We have an elaborate risk charter and risk policy defining our risk management governance model, risk assessment and prioritisation process. The Risk Management Committee adopted a follow-up risk management framework – ERM4Business. As part of our evolution towards an advanced ERM practice, which would effectively embed risk management as a part of business processes, a digitised follow-up mechanism was developed. This will institutionalise the process by enabling real-time and seamless access to all key business stakeholders for the periodic update, monitoring, and reporting of respective risks, mitigation plans, and associated target KPIs. The Audit Committee has an additional oversight on financial risks and controls.

Additionally, a third-party organisation benchmarked our risk management practice with various

companies in India and globally. We were declared **'Masters of Risk' in the FMCG category**, for the third consecutive time at the eighth edition of The India Risk Management Awards 2021 by CNBC TV-18 and ICICI Lombard. This is a coveted award and winners are decided after a rigorous review of various large-cap FMCG companies by an independent panel of jury. The win is a testimony to our constant endeavor to bring thought leadership and use advanced digital enablers such as Tgo analytics (a home-grown capability) in risk management practices.

### 6. CYBERSECURITY

We devised a three-pronged approach to cybersecurity:

- Ensured strong safeguards that included anti-virus 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), to provide protective monitoring and speedy response and recovery to any cybersecurity incidents that might occur



## Management Discussion and Analysis

- Ascertained 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 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 occur through the use of our Security Incident and Event Management (SIEM) tools
- Implemented a proactive security assessment tool, security assessment framework for Enterprise (SAFE), which provides an enterprise-wide, objective, unified and real-time Cyber Risk Quantification (CRQ) platform. This helps us assess, analyse and score every IT asset, including but not restricted to laptops, servers, and network connectivity devices while providing advance visibility on assets at risk. This allows us to proactively take action and eliminate or mitigate it.

### 7. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

We have over 3,500 full-time employees across our branded businesses. As we embark on our next growth journey with entry into a larger portfolio of the Food & Beverages segment, we have defined and communicated our people strategy as outlined:

- **High-performance culture**  
We will continue to build our high-performance culture through strong cascading of goals, communication of performance expectations, building managerial capabilities, conducting frequent performance check-ins and evaluating performance on outcomes delivered rather than the effort involved. We drove common organizational goals to build a greater focus on continuous learning and enhancing employee engagement. Our sales incentive plan was sharpened to align with the larger sales strategy and our short-term incentive plan continues to reward employees on organisational, functional and individual performance. This learning-oriented, transparent and broad approach to performance management will help us create a strong and inspiring culture of performance.

- **Managing talent**

In line with our overall talent strategy to create and sustain a future-ready, high-performing talent pool, we continue to assess and develop our employees' capabilities across levels and geographies. We mapped our entire population of global graded employees on parameters such as potential, attrition risk, role criticality, succession depth, and mobility.

Towards empowering employees to take charge of their own growth, we launched an online portal called Compass, which provides visibility on roles and responsibilities, skills and indicative future career paths for all organisational roles.

Building skills and capabilities for the present and the future continues to be at the top of our learning agenda and was driven through multiple platforms (internal and external), including academy-based development opportunities, group learning programmes, e-learning platforms, and coaching programmes, among others. Career conversations, bespoke learning programmes, exposures and assignments were provided to enhance succession planning and increase internal mobility.

- **Engagement**

We completed our bi-annual engagement survey, 'Interactions' in March with an 87% response rate. To build focus on manager level actions for the sake of enhancing engagement, manager linked questions were enmeshed with people commitment goals of managers. Our overall engagement index stayed stable at previous levels, and we will be building specific action plans both at the organisational and managerial levels to improve engagement.

- **Safety**

As Covid-19 cases receded in the second half of the year, fully vaccinated employees could come back to the office in a calibrated manner. A rostering system is in place to regulate visits. We encourage employees who are in office-based roles to come back to the workplace as defined from time to time in keeping with the Covid-19 situation. At our manufacturing units, safety protocols were reinforced to ensure a



## Management Discussion and Analysis

safe working environment by incorporating changes in protocols in accordance with government directives. At our offices and manufacturing units, external visitors were not entertained until recently. We continued to focus on our well-being programme, Balanced, Energetic, and Mindful (BEAM) which prioritises the physical, emotional and financial well-being of our employees. There were multiple counselling sessions and webinars conducted throughout the year on physical activities and yoga for our employees.

- **Rewards and recognition framework**

Moments of Recognising Excellence (MORE) is our overall recognition framework that has a mix of monetary and non-monetary programmes, which includes peer-to-peer recognition awards - Sparkle and Gratitude Tree; recognition from leadership for exceptional performance - Great Job café; accolades for values displayed - Shine; and rewards for providing ideas to improve business performance - Brainiacs.

~85% of management employees received peer-to-peer recognition.

~90% of management colleagues were recognized as a part of MORE

- **Industrial Relations:**

The Industrial Relations situation during the year was generally peaceful. Ensuring factory sustainability and revisiting existing practices across factories were the top priorities in the year. The focus remained on ensuring the sustenance of factories by introducing good practices and sustaining costs to ensure that factories become future-ready.

We introduced various initiatives with a focus on aligning the unionised workforce, office bearers and line managers in the long run. The initiatives include recognition of the workforce, communication forums and connect platforms, disciplinary processes, multiskilling, and building ER capability among line managers and union leadership.

## 8. INTERNAL CONTROLS AND INTERNAL AUDIT

Our internal financial control framework is commensurate with the size and operations of the business and is in line with the 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 periodically tested by the Management, Statutory Auditors and Internal Auditors.

Internal Audit (IA) at Tata Consumer is an independent and objective activity designed to provide assurance to senior management and add value by identifying opportunities to deliver business benefits and improvements to internal controls. It helps us accomplish our objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of processes, 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. Our IA is differentiated by utilising better data analytics tools, like home-grown and developed analytics platform, Tgo, and its mix of in-house domain specialists. IA activities for the new business were integrated within the Tata Consumer team. The IA team is working closely to extend the good IA practices to the IA teams for JV, associates, and subsidiaries to enhance the coverage and increase efficacy.

## 9. FORWARD-LOOKING STATEMENT

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates, and others may constitute forward-looking statements within the meaning of applicable laws and regulations. Actual results may differ from such expectations, whether expressed or implied. Several factors could make a significant difference to our operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, any epidemic or pandemic, and natural calamities over which we do not have any direct/indirect control.



# CORPORATE GOVERNANCE REPORT

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Strong leadership and effective Corporate Governance practices have been the Company's hallmark inherited from the Tata culture and ethos. The Company has a strong legacy of fair, transparent, and ethical governance practices.

The Company believes that Corporate Governance is not only a principle that the organisation follows but it's a way of life that is embedded in its behavior & culture. The philosophy of the Company's Corporate Governance ensures transparency in its affairs and the functioning of the Management and the Board and accountability toward its stakeholders. It also encompasses the oversight of business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company's policies focus on the augmentation of long-term shareholder's value without compromising integrity, social obligations, and regulatory compliances. While dealing with its stakeholders, the Company functions within recognised standards of propriety, fair play, and justice and aims at creating a culture of openness. It has established a system that encourages all its employees to voice their concerns openly and without any fear or inhibition.

Corporate Governance of the Company has been further strengthened through the Tata Code of Conduct, the Tata Business Excellence Model, the Company's Code of Conduct for Prevention of Insider Trading, and the Code of Corporate Disclosure Policies. The Company has in place an Information Security Policy that ensures proper utilization of IT resources.

Being a Global organisation, the Corporate Governance practices followed by the Company are commensurate with international standards and best practices. As a responsible corporate citizen, the Company had established systems that encourage and recognise the employee's 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 the building of image or publicity.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as applicable, with regard to Corporate Governance.

## 2. BOARD OF DIRECTORS AND GOVERNANCE FRAMEWORK

### a. Composition & Category of Directors

The Board of the Company is formed with an optimum combination of executive and non-executive directors, which not only meet the legal obligation but also make a diversified Board with a mixed blend of experiences, expertise, and professionals. The Board, while discharging its responsibilities and providing effective leadership to the business, uphold the corporate value, promote the ethical culture, endorse sustainability and leverages innovation. 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.

As on March 31, 2022, the Board consists of 8 Directors comprising of 4 Independent Directors, 2 Non-Executive Directors and 2 Executive Directors. 75% of the Board is represented by Non-Executive Directors and 25% by Executive Directors. Further, Independent Directors which include a Woman Director constitute 50% strength of the Board. The Chairman of the Board is Non-Executive Director and is not related to the Managing Director & Chief Executive Officer ('CEO') of the Company.

During the year under review, Dr. K. P. Krishnan has been appointed as the Non-Executive, Independent Director of the Company effective October 22, 2021, for a term of 5 years. Mr. S. Santhanakrishnan, Independent Director, ceased to be a Director of the Company w.e.f. October 12, 2021, on account of the appointment of the Firm in which he is a partner, as the Statutory Auditors of the Promoter of the Company. Mr. Santhanakrishnan had confirmed that there were no other reasons for his resignation, other than as mentioned above.



## Corporate Governance Report

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act. The composition of the Board as on March 31, 2022, is as under:

Category	Names of Directors	No. of Directors	% of the total strength of the Board
Non-Executive, Non-Independent Directors	1) Mr. N. Chandrasekaran, Chairman DIN: 00121863 2) Mr. P.B. Balaji DIN: 02762983	2	25
Non-Executive, Independent Directors	1) Mr. Siraj Chaudhry DIN: 00161853 2) Mr. Bharat Puri DIN: 02173566 3) Ms. Shikha Sharma DIN: 00043265 4) Dr. K. P. Krishnan DIN: 01099097	4	50
Executive Directors	1) Mr. Sunil D'Souza (Managing Director & CEO) DIN: 07194259 2) Mr. L. Krishnakumar (Executive Director & Group CFO) DIN: 00423616	2	25
<b>Total</b>		<b>8</b>	<b>100</b>

\*Mr. David Crean was appointed as an Additional Director in the capacity of Non-Executive, Independent Director by the Board on May 4, 2022.

The Board periodically evaluates the need for change in its composition and size. The profile of the Directors is available on the Company's website at <https://www.tataconsumer.com/about/leadership>

None of the directors of the Company are related to each other.

### b. Board meetings

During the period under review, the Board met 7 (seven) times on May 6, 2021, August 3, 2021, October 22, 2021, November 11, 2021, February 2, 2022, March 16, 2022, and March 29, 2022, and the maximum time gap between two board meetings was less than 120 days. The agenda and other related papers were being circulated to the Directors in advance to enable them to take informed decisions. The minutes of the meetings of all the Board and Committees were circulated to all the Directors and are finalized incorporating the comments of the Directors.

### c. Details of the attendance of directors and other directorship/committee positions, etc

The names and categories of the Directors on the Board, their attendance at the Board Meetings along with attendance at the Annual General Meeting ("AGM") held during FY 2021-22 (through Video-Conferencing/Other Audio-Visual Means), details of number of directorship or committee position as a member or chairperson held by the Directors of the Company in other public companies, along with the names of the listed entities where the person is a director indicating the category of such directorship as on March 31, 2022, are as under:



## Corporate Governance Report

Name of the Director & Category	Number of Board meetings attended during FY 2021-22	Whether attended the last AGM held on June 25, 2021	Directorships <sup>^</sup> held in other Public companies as on March 31, 2022		Committee positions <sup>#</sup> held in other Public companies as on March 31, 2022		Directorship in other Listed Companies* (category of directorship) as on March 31, 2022
			Chairperson of the Board	Member of the Board	Chairperson	Member	
Mr. N. Chandrasekaran, Chairman (Non-Executive, Non-Independent)	5**	Yes	7	Nil	Nil	Nil	<b>Non-Executive, Non- Independent Director of:</b> 1) Tata Consultancy Service Limited 2) Tata Steel Limited 3) Tata Motors Limited 4) The Indian Hotels Company Limited 5) The Tata Power Company Limited 6) Tata Chemicals Limited
Dr. K. P. Krishnan (Non-Executive, Independent) <sup>§</sup>	4	NA	Nil	2	2	1	<b>Independent Director of:</b> 1) Dr. Reddy's Laboratories Limited
Mr. Siraj Chaudhry (Non-Executive, Independent)	7	Yes	Nil	6	2	3	<b>Independent Director of:</b> 1) Tata Coffee Limited 2) Dhanuka Agritech Limited 3) Jubilant Ingrevia Limited
Mr. Bharat Puri (Non-Executive, Independent)	7	Yes	Nil	1	Nil	Nil	<b>Managing Director of:</b> 1) Pidilite Industries Limited
Ms. Shikha Sharma (Non-Executive, Independent)	7	Yes	Nil	5	Nil	3	<b>Independent Director of:</b> 1) Ambuja Cements Limited 2) Dr. Reddy's Laboratories Limited 3) Mahindra and Mahindra Limited 4) Tech Mahindra Limited <b>Non-Executive, Non- Independent Director of:</b> 5) Piramal Enterprises Limited
Mr. P. B. Balaji (Non-Executive, Non-Independent)	7	Yes	Nil	6	Nil	5	Nil
Mr. Sunil D'Souza (Managing Director & CEO)	7	Yes	Nil	2	Nil	Nil	<b>Non-Executive, Non- Independent Director</b> 1) Tata Coffee Limited
Mr. L. Krishnakumar (Executive Director & Group CFO)	7	Yes	Nil	2	Nil	1	Nil
Mr. S. Santhanakrishnan (Non-Executive, Independent) <sup>®</sup>	2	Yes	®	®	®	®	®

\*\*Mr. N. Chandrasekaran had abstained from attending meetings held on November 11, 2021 and March 29, 2022 on account of probable conflict of interest in the primary agenda items considered and approved at the said meetings

<sup>§</sup> Dr. K.P. Krishnan was appointed as an Independent Director w.e.f. October 22, 2021, and during his tenure 4 Board meetings were held.

<sup>®</sup> Mr. S. Santhanakrishnan ceased as a Director w.e.f. close of business hours of October 12, 2021, and during his tenure 2 Board meetings were held. Since he was not Director as of March 31, 2022, details of other directorships/committee positions are not applicable, hence not provided.

<sup>^</sup>For the purpose of reckoning Directorship /Committees position on which a Director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies, and companies under Section 8 of the Companies Act, 2013, have been excluded.

<sup>\*</sup>Regulation 17A of the Listing Regulations provides for the inclusion of only equity listed entities for reckoning, add for after listed entities reckoning the directorship in the listed entity, hence directorships held in debt listed entities have not been considered for reporting as above.

<sup>#</sup>Only Audit Committee and Stakeholders Relationship Committee are considered for reckoning committee positions.

As per declarations received from the Directors:

- None of the Directors 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.
- None of the Directors holds directorship in more than ten public companies and in more than seven listed companies, across the directorships held including that in the Company.



## Corporate Governance Report

- c) The Managing Director/Executive Directors in the Company do not serve as independent director of any listed company.

Details of equity shares of the Company held by the Directors as on March 31, 2022, are given below:

Name	Designation	No. of shares
Mr. N. Chandrasekaran	Chairman (Non-Executive Director)	100,000
Mr. P. B. Balaji	Non-Executive Non-Independent Director	285
Ms. Shikha Sharma	Independent Director	50,000
Dr. K. P. Krishnan	Independent Director	Nil
Mr. Bharat Puri	Independent Director	Nil
Mr. Siraj Chaudhry	Independent Director	Nil
Mr. Sunil D'Souza	Managing Director & CEO	Nil
Mr. L. Krishnakumar	Executive Director & Group CFO	228

### d. Declarations of Independence

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along

### f. Skills/expertise/competencies identified by the Board of Directors

During the year under review, the Board has assessed the list of core skills/ expertise/ competencies as earlier identified by the Board of Directors and enlarged the description of skills/ expertise/ competencies in the context of the Company's business and sector, for it to function effectively. The Board has identified the following skills/ expertise/ competencies fundamental for the effective functioning of the Company:

Core Skill Area	Skills/expertise/competencies	Description
Leadership	Business Leadership or Entrepreneurship	Experience as Entrepreneur/ Business Leader/ CEO/Industrialist, leading the operations of a significantly large organization with an understanding of the consumer, operations, sales & marketing, business processes, strategic planning, risk management, and governance.
Strategic	Business Strategies, Planning, and M&A	Ability to provide strategic guidance to grow the FMCG business, ability to anticipate and interpret consumer trends, economic issues, macro-economic trends, and national policies. Visionary to give necessary guidance to the business with regards to key factors like market opportunities, competitive advantage, brand positioning, assessment of the Company's strengths and weaknesses, and contribute towards progressive refinement of the strategies for the fulfillment of its goals.  Giving strategic guidance to the management regarding the organic and in-organic growth opportunities of business through synergies, acquisitions, corporate restructuring, and other business combinations to enhance the profitability and value for investors, competitively and in a sustainable manner.

with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, they have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act and that they are independent of the management.

### e. Familiarisation programme for Independent Directors

The existing, as well as newly appointed Independent Directors, have been familiarized with the Company, their roles and responsibilities in the Company, the nature of the industry in which the Company operates, the business model of the Company, etc. During FY 2021-22, Independent Directors were taken through various aspects of the Company's business and operations. The details of familiarization programmes imparted to the Independent Directors are put up on the website of the Company and can be accessed at <https://www.tataconsumer.com/corporate-governance/compliances-and-filings>

## Corporate Governance Report

Core Skill Area	Skills/expertise/competencies	Description
Operational	FMCG Industry Expertise	A significant experience/expertise in FMCG and other Consumer Products businesses with an understanding of consumer, operations, procurement, supply chain, sales & marketing, business processes, strategic planning, etc.
	Global Business Exposure	Knowledge, experience, or meaningful exposure of the global business environment, economic conditions, cultures across various geographical markets, industry verticals, and regulatory jurisdictions, and a broad perspective on global market opportunities.
	Customer Insights, Marketing, and Innovation	Understanding of customers/consumer, their behaviors, their preferences, and their needs & patterns. Ability to lead the strategies to grow sales and market share, build brand awareness and equity, enhance brand reputation, and to leverage consumer insights for business benefits. Ability and experience to leverage the innovation in products and categories in consumer space for growth and profitability and understanding of Research & Development activities.
	Digital and Information Technology	Ability to evaluate the impact of Digital / Information Technology across the value chain and understanding of emerging technologies. Ability to anticipate technological-driven changes & disruptions impacting the business and ability to oversee and provide guidance for cyber security and controls across the organization.
	Supply Chain & Commodity Management	Experience in management of multifaceted/ integrated supply chain operations, knowledge of emerging technologies in the supply chain, anticipate and provide guidance to the management to face the challenges in order to minimize or prevent disruption in supply chain operations. Ability to analyse Commodity trends and to oversee and provide effective guidance for procurement and commodity risk management.
Governance	ESG Proficiency	Ability to guide in improving environmental, social and governance practices of the Company and evaluation of the Company's efforts towards social and environmental factors, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements, and driving corporate sustainability initiatives and ethics and values.
Expert Knowledge	Financial Expertise	Expert knowledge of accounting, financial management, treasury, and global financial reporting.
	Regulatory, Legal, and Risk Management	Expert knowledge of Corporate Laws, Trade, Consumer related laws, etc., and high governance standards with an understanding of changing regulatory frameworks. Ability to understand the key risks impacting the businesses and operations including regulatory risk and to contribute towards risk mitigation and deployment of enterprise risk management.
Human Resources	People Management & Capacity building	Experience of developing talent, planning succession, and driving changes toward long-term growth. Ability to understand the talent market and the Company's talent quotient so as to make changes in Company's talent strategies to attract, retain and nurture competitively superior talents.

The brief profiles of Directors forming part of this Annual Report give an insight into the education, expertise, skills, and experience of the Directors, thus bringing diversity to the Board's perspectives.





## Corporate Governance Report

The details of Directors of the Company who possess those skills/expertise/competencies are as given below:

Skills/expertise/competencies	Mr. N. Chandrasekaran, Chairman	Mr. Bharat Puri	Ms. Shikha Sharma	Mr. Siraj Chaudhry	Dr. K.P. Krishnan#	Mr. S. Santhana krishnan*	Mr. P. B. Balaji	Mr. Sunil D'Souza	Mr. L. Krishnakumar
Business Leadership or Entrepreneurship	✓	✓	✓	✓				✓	
Business Strategies, Planning, and M&A	✓	✓	✓	✓	✓	✓	✓	✓	✓
FMCG Industry Expertise		✓		✓			✓	✓	✓
Global Business Exposure	✓	✓	✓	✓	✓	✓	✓	✓	✓
Customer Insights, Marketing and Innovation	✓	✓	✓	✓	✓	✓	✓	✓	✓
Digital and Information Technology	✓	✓	✓	✓			✓	✓	✓
Supply Chain & Commodity management	✓	✓		✓			✓	✓	✓
ESG Proficiency	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial Expertise	✓	✓	✓	✓	✓	✓	✓	✓	✓
Regulatory, Legal and Risk Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
People Management & Capacity building	✓	✓	✓	✓	✓	✓	✓	✓	✓

Note: # appointed effective October 22, 2021

\*resigned from the directorship on October 12, 2021

### g. Compliance Framework:

The Company has a robust and effective framework for monitoring compliances with applicable laws within the organization and providing updates to senior management and the Board periodically. The Audit Committee and the Board of Directors periodically review the status of the compliances with the applicable laws.

### h. Code of conduct

The Tata Code of Conduct ("TCoC") is a comprehensive written code that applies to all employees including the Managing Director and other Executive Directors. The TCoC is augmented by several 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" for any ethical violations, in all forms or manners. The Code lays emphasis amongst other things, on integrity at the workplace and in business practices, honest and ethical personal conduct, diversity, fairness, respect etc.

A separate code of conduct applicable to the Non-Executive Directors was adopted by the Board which includes the 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/corporate-governance/compliances-and-filings>.

In respect of FY 2021-22, all Board members and Senior Management personnel of the Company have affirmed the 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 1** and form part of the Annual Report.

### i. Prevention of Insider Trading Code:

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company had adopted the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices (which includes Policy on Determination of Legitimate Purpose). All the Directors, employees and third

## Corporate Governance Report

parties such as auditors, consultants, etc. who could have access to the unpublished price sensitive information of the Company are governed by the said Code. The trading window is closed during the time of declaration of results and on the 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 the Company's securities. The Code of Corporate Disclosure Practices is hosted on the website of the Company and can be accessed at <https://www.tataconsumer.com/investors/policies>.

**j. Terms and conditions of appointment to the Independent Directors**

The Company had 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/corporate-governance/compliances-and-filings>.

**k. Meetings of Independent Directors**

During the year under review, 3 (three) meetings of Independent Directors were held on October 21, 2021, March 16, 2022, and March 29, 2022.

In compliance with Regulation 25 (3) of the Listing Regulations and Schedule IV of the Act, a separate meeting of Independent Directors were held on March 16, 2022 for FY 2021-22, without the presence of Non-Independent Directors and members of the management. 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 the flow of information between the Company management and the Board that is necessary for the Board to perform their duties effectively and reasonably.

The meeting of the Independent Directors was held without the participation of the management representatives to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors.

**3. AUDIT COMMITTEE**

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 Charter of the Committee can be accessed on the Company's website at the link - <https://www.tataconsumer.com/about/leadership>.

**a. Brief description of terms of reference**

The Audit Committee shall *inter-alia* discharge the following responsibilities:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient, and creditable
- Evaluation of internal financial controls and risk management systems
- Ensuring the continued independence of the External Audit and Internal Audit
- Oversee the statutory audit process and the internal audit function
- Oversight of function of Whistleblowing/vigil mechanism:
- Review compliance with regulatory requirements and policies
- Approving Related Party Transactions (RPTs) and material modifications to the RPTs
- Monitoring compliance with Insider Trading Regulations
- Oversee financial reporting controls and processes for material subsidiaries
- Oversee compliance with legal and regulatory requirements including the Tata Code of Conduct ("TCoC") and other policies on Business Ethics for the Company and its material subsidiaries



## Corporate Governance Report

- Recommendation of the Policy on Related Party Transactions
- Performing such other duties and responsibilities as may be consistent with the provisions of the Audit Committee charter.

### b. Composition of the Committee, attendance of members at the meetings, and other details

As of March 31, 2022, the Committee consisted of 4 (four) Independent Directors. The members of the Audit Committee have relevant experience in financial matters as well as have accounting or related financial management expertise and are considered financially literate as defined in Regulation 18(1)(c) of the Listing Regulations. The Chairman (present and erstwhile) of the Audit Committee has expert knowledge in accounts & finance, banking, corporate laws, and governance matters. Mr. S. Santhanakrishnan who was then the Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on June 25, 2021, to answer the queries of the shareholders.

During the year under review, the Audit Committee met 8 (eight) times on May 5, 2021, August 2, 2021, October 6, 2021, October 21, 2021, November 11, 2021, February 2, 2022, March 16, 2022, and March 29, 2022. Audit Committee Meetings are attended by invitation by the Managing Director & CEO, Executive Director & Group CFO, Chief Operating Officer, Chief Financial Officer, Chief Internal Auditor and the Statutory Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

The composition of the Audit Committee (including changes during the year) and particulars of attendance by the members at the meetings of the Committee held in FY 2021-22 are given below:

Name	Category of Director	No. of meetings Attended	No. of meetings held #
Dr. K. P. Krishnan (Chairman) <sup>§</sup>	Non-Executive, Independent	4	4
Ms. Shikha Sharma	Non-Executive, Independent	8	8
Mr. Bharat Puri	Non-Executive, Independent	8	8
Mr. Siraj Chaudhry	Non-Executive, Independent	8	8
Mr. S. Santhanakrishnan <sup>@</sup>	Non-Executive, Independent	3	3
Mr. P.B. Balaji*	Non-Executive, Non-Independent	1	1

# Number of meetings held during the tenure of respective directors

§ Inducted as a member and the Chairman of the Committee w.e.f. October 22, 2021

\* Stepped down as a member of the Committee w.e.f. August 3, 2021.

@ Ceased to be a member & Chairman of the Committee w.e.f. October 12, 2021.

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Audit Committee, as mandatorily required, were accepted by the Board.

## 4. NOMINATION AND REMUNERATION COMMITTEE

In accordance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Company has formed its Nomination and Remuneration Committee (NRC), composition and terms of reference of which are in conformity with the said provisions. The Charter of the Committee can be accessed on the Company's website at the link - <https://www.tataconsumer.com/about/leadership>.

### a. Brief description of terms of reference

The Nomination and Remuneration Committee shall *inter-alia* discharge the following responsibilities:

- Periodical review and refresh of the composition of the Board with the objective of ensuring that there is an optimum balance of size, skills, independence, knowledge, diversity, and experience.
- Support the Board in the identification, selection, appointment/ reappointment, induction, and development of Directors (including Independent Directors) to meet the needs of the Company.
- Devise a policy on Board Diversity.
- Support the Board in the appointment of Senior Management and key managerial personnel of the Company including the terms of appointment.
- Periodic review and recommendation of the remuneration of the Senior Management and key managerial personnel of the Company
- Oversight of the HR philosophy, HR budget, HR strategy, talent management, and succession



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planning for the Board, Senior Management, and key managerial personnel.

- Support the Board in setting, reviewing, and monitoring the performance standards and targets for the MD & CEO, ED, and Senior Management/ key managerial personnel of the Company.
- Support the Board in the evaluation of the performance of the Board, its Committees, and Directors.
- Recommendation of the remuneration policy for Directors, Senior Management/ key managerial personnel as well as the rest of the employees.
- Oversee the implementation of the share-based employee benefits Scheme by whatever named called as per SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and perform the function of overall administration and superintendence of the schemes.
- Performing such other duties and responsibilities as may be consistent with the provisions of the Nomination and Remuneration Committee Charter.

**b. Composition of the Committee, attendance of members at the meetings and other details**

As on March 31, 2022, the Nomination and Remuneration Committee consisted of 3 (three) Non-Executive Directors, of which 2 (two) Directors are Independent Directors. Ms. Shikha Sharma, Independent Director is the Chairperson of the Committee and was present at the last Annual General Meeting of the Company held on June 25, 2021, to answer the queries of the shareholders.

During the year under review, the Nomination and Remuneration Committee met 4 (four) times on May 6, 2021, August 3, 2021, October 22, 2021, and March 16, 2022.

The composition of the Committee (including changes during the year) and particulars of attendance by the members at the meetings of the Committee held in FY 2021-22 are given below:

Name	Category of Director	No. of meetings Attended	No. of meetings held #
Ms. Shikha Sharma (Chairperson)	Non-Executive, Independent	4	4
Mr. N. Chandrasekaran	Non-Executive, Non- Independent	4	4
Mr. Bharat Puri	Non-Executive, Independent	4	4
Mr. P.B. Balaji*	Non-Executive, Non- Independent	3	3

# Number of meetings held during the tenure of respective directors  
\* Stepped down as a member of the Committee w.e.f. October 22, 2021.

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Committee, as mandatorily required, were accepted by the Board.

**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 2021-22 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 & Sustainability 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, the effectiveness of meetings etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors and they expressed their satisfaction with the evaluation process.



## Corporate Governance Report

### d. Remuneration Policy

The summary of the Remuneration Policy for Directors, Key Managerial Personnel, and other employees is mentioned in the Board's Report. The Remuneration Policy of the Company is available at: <http://www.tataconsumer.com/investors/policies>

The remuneration policy followed by the Company takes into consideration the performance of the Company during the year and of the Managing and Executive Directors on certain parameters, such as the condition of the industry, achievement of budgeted targets, growth & diversification, remuneration in other companies of comparable size and complexity, the performance of the directors at meetings of the Board and of the Board Committees, etc.

## 5. REMUNERATION OF DIRECTORS

### a. Pecuniary relationships or transactions

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 to attend the meetings of the Company.

### b. Non-Executive Directors' compensation and disclosures.

The Non-Executive Directors are paid sitting fees for attending the meetings of the Board and Committees of the Board. During the year under review, the Company paid the sitting fee of ₹ 30,000 per meeting per Non-Executive Directors for attending meetings of the Board, Audit, Nomination and Remuneration, and Executive Committees and ₹ 20,000 per meeting per Non-Executive Directors for attending the meeting of Risk Management, Stakeholder's Relationship, Corporate Social Responsibility & Sustainability Committees, and other special Board committees. The Company also paid sitting fees of ₹ 30,000 per meeting to the Independent Directors for attending the Independent Directors' meeting.

Within the prescribed ceiling 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/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. During the year under review, based on the approval of shareholders, the Nomination and Remuneration Committee has granted performance shares units to Employees of the Company and its subsidiaries. A detail of performance shares units granted to whole-time directors is given herein.

The details of the Commission and sitting fees paid/payable to Non-Executive Directors for FY 2021-22 are given below:

#### Non-Executive Directors' Remuneration

Name of Director	Category of Director	Commission# (Relating to FY 2021-22)	₹ in Lakhs	
			Sitting Fees	
Mr. N. Chandrasekaran, (Chairman)	Non-Executive, Non-Independent Director	Nil <sup>^</sup>	2.70	
Mr. Siraj Chaudhry	Non-Executive, Independent Director	70	7.30	
Mr. Bharat Puri	Non-Executive, Independent Director	75	7.20	
Ms. Shikha Sharma	Non-Executive, Independent Director	75	7.60	
Dr. K. P. Krishnan*	Non-Executive, Independent Director	35	3.40	
Mr. P. B. Balaji	Non-Executive, Non-Independent Director	Nil <sup>§</sup>	3.30	
Mr. S. Santhanakrishnan <sup>@</sup>	Non-Executive, Independent Director	25	1.90	

<sup>#</sup>Payable in FY 2022-23. The Commission to the Non-Executive Directors relating to FY 2020-21 was paid in FY 2021-22.

<sup>@</sup>Ceased as a Director w.e.f. October 12, 2021

<sup>\*</sup>Appointed as a Director w.e.f. October 22, 2021

<sup>^</sup>As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company.

<sup>§</sup>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. P.B. Balaji being Non-Executive Non-Independent Director.

## Corporate Governance Report

**c. The Remuneration details of Managing / Executive Directors are mentioned below:**

Component	₹ in Lakhs	
	Mr. Sunil D'Souza, 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	597.90	272.86
Allowances and perquisites	140.64	101.68
Contribution to Retiral Funds	24.27	33.62
<b>Total</b>	<b>762.81</b>	<b>408.16</b>
Performance Share units (PSUs)- Granted (Nos)	25,280	-
Term of Service Contract	5 years from April 4, 2020	5 years from April 1, 2018
Notice period	6 months	6 months

\*With effect from FY 2021-22, long term incentive relating to the year is compensated through performance share units (PSUs) and accounted as remuneration over the vesting period of 3 years based on performance measures achieved.

In addition, Mr. L. Krishnakumar drew remuneration (as a part of his Salary and Benefits) of ₹ 37.97 Lakhs during FY 2021-22 from an overseas subsidiary of the Company. The said remuneration was drawn in GBP and has been converted into INR at the average exchange rate.

- d. Mr. Bharat Puri appointed as Independent Director on the Board of two material foreign subsidiaries of the Company based in the UK- Tata Consumer Products GB Limited and Tata Consumer Products UK Group Limited and Mr. Siraj Chaudhry appointed as Independent Director in the Eight O'Clock Coffee Company Limited, material unlisted subsidiary based in the USA.
- e. The Company has not granted Stock Options to any of its Non-Executive Directors. The Company does not have a practice of paying severance fees to any Director.

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

In accordance with the provisions of Section 178 of the Act, and Regulation 20 of the Listing Regulations, the Company has formed its Stakeholders' Relationship

Committee, composition and terms of reference of which are in conformity with the said provisions. The Charter of the Committee can be accessed on the Company's website at the link - <https://www.tataconsumer.com/about/leadership>.

### a. Brief description of terms of reference

The Stakeholders' Relationship Committee shall *inter-alia* discharge the following responsibilities:

- Reviewing the grievances handling process of the security holders of the Company;
- Approve issue of duplicate share certificates;
- Frame guidelines for waiver of documents/ requirements prescribed in cases of Transmission of Shares, Issue of duplicate share certificates, and recording of updation of signatures by shareholders
- Review of measures taken for the effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- 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.
- Performing such other duties and responsibilities as may be consistent with the provisions of the Stakeholders' Relationship Committee Charter.

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 the 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 transfers are approved by them on a fortnightly basis and placed before the Committee every quarter.





## Corporate Governance Report

**b. Composition of the Committee, attendance of members at the meetings and other details**

As on March 31, 2022, the Stakeholders Relationship Committee comprised of 3 (three) Directors comprising 1 (one) Independent and 2 (two) Executive Directors. Mr. Siraj Chaudhry, Independent Director is the Chairman. Mr. S. Santhanakrishnan who was then the Chairman of the Committee attended the last Annual General Meeting of the Company held on June 25, 2021, to answer the queries of the shareholders.

During the year under review, the Committee met 3 (three) times, on May 5, 2021, August 3, 2021, and February 2, 2022.

The composition of the Committee (including changes during the year) and details of attendance by its members at the meetings of the Committee held in FY 2021-22 are given below:

Name	Category of Director	No. of meetings Attended	No. of meetings held#
Mr. Siraj Chaudhry (Chairman)*	Non-Executive, Independent	3	3
Mr. L. Krishnakumar	Executive Director & Group CFO	3	3
Mr. Sunil D'Souza**	Managing Director & CEO	1	1
Mr. S Santhanakrishnan@	Non-Executive, Independent	2	2

#Number of meetings held during the tenure of respective directors  
\*Designated as Chairman of the Committee with effect from October 22, 2021.

\*\*Inducted as a member of the Committee w.e.f. October 22, 2021.

@Cease to be the member and Chairman of the Committee w.e.f. October 12, 2021

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Committee, as mandatorily required, were accepted by the Board.

**c. Name and designation of Compliance Officer**

Mr. Neelabja Chakrabarty, 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**

Details of queries/complaints and other correspondences received and attended to during FY 2021-22 in respect of equity shares are given below:

(i) Details of Complaints received during the year under review:

Sr. no.	Details of Investor Complaints	No. of complaints
1.	Number of Investor Complaints pending at the beginning of the year	0
2.	Number of Investor Complaints received during the year under review	46
3.	Number of Investor Complaints disposed of during the year under review	46
4.	Complaints not solved to the satisfaction of shareholders during the year	0
5.	Number of Investor Complaints Unresolved at the end of the year	0

(ii) Details of queries and requests received during the year under review:

Details of Investor Queries/Requests	Numbers
Pending queries/requests at the beginning of the year	179
Queries/requests received during the year under review	6508
Queries/requests attended and replied to during the year under review	6433
Pending queries/requests at the end of the year	254

(iii) Analysis of response time for redressing investor correspondence, during the year under review is as under:

Sr. No.	Response time to Investor Complaints & Queries/Requests	FY 2021-22	
		Number	%
1.	Replied within 1 to 4 days of receipt	1084	16.10
2.	Replied within 5 to 7 days of receipt	1466	21.77
3.	Replied within 8 to 15 days of receipt	2631	39.08
4.	Replied after 15 days of receipt	1298	19.28
5.	Pending at the end of the year	254	3.77
	<b>Total</b>	<b>6733</b>	<b>100</b>

## Corporate Governance Report

**7. CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY COMMITTEE**

In accordance with provisions of Section 135 of the Companies Act, 2013, the Board has formed the Corporate Social Responsibility (CSR) Committee. During the year under review, the scope of the Committee was increased and renamed as Corporate Social Responsibility (CSR) & Sustainability Committee. The Composition and terms of reference of the committee are in conformity with the said provisions. The Charter of the Committee can be accessed on the Company's website at the link - <https://www.tataconsumer.com/about/leadership>.

**a. Brief description of terms of reference**

The Corporate Social Responsibility & Sustainability Committee shall *inter-alia* discharge the following responsibilities:

- Formulation of CSR Policy, identification & recommendation of the CSR Projects & CSR expenditure, oversight of its implementation, and review of its impact.
- Providing guidance to the Company on environment management, social responsibilities, health & safety, product stewardship, community development, principles of managing branded operations, welfare activities in and around Munnar, etc.
- Assist the management to formulate, implement and review policies, principles, and practices, review partnerships and relationships to foster & support the sustainable growth of the Company.
- Performing such other duties and responsibilities as may be consistent with the provisions of the Charter of the Committee.

**b. Composition of the Committee, attendance of members at the meetings and other details**

As on March 31, 2022, the Committee consisted of 3 (three) Independent Directors. Mr. Siraj Chaudhry, Independent Director is the Chairman of the Committee, and he was present at the last Annual General Meeting of the Company held on June 25, 2022, to answer the queries of the shareholders.

During the year under review, the CSR & Sustainability Committee met 2 (two) times on November 11, 2021 and on March 31, 2022.

The composition of the Committee (including changes during the year) and particulars of attendance by the members at the meetings of the Committee held in FY 2021-22 are given below:

Name	Category of Director	No. of meetings Attended	No. of meetings held#
Mr. Siraj Chaudhry (Chairperson)	Non-Executive, Independent	2	2
Ms. Shikha Sharma	Non-Executive, Independent	2	2
Dr. K.P. Krishnan*	Non-Executive, Independent	2	2
Mr. S Santhanakrishnan**	Non-Executive, Independent	NA	NA

#Number of meetings held during the tenure of respective directors

\*Inducted as a member of the Committee w.e.f. October 22, 2021

\*\* Ceased as Member of the Committee w.e.f. October 12, 2021, and during his tenure as a member of the Committee, no meeting was held.

The minutes of the meetings of the Committee are placed before and noted by the Board.

The Board has also approved the revised CSR Policy as formulated and recommended by the CSR Committee. The same is displayed on the website of the Company at <https://www.tataconsumer.com/investors/policies>

A CSR Report giving details of the CSR activities undertaken by the Company during the year along with the amount spent on CSR activities forms part of the Board's Report.

**8. RISK MANAGEMENT COMMITTEE**

In accordance with provisions of Regulation 21 of the Listing Regulations, the Board has formed the Risk Management Committee, composition and terms of reference of which are in conformity with the said provisions. The Charter of the Committee can be accessed on the Company's website at the link - <https://www.tataconsumer.com/about/leadership>.

**a. Brief description of terms of reference**

The Risk Management Committee shall *inter-alia* discharge the following responsibilities:

- Discuss with senior management, the adequacy of the Company's Enterprise Risk Management (ERM) function and provide oversight as may be needed



## Corporate Governance Report

- Setting strategic plans and objectives for identification and evaluation of risks, risk management, risk philosophy, and risk mitigation & minimization.
- Formulation of Risk Management Policy (covering internal and external risks, and business continuity plan) and monitoring and overseeing implementation thereof, including evaluating the adequacy of risk management systems;
- Reviewing risk assessment of the Company annually and exercising oversight of various risks including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks, or any other risk as may be determined by the Committee.
- Ensure that appropriate methodology, processes, and systems are in place relating to the identification and evaluation of all types of risks, namely, strategic, operational, legal, and regulatory, Information systems, and external risks that the Company/its subsidiaries are exposed to. Performing such other duties and responsibilities as may be consistent with the provisions of the Charter of the Committee.

### b. Composition of the Committee, attendance of members at the meetings and other details

As on March 31, 2022, the Committee consisted of 3 (three) Independent Directors and Mr. Bharat Puri, Independent Director is the Chairman of the Committee.

During the year under review, the Risk Management Committee met 3 (three) times on August 2, 2021, December 2, 2021, and March 22, 2022. Risk Management Committee Meetings are attended by invitation by the Managing Director & CEO, Executive Director & Group CFO, Chief Operating Officer, Chief Financial Officer, and Chief Internal Auditor. Members of the Senior Management team also attend the Risk Management Committee meetings, as and when required.

The composition of the Risk Management Committee and particulars of attendance by the members at the meetings held in FY 2021-2022 are given below:

Name	Category of Director	No. of meetings Attended	No. of meetings held #
Mr. Bharat Puri (Chairman)	Non-Executive, Independent	3	3
Ms. Shikha Sharma	Non-Executive, Independent	3	3
Mr. Siraj Chaudhry	Non-Executive, Independent	3	3

#Number of meetings held during the tenure of respective directors

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Committee, as mandatorily required, were accepted by the Board.

## 9. EXECUTIVE COMMITTEES

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. The Committee meets on a need basis and no meetings were held during FY 2021-22. However, the matters mentioned above, as and when required, were reviewed by the Board from time to time. The composition of the Committee as on March 31, 2022, is given below,

Name	Category of Director/Member
Mr. Sunil D'Souza (Chairman)	Managing Director & CEO
Mr. L Krishnakumar	Executive Director & Group CFO
Mr. Ajit Krishnakumar	Chief Operating Officer (Non-Board Member)



## Corporate Governance Report

**10. GENERAL BODY MEETINGS****a. Location and time where the last three AGMs were held, whether any special resolutions passed in the previous three AGMs**

The last three Annual General Meetings of the Company were held as under:

Year	Location	Date	Time
2018-2019	Taj Bengal, 34-B, Belvedere Road, Alipore, Kolkata – 700 027	June 11, 2019	10:30 am
2019-2020	Through video conferencing, deemed venue was Media Room, TCS House, Raveline Street, Fort, Mumbai- 400001	July 6, 2020	10:30 am
2020-2021	Through video conferencing, deemed venue was Registered Office of the Company	June 25, 2021	10:30 am

**b. Special Resolution(s):**

No special resolution was passed by the Company in any of its previous three AGMs.

**c. Extraordinary General Meeting:**

No Extraordinary General Meeting of the members was held during FY 2021-22

**d. Postal ballot:**

**Details of special resolutions passed through postal ballot during FY 2021-22 and till the date of this report:**

- i. During FY 2021-22, the Company had sought the approval of the shareholders on the following matters by way of Special Resolutions through Postal Ballot through Remote e-Voting process. The Notice of Postal Ballot dated November 11, 2021, was circulated on November 26, 2021. The Remote e-Voting commenced on November 29, 2021, and ended on December 28, 2021. The resolutions were passed with the requisite majority on December 28, 2021 (being the last date of Remote e-Voting), and the results of which were announced on December 29, 2021. The description of resolutions and details of the voting pattern is as under:

Resolution No. and type	Description of Resolution	Number of Votes			
		For	%	Against	%
1 Special Resolution	Approval of Tata Consumer Products Limited - Share-based Long-Term Incentive Scheme 2021 for grant of performance share units to the Eligible Employees of the Company under the Scheme	59,19,25,053	98.94	63,29,066	1.06
2 Special Resolution	Extension of the Tata Consumer Products Limited - Share-based Long-Term Incentive Scheme 2021 to eligible employees of certain subsidiary companies of the Company	59,14,00,773	98.96	62,30,456	1.04
3 Special Resolution	Appointment of Dr. K. P. Krishnan (DIN: 01099097) as a Director and as an Independent Director	59,32,31,960	99.99	65,101	0.01

- ii. Further, the Company had also sought the approval of the shareholders on the following matter by way of a Special Resolution through Postal Ballot through Remote E-Voting process. The Notice of Postal Ballot dated March 30, 2022, was circulated on the same day. The Remote e-Voting commenced on March 31, 2022, and ended on April 29, 2022. The resolution was passed with the requisite majority on April 29, 2022 (being the last date of Remote e-Voting) and the results of which were announced on April 30, 2022. The description of resolution and details of the voting pattern is as under:



## Corporate Governance Report

Resolution No. and type	Description of Resolution	Number of Votes			
		For	%	Against	%
1 Special Resolution	To create, offer, issue and allot equity shares on Preferential Basis, in one or more tranches, 74,59,935 equity shares of the Company having face value of ₹ 1 each, at a price of ₹ 765.16 per equity share, for consideration other than cash, (being swap of shares of Tata Consumer Products UK Group Limited, United Kingdom, a subsidiary of the Company ("TCP UK") towards payment of the total purchase consideration of ₹ 570.80 crores, payable by the Company to Tata Enterprises (Overseas) AG, a minority shareholder of TCP UK, for the acquisition of 2,38,71,793 ordinary shares of £1 each, representing 10.15% of the paid-up capital of TCP UK, held by Proposed Allottee	62,85,32,957	99.98	1,28,287	0.02

Dr. Asim Kumar Chattopadhyay, Practicing Company Secretary (FCS: 2303 & COP No. 880), was appointed as Scrutinizer, for conducting the above Postal Ballots through the Remote E-Voting process fairly and transparently and following the provisions of the Companies Act, 2013 and the rules made thereunder.

**Procedure for the postal ballot:** The above Postal Ballots were carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder.

**Details of the special resolution proposed to be conducted through postal ballot:**

None of the businesses proposed to be transacted at the ensuing AGM require the passing of a special resolution through a postal ballot.

## 11. MEANS OF COMMUNICATION

### (a) Financial Results

The quarterly, half-yearly and annual financial results of the Company after submission to the Stock Exchanges are published in the leading newspapers in India and displayed on the Company's website. The quarterly results are generally published in Business Standard/Financial Express (All India Edition) (English) and Sangbad Pratidin/Aajkaal (Bengali). The financial results of the Company are put on the website of the Company at <https://www.tataconsumer.com/investors/investor-relations/results-and-presentation>.

All Quarterly results are being sent through email to those shareholders whose email ids are registered with the Company/Depository Participants.

### (b) Annual Report

Pursuant to the MCA circulars and SEBI Circular, the Annual Report for FY 2021-22 containing the Notice of AGM was sent through email to all those Members whose email IDs were registered with the Company/Depository Participants.

### (c) Press Release / Investor Presentations

The Company also issues press releases from time to time concerning financial results and material events. The Company participates in various investor conferences and analyst meets and makes presentations thereat. Press Releases, Investors' presentations are submitted to the stock exchanges as well as are hosted on the website of the Company. Such press releases and investor presentations are put on the website of the Company at <https://www.tataconsumer.com/investors/investor-relations/results-and-presentation>

## Corporate Governance Report

**(d) Communication related to Dividends and updation of records**

The Company issues various communication such as reminder letters to shareholders for claiming unclaimed dividends, updation on PAN, Bank details, signature, and other details, and notice before transferring shares are liable to transfer to IEPF.

**12. GENERAL SHAREHOLDER INFORMATION****a. Annual General Meeting**

<b>Day, Date, and Time</b>	<b>Monday, June 27, 2022, at 10.30 a.m.</b>
<b>Venue/Mode</b>	The Company is conducting meeting through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') pursuant to the MCA circulars, please refer to the Notice of the AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking appointment/re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

**b. Dividend Payment**

The dividend of ₹ 6.05 per equity share of ₹ 1 each (605%), as recommended by the Board, if approved by the shareholders at the AGM, will be paid, subject to deduction of income tax at source wherever applicable, on or from June 29, 2022.

<b>Book Closure Period</b>	Saturday, June 11, 2022, to Friday, June 17, 2022 (both days inclusive)
<b>Dividend payment date</b>	On or from June 29, 2022 and before July 27, 2022

**c. Financial Year: April 1 to March 31****d. Name and address of each Stock Exchange at which Company Shares are listed and Stock Code**

<b>Listing on Stock Exchanges</b>	<b>Name</b>	<b>Address</b>	<b>Stock Code</b>
<b>Equity Shares</b>	BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	500800
	National Stock Exchange of India Limited	Exchange Plaza, Plot No. C-1, G Block, Bandra Kurla Complex, Bandra (E) , Mumbai – 400 051	'TATACONSUM'
	The Calcutta Stock Exchange Limited	7, Lyons Range, Kolkata – 700 001	27 (For Physical); 10000027 (For Demat)
<b>Global Depository Shares</b>	Luxembourg Stock Exchange	35A Boulevard Joseph II L-1840 Luxembourg	NA
	London Stock Exchange	10 Paternoster Square London EC4M 7LS United Kingdom	NA

**e. Dematerialization of Shares and Liquidity:**

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 98.64 percent of the Company's equity share capital are dematerialized as on March 31, 2022. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE192A01025.

<b>Name of Depository</b>	<b>Address</b>	<b>ISIN</b>
National Securities Depository Limited	Trade World, 4 <sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013	INE192A01025
Central Depository Services (India)Limited	Marathon Futurex, A-Wing, 25 <sup>th</sup> floor, NM Joshi Marg, Lower Parel, Mumbai 400013	





## Corporate Governance Report

## f. Listing Fees

Annual listing fees for FY 2021-22 have been paid to all the Stock Exchanges where the securities of the Company are listed.

## g. Market price data – High, Low, and number of shares traded during each month in the last Financial Year 2021-22

Month	BSE			NSE		
	High ₹	Low ₹	Volume (No. of Shares traded)	High ₹	Low ₹	Volume (No. of Shares traded)
April 2021	698.05	638.5	4043974	678.00	665.05	2206232
May 2021	686.25	614.25	5737973	665.00	650.20	3417033
June 2021	771.90	657.00	3163526	768.35	749.40	1733070
July 2021	787.60	739.60	3217609	762.00	745.20	1613176
August 2021	867.65	752.10	3609058	867.70	856.45	2132008
September 2021	889.00	811.00	5521145	823.95	810.85	1622014
October 2021	862.50	773.10	4865946	818.50	794.15	2220844
November 2021	858.00	725.00	1811814	789.65	764.20	3529356
December 2021	791.00	696.80	1725666	745.00	729.05	865277
January 2022	776.80	675.65	4101928	736.95	722.05	1682459
February 2022	769.00	674.15	2612093	720.80	694.55	1935344
March 2022	782.50	650.75	3859042	780.00	765.90	2892133

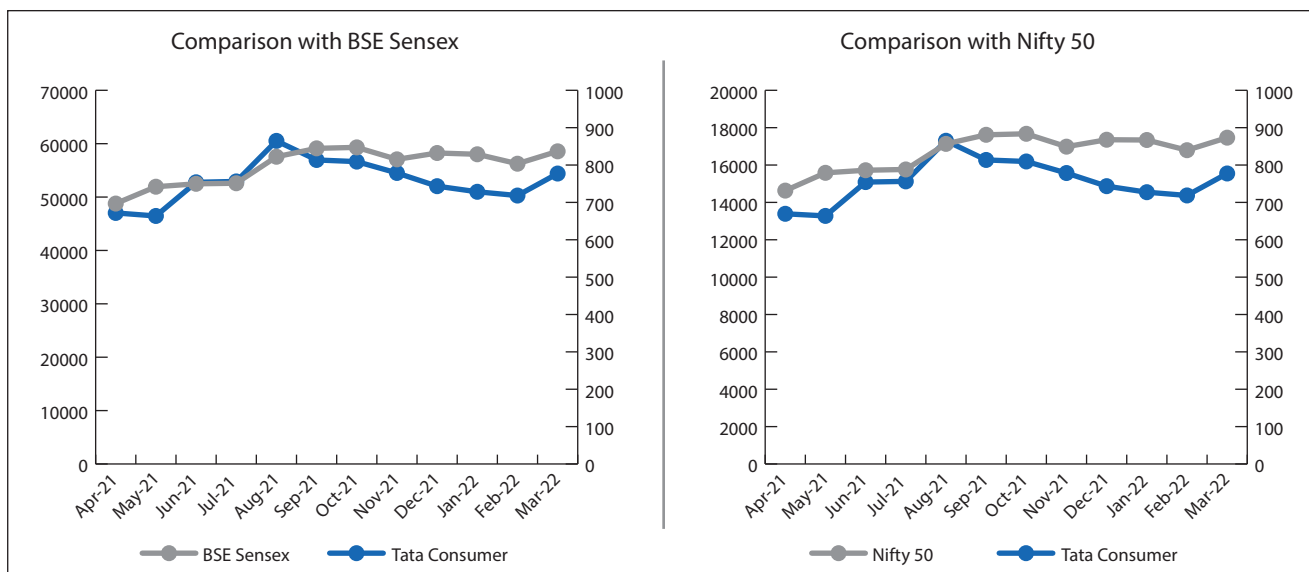
There was no trading of the Company's shares on the Calcutta Stock Exchange during FY 2021-22.

## h. The market share price data of the Company in comparison to broad-based indices like BSE Sensex and Nifty are given below

Months	Company's closing price at BSE	BSE Sensex	Company's closing price at NSE	Nifty 50
April 2021	671.80	48782.36	669.50	14631.10
May 2021	663.70	51,937.44	663.85	15582.80
June 2021	753.80	52,482.71	754.40	15721.50
July 2021	756.10	52,586.84	756.25	15763.05
August 2021	864.65	57,552.39	864.95	17132.20
September 2021	813.55	59,126.36	813.60	17618.15
October 2021	809.15	59,306.93	809.50	17671.65
November 2021	778.80	57,064.87	778.60	16983.20
December 2021	743.40	58,253.82	743.45	17354.05
January 2022	728.40	58,014.17	727.30	17339.85
February 2022	718.35	56,247.28	718.60	16793.90
March 2022	777.25	58,568.51	777.40	17464.75

There was no trading of the Company's shares on the Calcutta Stock Exchange during FY 2021-22.

Corporate Governance Report



i. Performance in comparison to broad-based indices

Closing price	One-year performance			
	Company's share price on		Indices	
	NSE	BSE	NIFTY 50	S & P Sensex
- As at April 1, 2021	650.15	650.30	14867.35	50029.83
- As at March 31, 2022	777.0	777.25	17464.75	58568.51
- Growth	↑19.57%	↑19.52%	↑17.47%	↑17.07%

Closing price	Five-year performance			
	Company's share price on		Indices	
	NSE	BSE	NIFTY 50	S & P Sensex
- As at April 1, 2017	151.9	151.90	9237.85	29910.22
- As at March 31, 2022	777.4	777.25	17464.75	58568.51
- Growth	↑411.78%	↑411.68%	↑89.06%	↑95.81%

j. Address for correspondence for investors holders' queries

(i) Registrar & Transfer Agent: TSR Consultants Private Limited

Place	Name and Address	Phone / Fax / Email
Mumbai	Registered Office TSR Consultants Private Limited C-101, 1 <sup>st</sup> Floor, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai - 400083	Tel: +91-22-66568484 Fax: +91-22-66568494 Email: csg-unit@tcplindia.co.in Website: https://www.tcplindia.co.in
<b>Collection Centers</b>		
Mumbai	TSR Consultants Pvt. Ltd. Building 17/19, Office No. 415 Rex Chambers, Ballard Estate, Walchand Hirachand Marg, Fort, Mumbai-400 001	Tel: 7304874606



## Corporate Governance Report

Place	Name and Address	Phone / Fax / Email
<b>Bangalore</b>	TSR Consultants Private Limited C/o. Mr. D. Nagendra Rao, Vaghdevi" 543/A, 7 <sup>th</sup> Main 3 <sup>rd</sup> Cross, Hanumanthnagar, Bengaluru - 560019	Tel: +91-80-26509004 Email: tcplbang@tcplindia.co.in
<b>Kolkata</b>	TSR Consultants Private Limited C/o Link Intime India Private Limited Vaishno Chamber, Flat No. 502 & 503, 5 <sup>th</sup> Floor, 6, Brabourne Road Kolkata - 700001	Tel: +91-33-40081986 Email: tcplcal@tcplindia.co.in
<b>New Delhi</b>	TSR Consultants Private Limited C/o Link Intime India Private Limited Noble Heights, 1 <sup>st</sup> Floor Plot No NH-2, C-1 Block, LSC Near Savitri Market, Janakpuri New Delhi – 110058	Tel: +91-11-49411030 Email: tcpldel@tcplindia.co.in
<b>Jamshedpur</b>	TSR Consultants Private Limited Bungalow No. 1, 'E' Road, Northern Town Bistupur, Jamshedpur - 831001	Tel: +91-657-2426937 Email: tcpljsr@tcplindia.co.in
<b>Ahmedabad</b>	TSR Consultants Private Limited C/o Link India Intime Private Limited Amarnath Business Centre-1 (ABC-1) Beside Gala Business Centre Nr. St. Xavier's College Corner Off. C.G. Road, Ellisbridge Ahmedabad - 380006	Tel: +91-79-26465179 Email: csg-unit@tcplindia.co.in

Registrar & Transfer Agent can be contacted between 10:00 a.m. and 5:00 p.m. on any working day (Monday to Friday, excluding bank/public holidays)

## (ii) Name, designation &amp; address of Compliance Officer

Contact Person	Address	Contact details
<b>Mr. Neelabja Chakrabarty</b> Company Secretary & Compliance Officer	<b>Corporate Office</b> 11/13, Botawala Building, 1 <sup>st</sup> Floor, Office # 2-6 Horniman Circle, Fort, Mumbai- 400 001 <b>Registered office</b> 1, Bishop Lefroy Road, Kolkata – 700 020	Tel: +91 22 61218400 Website: <a href="http://www.tataconsumer.com">www.tataconsumer.com</a> Email: <a href="mailto:neelabja.c@tataconsumer.com">neelabja.c@tataconsumer.com</a> <a href="mailto:investor.relations@tataconsumer.com">investor.relations@tataconsumer.com</a>

## (iii) Name, designation &amp; address of Investor Relations Officer

Contact Person	Address	Contact details
<b>Ms. Nidhi Verma</b>	<b>Corporate Office</b> 11/13, Botawala Building, 1 <sup>st</sup> Floor, Office # 2-6 Horniman Circle, Fort, Mumbai- 400 001	Tel: +91 22 61218400 Website: <a href="http://www.tataconsumer.com">www.tataconsumer.com</a> Email: <a href="mailto:nidhi.verma@tataconsumer.com">nidhi.verma@tataconsumer.com</a>

## k. Share transfer system

According to the Listing Regulations, no shares can be transferred unless they are held in dematerialized mode. Members holding shares in physical form are therefore requested to convert their holdings into dematerialized mode to avoid loss of shares and fraudulent transactions and avail better investor servicing. Accordingly, only valid transmission or transposition cases may be processed by the RTA of the Company, subject to compliance with the guidelines prescribed by SEBI.



## Corporate Governance Report

Shares in physical form for transfer/transmission/transposition should be lodged with the office of the Company's Registrar & Share Transfer Agent, TSR Consultants Private Limited, Mumbai, or at their branch offices at the addresses given above or at the Corporate Office of the Company. The above cases are processed if technically found to be in order and complete in all respects.

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 as at March 31, 2022

No. of Shares	Holding	Amount (₹)	% to Capital	No. of Holders	% to Total Holders
1 to 500	4,79,41,008	4,79,41,008	5.20	7,64,360	92.22
501 to 1000	2,12,06,780	2,12,06,780	2.30	28,650	3.46
1001 to 2000	2,44,92,575	2,44,92,575	2.66	17,192	2.07
2001 to 3000	1,51,95,641	1,51,95,641	1.65	6,113	0.74
3001 to 4000	1,09,65,038	1,09,65,038	1.19	3,128	0.38
4001 to 5000	93,48,397	93,48,397	1.01	2,048	0.25
5001 to 10000	2,73,10,211	2,73,10,211	2.96	3,892	0.47
10001 to 20000	2,55,20,631	2,55,20,631	2.77	1,852	0.22
Greater than 20000	73,95,71,434	73,95,71,434	80.25	1,609	0.19
<b>Total</b>	<b>92,15,51,715</b>	<b>92,15,51,715</b>	<b>100.00</b>	<b>8,28,844</b>	<b>100.00</b>

## m. Categories of Shareholders as at March 31, 2022

Sr. No.	Particulars	Holdings/ Shares held	% to Capital
1	Promoter/Promoter Group	31,96,29,733	34.68
2	Foreign Portfolio Investors	23,34,99,462	25.34
3	Individuals	19,93,19,306	21.63
4	Insurance Companies	6,34,35,221	6.88
5	Mutual Funds/Alternate Investment Fund	6,04,18,052	6.56
6	Bodies Corporate	1,42,51,708	1.55
7	Non-Resident Individuals	98,15,463	1.07
8	IEPF	36,24,428	0.39
9	Financial Institutions/Banks	23,41,048	0.25
10	Custodian/DR Holder	8,89,506	0.10
11	Directors & their relatives	1,50,513	0.02
12	Government/President of India	87,870	0.01
13	NBFCs registered with RBI	66,501	0.01
14	Others	1,40,22,904	1.52
<b>Total</b>		<b>92,15,51,715</b>	<b>100.00</b>



## Corporate Governance Report

## n. Top Ten Shareholders other than Promoter/Promoter Group as on March 31, 2022

Sr.No.	Name of the Shareholder*	No. of Shares	%
1	Life Insurance Corporation of India	4,28,50,539	4.65
2	First Sentier Investors ICVC - Stewart Investors Asia Pacific Leaders Sustainability Fund	3,48,79,190	3.78
3	Government Pension Fund Global	1,79,92,190	1.95
4	SBI-ETF Nifty 50	1,07,23,963	1.16
5	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	83,60,267	0.91
6	Vanguard Total International Stock Index Fund	77,90,206	0.85
7	Government of Singapore	68,42,140	0.74
8	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Flexi Cap Fund	60,72,848	0.66
9	SBI Life Insurance Company Limited	60,12,911	0.65
10	Nippon Life India Trustee Limited-A/C Nippon India Small Cap Fund	56,69,646	0.62

\*Shareholding consolidated based on PAN

## o. 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 the 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 the date to facilitate credit of dividend in their bank account

## p. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

As on March 31, 2022, the outstanding Global Depository Receipts ("GDRs") were 889,506. Each GDR represents one underlying equity share of the Company. GDRs are listed on Luxembourg Stock Exchange and London Stock Exchange and the underlying equity shares are listed on BSE Limited, National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited. The underlying shares against the outstanding GDRs have been allotted in the name of Custodian. No ADR or convertible instrument is outstanding as on March 31, 2022.

## q. Commodity price risk or foreign exchange risk and hedging activities

Commodities Tea, Coffee, Salt, and Pulses form a major part of the 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 strategies to deal with the market volatility.

The Company operates in various geographies and is exposed to foreign exchange risk on its 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.

## r. Commodity risks 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 the supply/demand position and as an agricultural crop, the 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.

## Corporate Governance Report

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 get adversely impacted by the 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 is detailed in Note 36B under "Financial Risk Management" forming part of Notes to the Consolidated Financial Statements.

#### s. Plant locations

1	Periakanal Estate	PO Munnar, Dist. Idukki Kerala – 685612
2	Pullivasal Estate & Packeting Centre	PO Munnar, Dist. Idukki Kerala – 685612
3	Instant Tea Operations (including Nullatani factory)	Post Box no. 3, Idukki District, Munnar, Kerala – 685612
4	Tetley (Tea Bag) Division	73/74 KPK Menon Road, Willingdon Island, Kochi, Kerala – 682 003
5	Mineral Water Plant	Village Dhaula Kuan, District Sirmour, Paonta Sahib, Tehsil Himachal Pradesh – 173 025

In addition to the above locations, the Company also operates through third-party contract manufacturers at several locations.

#### t. Credit Rating

The following is the list of credit ratings assigned/re-affirmed to the Company during the financial year 2021-2022:

Instrument Details	Amount (₹ Crores)	Rating
Long-Term Debt (including Non-Convertible Debenture)	350	ICRA AAA (Stable)
Short Term Debt (including commercial Papers)*	715	ICRA A1+
Fund based working capital facilities*	400	[ICRA] AAA (Stable)/ [ICRA] A1+
Non-Fund Based facility	24	ICRA A1+

Instrument Details	Amount (₹ Crores)	Rating
Short Term -Commercial Paper (CP)*	715	CARE A1+ (A One plus)

\*Total borrowing under Commercial papers and fund-based facilities from Banks to remain within an overall limit of ₹ 715 Crore

#### 13. TRANSFER OF UNCLAIMED AMOUNTS/SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

In accordance with the provisions of Sections 124, 125 of the Act, read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") the amount of dividend or any other amount remaining unclaimed or unpaid for a period of seven years is required to be transferred to the IEPF. Further, all the shares in respect of which dividend remained unclaimed or unpaid for seven consecutive years or more, shall also be transferred to the Demat Account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal, or Statutory Authority, restraining any transfer of the shares.

In pursuance of the above, the dividend remaining unclaimed or unpaid in respect of dividends declared for FY 2013-14, had been transferred to the IEPF during FY 2021-22. Consequently, shares in respect of which dividend(s) remained unclaimed or unpaid from FY 2013-14 till FY 2020-21 were also transferred to IEPF. The details of the unclaimed dividends and shares so transferred are available on the Company's website- <https://www.tataconsumer.com/investors/investor-information/iepf-related-matters>.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends to avoid the transfer of dividends/shares to the IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website <https://www.tataconsumer.com/investors/investor-information/letters-sent-to-shareholders>.

It may be noted that the unclaimed dividend for FY 2014-15 declared on August 19, 2015, along with underlying shares, are due to be transferred to the IEPF by September, 2022. Members who have not encashed the dividend warrant(s) from FY 2014-15,





## Corporate Governance Report

onwards may forward their claims to the Company's Registrar and Transfer Agents **before September 5, 2022, to avoid any transfer of dividend or shares to the IEPF Authority.**

The shares and unclaimed dividends 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 [www.iepf.gov.in](http://www.iepf.gov.in)) and submit the required documents to the Company.

The following table gives information relating to the outstanding dividend(s)/sale proceeds from fractional shares and the dates when due for transfer to IEPF:

Financial year ended	Date of payment	Nature of Payment	Last Date to claim
March 31, 2015	August 19, 2015	Dividend	September 05, 2022
March 31, 2016	August 26, 2016	Dividend	September 13, 2023
March 31, 2017	August 21, 2017	Dividend	September 06, 2024
March 31, 2018	July 09, 2018	Dividend	July 25, 2025
March 31, 2019	June 13, 2019	Dividend	June 26, 2026
March 31, 2020	May 28, 2020	Sale proceeds from fractional shares	May 24, 2027
March 31, 2020	July 08, 2020	Dividend	July 30, 2027
March 31, 2021	June 29, 2021	Dividend	July 17, 2028

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, the attention of the shareholders is again drawn to this matter through the Annual Report.

## 14. OTHER DISCLOSURES

### (a) Related Party Transactions

All Related Party Transactions (RPTs) entered into by the Company during the year under review were on an arms' length basis and in the ordinary course of business. These RPTs did not attract provisions of Section 188 of the Act, and were also not material RPTs under Regulation 23 of the Listing Regulations. During the year under review, all RPTs were placed before the Audit Committee for its approval (including

omnibus approval), as required under Section 177 of the Act, and Regulation 23 of the Listing Regulations.

Details of transactions with the related parties as specified in Indian Accounting Standards (Ind AS 24) have been reported in the Financial Statements. During the year under review, there was no transaction of a material nature with any of the related parties which were in conflict with the interest of the Company.

The policy for related party transactions can be accessed at the Company website at <https://www.tataconsumer.com/investors/policies>

### (b) Declaration of compliance by the Company

There has been no instance of non-compliance and no penalties, strictures were imposed on the Company by stock exchanges or SEBI during the last 3 (three) financial years.

### (c) Establishment of vigil mechanism, whistleblower policy

The Board has approved a whistle-blower policy/vigil mechanism which has been communicated to the employees and Directors. The policy provides a mechanism for employees / Directors to report their concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and provides safeguards against the victimisation of employees / Directors who avail of the mechanism.

None of the Directors or employees were denied access to the Chairman of the Audit Committee.

The policy with the name and address of the Chairman of the Audit Committee has been circulated to the employees. The whistle Blower policy adopted by the Company can be accessed at <https://www.tataconsumer.com/investors/policies>.

### (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 2021-22.

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) **Shareholders' Rights:** The quarterly and half-yearly financial performance along

## Corporate Governance Report

with significant events are published in the newspapers and are also hosted on the Company's website and the same are also emailed to the shareholders who have registered their email ids with the Company.

- ii) **Modified Opinion in Auditors Report:** The Company's financial statements for the year 2021-22 do not contain any modified audit opinion.
- iii) **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee and participates in the meetings of the Audit Committee and presents internal audit observations to the Audit Committee.

**(e) Consolidated Fees paid / payable to Statutory Auditors**

Total fees paid /payable for all services availed by the Company and its subsidiaries, on a consolidated basis, to Deloitte Haskins & Sells LLP, the Statutory Auditors of the Company and all entities in the network firm/network entity of which the Statutory Auditors is a part, during the year under review are given below:

Type of Services/Fees	₹ in Crores Amount
Statutory Audit Fees	11.21
Other services include reimbursement of expenses	2.62
<b>Total</b>	<b>13.83</b>

**(f) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has adopted zero tolerance for sexual harassment at the workplace and has formulated a policy on prevention, prohibition, and redressal of sexual harassment at the 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.

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

There were no complaints relating to sexual harassment pending at the beginning of the financial year. During the year under review, ICC received two complaints of which one was resolved and the other was under investigation at the end of the financial year. Accordingly, one complaint remained pending as on the end of the Financial Year 2021-22.

**(g) 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.

**(h) Subsidiary Companies**

In terms of Regulation 24(1) of the Listing Regulations, the Company has three unlisted material subsidiaries incorporated outside India i.e. Tata Consumer Products GB Limited in UK, Tata Consumer Products UK Group Limited in UK, and Eight O'Clock Coffee Company Limited in US. In compliance with the above-mentioned Regulation, Mr. Bharat Puri has been appointed as Independent Director on the Board of Tata Consumer Products GB Limited and Tata Consumer Products UK Group Limited and Mr. Siraj Chaudhry has been appointed as Independent Director in the Eight O'Clock Coffee Company Limited. 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 <https://www.tataconsumer.com/investors/policies>.

**(i) Loans and advances to entities in which directors are interested**

The Company and its subsidiaries has not given any loans and advances in the nature of loans to any firms / companies in which Directors of the Company are interested.



## Corporate Governance Report

### 15. CEO/CFO CERTIFICATION

The Managing Director & CEO and Chief Financial Officer (CFO) have issued a certificate according 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 2** and forms part of the Annual Report.

### 16. CERTIFICATE ON CORPORATE GOVERNANCE

A Compliance certificate from Dr. Asim Kumar Chattopadhyay, Practicing Company Secretary pursuant to Schedule V of the Listing Regulations regarding the compliance of conditions of Corporate Governance. The said certificate is annexed as **Annexure 3** and forms part of the Annual Report.

### 17. 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 4** and forms part of this Annual Report.

### 18. GREEN INITIATIVE

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, quarterly and half-yearly results, amongst others, to Shareholders at their e-mail address previously registered with the DPs and RTA.

Shareholders who have not registered their e-mail addresses are requested to do the same. Those holding shares in Demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the RTA, by sending a letter, duly signed by the first/sole holder quoting details of Folio Number.

### 19. DETAILS OF CORPORATE POLICIES:

Particulars	Website links
Composition and profile of the Board of Directors	<a href="https://www.tataconsumer.com/about/leadership">https://www.tataconsumer.com/about/leadership</a>
Terms and conditions of appointment of Independent Directors	<a href="https://www.tataconsumer.com/corporate-governance/compliances-and-filings">https://www.tataconsumer.com/corporate-governance/compliances-and-filings</a>
Policy for appointment and removal of Directors	<a href="https://www.tataconsumer.com/investors/policies">https://www.tataconsumer.com/investors/policies</a>
Familiarisation programme for Independent Directors	<a href="https://www.tataconsumer.com/corporate-governance/compliances-and-filings">https://www.tataconsumer.com/corporate-governance/compliances-and-filings</a>
Remuneration Policy of Directors, KMPs, and Other employees	<a href="https://www.tataconsumer.com/investors/policies">https://www.tataconsumer.com/investors/policies</a>
Tata Code of Conduct	<a href="https://www.tataconsumer.com/investors/policies">https://www.tataconsumer.com/investors/policies</a>
Dividend Distribution Policy	<a href="https://www.tataconsumer.com/investors/policies">https://www.tataconsumer.com/investors/policies</a>
Criteria for making payments to Non-Executive Directors	<a href="https://www.tataconsumer.com/investors/policies">https://www.tataconsumer.com/investors/policies</a>
Code of conduct for Non-Executive Directors	<a href="https://www.tataconsumer.com/corporate-governance/compliances-and-filings">https://www.tataconsumer.com/corporate-governance/compliances-and-filings</a>
Corporate Social Responsibility Policy	<a href="https://www.tataconsumer.com/investors/policies">https://www.tataconsumer.com/investors/policies</a>
Policy on Related Party Transactions	<a href="https://www.tataconsumer.com/investors/policies">https://www.tataconsumer.com/investors/policies</a>
Policy for determining material subsidiaries	<a href="https://www.tataconsumer.com/investors/policies">https://www.tataconsumer.com/investors/policies</a>
Policy on determining materiality for disclosure	<a href="https://www.tataconsumer.com/investors/policies">https://www.tataconsumer.com/investors/policies</a>
Whistle Blower Policy	<a href="https://www.tataconsumer.com/investors/policies">https://www.tataconsumer.com/investors/policies</a>
Code for Corporate Disclosure Practices	<a href="https://www.tataconsumer.com/investors/policies">https://www.tataconsumer.com/investors/policies</a>
Document Retention and Archival Policy	<a href="https://www.tataconsumer.com/investors/policies">https://www.tataconsumer.com/investors/policies</a>
Anti-Bribery & Anti-Corruption Policy	<a href="https://www.tataconsumer.com/investors/policies">https://www.tataconsumer.com/investors/policies</a>
Quarterly Shareholding Pattern	<a href="https://www.tataconsumer.com/investors/investor-relations/shareholding-pattern">https://www.tataconsumer.com/investors/investor-relations/shareholding-pattern</a>
Quarterly Corporate Governance Report	<a href="https://www.tataconsumer.com/corporate-governance/Compliances">https://www.tataconsumer.com/corporate-governance/Compliances</a>



## Corporate Governance Report

### ANNEXURE 1 OF CORPORATE GOVERNANCE REPORT

#### DECLARATION BY THE CEO ON CODE OF CONDUCT

[as required by Schedule V of SEBI (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 the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, in respect of the financial year 2021-22.

For Tata Consumer Products Limited

Mumbai  
May 4, 2022

**Sunil D'Souza**  
Managing Director & CEO  
(DIN 07194259)

### ANNEXURE 2 OF CORPORATE GOVERNANCE 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, 2022

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2022 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 into by the Company during the year ended March 31, 2022, which are fraudulent, illegal, or violative of the 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 fraud, particularly those involving the management or an employee having a significant role in the Company's internal control system over Financial Reporting.

For Tata Consumer Products Limited

Mumbai  
May 4, 2022

**Sunil D'Souza**  
Managing Director & CEO  
(DIN 07194259)

**John Jacob**  
Chief Financial Officer



## Corporate Governance Report

**ANNEXURE 3 OF CORPORATE GOVERNANCE REPORT****CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE ISSUED UNDER SEBI LODR****To the Members of TATA CONSUMER PRODUCTS LIMITED**

I have examined the compliance of the conditions of Corporate Governance by Tata Consumer Products Limited (CIN: L15491WB1962PLC031425)('the Company') for the year ended on 31<sup>st</sup> March 2022, 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 and other Amendments thereof (hereinafter collectively 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 of Corporate Governance as stipulated in Listing Regulations during the year ended 31<sup>st</sup> March, 2022.

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.

UDIN: F002303D000263531

Date: 4<sup>th</sup> May, 2022

Place : Kolkata

**Dr. Asim Kumar Chattopadhyay****Practising Company Secretary**

FCS No. 2303

Certificate of Practice No. 880

Peer Review – 792/2020

## Corporate Governance Report

## ANNEXURE 4 OF CORPORATE GOVERNANCE 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 (CIN :: L15491WB1962PLC031425)** and having registered office at 1, Bishop Lefroy Road, Kolkata – 700020 (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](http://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 ended 31<sup>st</sup> March, 2022 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.

SL-No.	Full Name	DIN/DPIN/PAN	Date of Appointment
1	SHIKHA SANJAYA SHARMA	00043265	07/05/2019
2	CHANDRASEKARAN NATARAJAN	00121863	03/07/2017
3	SIRAJ AZMAT CHAUDHRY	00161853	03/07/2017
4	LAKSHMANAN KRISHNA KUMAR	00423616	01/04/2013
5	KODUMUDI PRANATHARTHIHARAN KRISHNAN	01099097	22/10/2021
6	BHARAT TILAKRAJ PURI	02173566	07/05/2019
7	PATHAMADAI BALACHANDRAN BALAJI	02762983	08/08/2020
8	SUNIL ALARIC DSOUZA	07194259	04/04/2020

- Dr. K.P. Krishnan (DIN:01099097) joined the Board as Director and as an Independent Director w.e.f. 22.10.2021.
- Mr. Santhanakrishnan Sankaran (DIN: 00032049) ceased to be Director w.e.f. 12.10.2021.

Ensuring the eligibility for appointment / continuity of every director on the Board is responsibility of the Management of the Company. My responsibility is to express an opinion based on my verification. This certificate 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.

**Dr.Asim Kumar Chattopadhyay**

**Practising Company Secretary**

**FCS : 2303 CP: 880**

**PR. No.–792/2020**

UDIN: F002303D000060647

Date: 10.04.2022





# BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) 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. Corporate Name of the Company:	Tata Consumer Products Limited																
3. Registered address:	1, Bishop Lefroy Road, Kolkata - 700020																
4. Website:	<a href="http://www.tataconsumer.com">www.tataconsumer.com</a>																
5. E-mail id:	<a href="mailto:Investor.relations@tataconsumer.com">Investor.relations@tataconsumer.com</a>																
6. Financial Year reported:	2021-22																
7. Sector(s) that the Company is engaged in (industrial activity code-wise):	<table border="1"> <thead> <tr> <th>Group</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>10791</td> <td>Processing and blending of tea including the manufacture of instant tea</td> </tr> <tr> <td>46306</td> <td>Trading of coffee products</td> </tr> <tr> <td>01271</td> <td>Growing of Tea</td> </tr> <tr> <td>11043</td> <td>Manufacture of mineral water</td> </tr> <tr> <td>46309</td> <td>Trading of Salt</td> </tr> <tr> <td>107</td> <td>Manufacture of food ingredients and Sweeteners</td> </tr> <tr> <td>462</td> <td>Wholesale of Pulses</td> </tr> </tbody> </table>	Group	Description	10791	Processing and blending of tea including the 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
Group	Description																
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01271	Growing of Tea																
11043	Manufacture of mineral water																
46309	Trading of Salt																
107	Manufacture of food ingredients and Sweeteners																
462	Wholesale of Pulses																
8. List three Key products/services that the Company manufactures/provides (as in the balance sheet):	<b>Beverages:</b> Tea, Coffee and Water <b>Food:</b> Edible Salt, Pulses and Spices																
9. Total number of locations where business activity is undertaken by the Company																	
(a) Number of International Locations (Provide details of major 5)	Nil (on a standalone basis)																
(b) Number of National Locations	60 (including offices, dedicated third-party facilities and CFAs)																
10. Market 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 (INR)	₹ 92.16 Crores
2. Total Turnover (INR)	₹ 8,171.25 Crores
3. Total profit after taxes (INR)	₹ 885.75 Crores
4. Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	₹ 13.54 Crores as per Section 135 of the Companies Act, 2013, equivalent to 2.03% of the 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 <b>Annexure 2</b> (CSR Annual Report) of the Board's Report for details

Business Responsibility Report

**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
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%]	59% of suppliers of tea participate in <i>trustea</i> - the India sustainable tea program, which is one of the BR initiatives of the Company.

**SECTION D: BUSINESS RESPONSIBILITY (“BR”) INFORMATION**

**1. Details of Director/Directors responsible for BR**

(a) Details of the Director responsible for the implementation of the BR policy/policies

DIN Number	07194259
Name	Mr. Sunil D’Souza
Designation	Managing Director & CEO

(b) Details of BR Head:

Name	Ms. Priya B
Designation	Associate Director – Sustainability
Telephone number	+91-80-67171200
E-mail id	Priya.b@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 well-being 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.



## Business Responsibility Report

## Details of compliance (Reply in Y/N)

## Principles of the National Voluntary Guidelines

Sr. 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 <sup>#</sup>	Y <sup>#</sup>	Y <sup>#</sup>	Y <sup>#</sup>	Y <sup>#</sup>	Y <sup>#</sup>	Y <sup>#</sup>	Y <sup>#</sup>	Y <sup>#</sup>
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 <sup>@</sup>	1,2,6,7 to 15	1,3,4,5	1,16	1,3,4	1,17	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 <sup>*</sup>	Y <sup>*</sup>	Y <sup>*</sup>	Y <sup>*</sup>	Y <sup>*</sup>	Y <sup>*</sup>	Y <sup>*</sup>	Y <sup>*</sup>	Y <sup>*</sup>

<sup>#</sup> 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. The Company has also developed some specific policies which are based on the Tata Code of Conduct.

<sup>\*</sup> All policies applicable to the Company are evaluated internally.

<sup>@</sup>The following policies can be accessed at <https://www.tataconsumer.com/investors/policies>

- |   |   |
|---|---|
| 1. Tata Code of Conduct                                       | 10. Dividend Distribution Policy            |
| 2. Whistle Blower Policy                                      | 11. Code of Corporate Disclosure Practices  |
| 3. Tata Affirmative Action Policy                             | 12. Policy on Related Party Transaction     |
| 4. Corporate Social Responsibility Policy                     | 13. Archival Policy                         |
| 5. Supplier Code of Conduct                                   | 14. Document Retention Policy               |
| 6. Remuneration Policy  | 15. Anti-Bribery and Anti-Corruption Policy |
| 7. Policy on Nomination, Appointment and Removal of Directors | 16. Group Health Safety & Wellbeing Policy  |
| 8. Policy on Determination of Materiality for Disclosure      | 17. Business And Human Rights Policy        |
| 9. Policy for Determining Material Subsidiaries               |   |



Business Responsibility Report

**3. Governance related to Business Responsibility (BR)**

<p>(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</p>	<p>The Corporate Social Responsibility &amp; Sustainability Committee of the Board meets at least twice a year to review the Sustainability and Corporate Social Responsibility ('CSR') performance of the Company. Besides, the Board which meets at least four times in a year also reviews the sustainability and the Economic Social &amp; Governance ('ESG') performance of the Company</p>
<p>(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?</p>	<p>The Company has been voluntarily publishing its Annual Business Responsibility Report (ABRR) since 2013. Since FY 2016-17, as mandated by SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company has been publishing Business Responsibility Report (BRR) as a part of its Annual Report.</p> <p>In addition to the above, the Company has published its first Sustainability Report for FY 2019-20, as per Global Reporting Initiatives (GRI) norms that can be accessed at <a href="https://www.tataconsumer.com/sustainability">https://www.tataconsumer.com/sustainability</a>.</p> <p>Since, FY 2019-20, the Company is taking incremental steps to usher in the next wave of efficiency and growth through 'Integrated Reporting'. Integrated Reporting can be accessed at Link: <a href="https://www.tataconsumer.com/investors/investor-information/annual-reports">https://www.tataconsumer.com/investors/investor-information/annual-reports</a></p>

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency, and Accountability**

<p>1 Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No.</p> <p>Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors /NGOs /Others?</p>	<p>No.</p> <p>The Company's ethics policy as embodied in the Tata Code of Conduct extends to subsidiaries, JVs, suppliers, contractors, vendors, etc.</p>
<p>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.</p>	<p>In FY 2021-22, a total of 19 complaints were received by the Company out of those 18 complaints have been resolved. The investigation on the remaining 1 complaint was ongoing, as it was received in last week of March 2022. The Company received 3 complaints through the toll-free number; 12 complaints via email; 1 complaint through web access and 3 complaints through other modes.</p>



## Business Responsibility Report

### Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

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- 1 List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities
- Tea, Salt, Pulses, Spices**
- The product range aims to provide nourishment and nutrition to millions of consumers across India.
1. **Tata Salt Lite/Tata Salt Super Lite:** The Company has two low-sodium iodized salts in its portfolio: Tata Salt Lite (15% less sodium) and the recently launched Tata Salt Super Lite (30% less sodium). It addresses the increased health and nutrition awareness of consumer cohorts, especially young and middle-aged consumers who are advised to reduce sodium in their diet to take care of the incidence of high blood pressure owing to myriad reasons like sedentary lifestyles, high salt diets, and irregular eating habits. As per the study, the average salt consumption in India is [around 2x/ higher] than the recommended intake proposed by World Health Organization (WHO).
  2. **Tata Sampann Dals** are unpolished and do not undergo any artificial polishing with water, oil, or leather, so that their maximum goodness, protein content, and wholesome character are retained. Tata Sampann Besan and Nutrimixes are also prepared from unpolished dals to retain their nutritive properties. The Tata Sampann Nutrimixes or “Ready to Cook” nutrimixes made with unpolished dals and nutricereals – which provide snack options high in protein and dietary fiber. It is made in a modern easy-to-use packaged format and is also free from preservatives.
  3. **Tea Care range (Tata Tea Gold and Chakra Gold):** a handcrafted blend that combines the richness of tea with Indian herbs to provide goodness in every cup. Herbal ingredients include Tulsi which is well known to boost immunity; Ginger: good for the common cold and cough; Brahmi: which helps to improve memory among others. Tata Tea Teavada: tea blend comprising Assam tea enriched with the goodness of Ayurvedic ingredients (Tulsi, Ginger, Brahmi and Cardamom). It addresses the concern of consumers to have products with natural and healthy ingredients without compromising the taste of tea.
  4. 80% of the Tata Salt packaging (in major SKUs) is now recyclable.
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Business Responsibility Report

<p>2 For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product(optional):</p>	
<p>(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?</p>	<p>The Company is committed to sustainable food &amp; beverages production and consumption and below are some key highlights:</p> <ul style="list-style-type: none"> <li>• The truck utilization for FY 2021-22 increased by 2% as of FY 2020-21 for the product movement (Tea) across all the plants to the sales depot (primary leg).</li> <li>• As part of water conservation, all factory roofs were connected to groundwater recharge.</li> <li>• Tea Packeting Centres have generated 14.61 lakh Kwh of solar energy in FY 2021-22 which is 46.97% higher compared to FY 2020-21.</li> <li>• Food Division has put up a Solar plant at Nagpur CFA and generated 55,451 Kwh in FY 2021-22.</li> <li>• Himayalan Water plant has generated 814,837 Kwh renewable energy (solar) in FY 2021-22.</li> <li>• In the salt category, 80% of laminate used in FY 2021-22 was recyclable. In the tea category, 1.79% of laminate used was recyclable.</li> <li>• In the Tea portfolio, Secondary bags were removed from all laminate SKUs having a Net weight of 500g and above. This resulted in a reduction of plastic usage by 25T during FY 2021-22.</li> </ul>
<p>(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p>	<p>Not applicable</p>
<p>3 Does the company have procedures in place for sustainable sourcing (including transportation)?</p>	<p>Yes, the Company has a sustainable sourcing strategy and is a co-founder of the <b>trustea</b> program in India for sustainably transforming Indian tea. The trustea program has cumulative verified volumes till March 2022 at 790 million Kg of tea. (Source: <a href="https://trustea.org/">https://trustea.org/</a>)</p> <p>During the Primary Packing material Vendor selection process, the Company ensures that Vendors confirm the social, ethical, and environmental performance factors. This is ensured both through audits as well as contractual terms built into contracts</p>
<p>(a) If Yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</p>	<p><b>Tea</b> - About 59% of all the tea the Company buys in India is trustea certified.</p> <p><b>Packaging</b> - 100% of the Company's Packaging Vendors are compliant with sustainable sourcing norms. There is clear communication in the Company's Purchase order terms and contracts on its expectation from Vendors to deliver on social, ethical, and environmental factors.</p> <p><b>Vendors</b> – The Company has a clear mandate on adhering to Human Rights requirements from Company's logistics partners, which include child and forced labour, wages, working hours, health &amp; safety. In addition, adherence to the Tata Code of Conduct and the Health &amp; Safety Policy is included in the contracts.</p>
<p>4 Has the company taken any steps to procure goods and services from local &amp; small producers, including communities surrounding their place of work?</p>	<p>Yes,</p> <p><b>Tea</b> - The Company makes a strategic effort to procure raw material (tea) from small tea growers verified by the trustea program.</p> <p><b>Pulses</b> - The Company has a vendor development program. The Company has started working with small farmer producer companies for the procurement of Pulses.</p>





## Business Responsibility Report

	<b>Goods &amp; Services</b> – The Company procures goods and services from local and small producers, including communities surrounding the Company's places of operation (Packing centers). CFCs, masonry/carpentry services, etc. are categories that are sourced locally
(a) If Yes, what steps have been taken to improve their capacity and capability of local and small vendors?	<p><b>Raw material (tea)</b> – Over 81,000 small tea growers have been trained on sustainable agricultural practices through trustee. Please see para 3 (a) above.</p> <p><b>Raw Material (pulses)</b> - Continuous training is imparted to improve the manufacturing and handling process so that the product quality is as per the market expectations. This helps improve the market access for the producers.</p> <p><b>Other goods and services</b> - The local Vendors are always given priority for undertaking job work in the Company's factories. High-performing vendors in the CFC category are rewarded with increased business volumes.</p>
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.	<p>The Company is committed to circularity in waste management. All beverage factories worldwide are now zero waste to landfill and all wastes are disposed of through authorized vendors who recycle or repurpose them to avoid landfills. Under the Plastic Waste Management Rules in India, the Company has implemented Extended Producer Responsibility (EPR) Plan for the collection and reprocessing of 100% plastic packaging waste on a brand-neutral basis.</p> <p>About 80% of all Tata Salt packaging (in major SKUs) was recyclable in FY 2021-22.</p>

## Principle 3 Businesses should promote the well-being of all employees

1. Please indicate the Total number of employees.	2,932
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.	1,524
3. Please indicate the Number of permanent women employees.	982
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 60%
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:	-

Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
Child labour/forced labour/involuntary labour	Nil	Nil
Sexual harassment	2	1*
Discriminatory employment	Nil	Nil

\*The complaint was filed in the last week of March 2022 and was under investigation as on March 31, 2022.

## Business Responsibility Report

8 What percentage of your under-mentioned employees were given safety training\* in the last year?

(a) Permanent Employees	15.4%
(b) Permanent Women Employees	42.8%
(c) Casual/ Temporary/ Contractual Employees	55.1%
(d) Employees with Disabilities	82%

\*Induction training, mock drills and other capacity building activities are provided to 100% of employees, contractors and visitors. However, only instructor based trainings have been considered here.

### 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.	The Company supports the tea tribes in Assam through the trusteea program on sustainable agricultural practices. The Company support persons with disabilities through Srishti Trust and Coorg Foundation. The UNICEF-Ethical Tea Partnership Program is promoting the multi-sectoral development of adolescent girls and women in the tea estates of Assam. More details are available in Annexure 2 of the Board's Report and on <a href="http://www.tataconsumer.com">www.tataconsumer.com</a>

### 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?	<p>The Company recognizes upholding human rights as an integral aspect of doing business. The Company commits to respecting and protecting human rights and remediating adverse human rights impacts resulting from or caused by its businesses.</p> <p>The Business and Human Rights ('BHR') Policy is aligned with the principles contained in the Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights and is consistent with the Tata Code of Conduct.</p> <p>In line with the BHR Policy, an Apex Human Rights Committee and Working Group (within the Company) has been formed to oversee adherence and implement the Company's human rights policy by weaving it into the Company's strategy, with clearly identified responsibilities, key metrics, and a cascading governance structure, which is chaired by the MD &amp; CEO of the Company. The Business &amp; Human Rights Working Group leads the operational execution of Company's sustainability plan by overseeing Working Groups' activity and ensuring delivery against BHR policy group-wide, which is chaired by the Global legal counsel. This policy will also be applicable to subsidiaries of the Company.</p>
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## Business Responsibility Report

	In the coming year, due diligence for the Company's operations in terms of adherence to the BHR Policy, followed by its value chain partners is planned. This will help the Company identify areas of improvement and also support its value chain partners address human rights concerns. <a href="https://www.tataconsumer.com/sites/g/files/gfwr1q316/files/2021-10/business-and-human-rights-policy.pdf">https://www.tataconsumer.com/sites/g/files/gfwr1q316/files/2021-10/business-and-human-rights-policy.pdf</a>
2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	2 sexual harassment complaints and 1 has been resolved.

**Principle 6 - Businesses 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 Corporate Social Responsibility policy of the Company. The Tata Code of Conduct which covers the protection of the environment applies to Joint Ventures, Subsidiaries 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 a hyperlink for the webpage, etc.	Yes. <a href="https://www.tataconsumer.com/sustainability/better-planet">https://www.tataconsumer.com/sustainability/better-planet</a>
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 a hyperlink for the webpage, etc.	Project Jalodari is a water management programme by the Company that aims to create sustainable water sources, raise awareness and build capacities in water and sanitation in the communities. Jalodari, Assam has been launched at Kakajan, Bhelaguri and Teok tea estates in Jorhat District and Hathikuli tea estates in Golaghat district of Assam. Details of such a project can be accessed at <a href="https://www.tataconsumer.com/sustainability">https://www.tataconsumer.com/sustainability</a>  The Company has a strategy focused on sustainable agriculture for climate change adaptation (through tea sourcing certifications that promote sustainable agriculture), sustainable forestry (biodiversity conservation programs in the plantations) for climate change mitigation, energy efficiency, and renewable energy. The Company believes the need of the hour is to rationalize existing energy consumption and incorporate viable and economically feasible renewable sources in the energy mix. The Company has put into practice several measures aimed at encouraging green energy sources (use of biomass in boilers), enhancing the efficiency of existing machinery and processes, and reducing the amount of energy it uses.



## Business Responsibility Report

	The Company has 24% renewable energy in its energy mix, for Company's India operations this year. Solar rooftop installations are the major source of renewable energy and in its Himalayan unit, it generates more than it consumes and gives back to the Grid. In tea packeting units, there has been a 47% increase in renewable energy from last year.
6 Are the Emissions/Waste generated by the company within the permissible limits are 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 the end of Financial Year.	Nil

### 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, The Company 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 the 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	Yes. 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 2 to the Board's Report.  In line with the Tata Code of Conduct (TCoC), the Company is an equal opportunity employer and do not discriminate based on race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability, or any other category protected by applicable law.
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## Business Responsibility Report

	Several awareness programs via email are being circulated to employees on understanding biases and avoiding them. A Global Women's Inclusion Network (WIN) was also launched recently, which is a forum to foster inclusion and bring together women across the company to connect, learn, and grow.
2 Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/ any other organization?	Yes. Please refer to Annexure 2 to the Board's Report for details.
3 Have you done any impact assessment of your initiative?	Yes, an impact assessment of the CSR project was undertaken for FY2021-22 was carried out and the report can be accessed at <a href="https://www.tataconsumer.com/sustainability">https://www.tataconsumer.com/sustainability</a> .
4 What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	₹ 13.54 Crores as per Section 135 of the Companies Act, 2013. For more details please refer to Annexure 2 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 CSR and Sustainability Committee of the Board. The feedback 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.	1.47% of the total customer complaints receive through Customer care were pending at the end of financial year.
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 including its sourcing and processing is provided either as declaration or in product story. Ingredient percentages in case of flavours and quantity in case of teabags are declared on the packs wherever it is relevant. Environment management information like guidelines for plastic disposal, recyclability information, resin information to enable identification of recycling stream are also given on the packs for information to the consumers.
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 Customer satisfaction survey is carried out by the company every year. The packaged Beverages division conducted a largescale blend test (National Blend Benchmark Test) to assess consumer feedback on TCPL tea brands' blends vis-à-vis relevant consumers. The test is conducted by third party market research agency partner every year. Both TCPL blends as well as competition blends are picked up from the market by the 3P agency partner and placed with relevant target group consumers in blend form – to get feedback of the blends – agnostic of effect of branding. The tests are conducted among users of TCPL brands as well as competition brands.

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Tata Consumer Products 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, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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, 2022, 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 ("SA"s). 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 year. 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	<p><b>Impairment of investments in an associate</b></p> <p>During the current financial year, an associate has incurred significant losses as it has not been able to recover increase in input costs through increased prices. This has triggered an impairment assessment of carrying value of investments of ₹288 crore (equity shares ₹82 crore and preference shares ₹206 crore) in the associate in standalone financial statements of the Company. The Company also engaged a valuation expert to evaluate the recoverable value of the entity through sale of its assets.</p>	<p>Besides obtaining an understanding of Management's processes and controls with regard to testing the investments for impairment, our procedures included the following:</p> <p>a) We understood the methodology applied by Management in performing its impairment test for the investments at fair value and cost and walked through the controls over the process.</p> <p>b) We challenged the assumptions made by Management for the input data used by Management through discussions, comparisons to industry peers and other available independent external data sources. We also performed sensitivity analysis on the key assumptions</p>





## INDEPENDENT AUDITOR'S REPORT

### 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 Report of the Board of Directors including Annexures thereto, 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.

The Board of Directors is 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.

## INDEPENDENT AUDITOR'S REPORT

- 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, 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.
  - 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, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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

- 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, if any, 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.

iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The Management has represented, that, to the best of its knowledge and belief,

no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The amount of dividend is in accordance with Section 123 of the Act.

a. The dividend proposed in the previous year and declared and paid by the Company during the year is in accordance with Section 123 of the Act.

b. The Board of Directors of the Company has proposed a dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting.

2. As required by the Companies (Auditor's Report) Order, 2020 (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: 22039826AIJDLB2352

Place: Mumbai  
Date: May 4, 2022



## 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, 2022 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 controls 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.



## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

**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 controls 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, 2022, based on the criteria for internal financial controls 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)  
UDIN: 22039826A1JDLB2352

Place: Mumbai  
Date: May 4, 2022

## 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)**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and capital work-in-progress.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment and capital work-in-progress 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 property, plant and equipment were due for verification during the year and 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) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in-progress are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) The Company has made investments in, and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year, in respect of which:

- a) The Company has provided loans during the year and details of which are given below:

	Rs. in Crores
	<b>Loans</b>
A. Aggregate amount granted / provided during the year:	
Subsidiaries	49.00
Others – Inter Corporate Deposits (“ICD”)	1234.75
B. Balance outstanding as at balance sheet date in respect of above cases:	
Subsidiaries	14.75
Associates	16.50
Others	541.00

The Company has not provided any guarantee or security to companies, firms, limited liability partnerships or other parties.





## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

- b) The investments made, and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3 (iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3 (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) In respect of statutory dues:

- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs. in 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	2009-10	0.01
Central Sales Tax Act, 1956	Sales Tax	Additional Commissioner (Appeals) – Kolkata	2017-18	0.07
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 & 2013-14	1.32

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs. in Crores)
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	Additional Commissioner (Appeals) – Kolkata	2017-18	1.14
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
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	Apr 2015 to Jun 2017	0.04
Finance Act, 1994	Service Tax	Custom Excise and Service Tax Appellate Tribunal, Kolkata	2005-06	1.46
Bihar VAT Act, 2003	Bihar Value Added Tax	Commissioner Appeals, Patna	2016-17	0.03

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3 (ix)(a) of the Order is not applicable to the Company.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3 (ix)(c) of the Order is not applicable.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) We report that the Company has neither taken any funds from any entity or person during the year nor it had any unutilised funds as at the beginning of the year of the funds raised through issue of shares or borrowings in the previous year and hence, reporting under clause 3 (ix)(e) of the Order is not applicable.
- f) The Company has not raised any loans during the year and hence reporting under clause 3 (ix) (f) of the Order is not applicable.
- (x) a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3 (x)(a) of the Order is not applicable.
- b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3 (x)(b) of the Order is not applicable to the Company.
- (xi) a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, while determining the nature, timing and extent of our audit procedures.



## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 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) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion 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 to the Company.
- (xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi)(a), (b) and (c) of the Order is not applicable.
- b) There are 5 Core Investment Companies ("CIC"s) in the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) that are registered with the Reserve Bank of India ("RBI") and 1 CIC which is not required to be registered with the RBI.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility ("CSR") and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Act, or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3 (xx) of the Order is not applicable for the year.
- (xxi) According to the information and explanations given to us, and based on the reports, issued by the auditors of the subsidiaries, associates and joint ventures included in the consolidated financial statements of the Company, to which reporting on matters specified in paragraph 3 and 4 of the Order is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their Companies (Auditor's Report) Order, 2020 reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO reports.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Sanjiv V Pilgaonkar**  
Partner  
(Membership No.039826)  
UDIN: 22039826AIJDLB2352

Place: Mumbai  
Date: May 4, 2022



## BALANCE SHEET

as at March 31, 2022

	Note	2022	2021
Rs. in Crores			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	296.93	258.30
Capital Work-in-Progress	3A	2.58	46.46
Right of Use Asset	4	210.97	224.64
Goodwill	5	3578.51	3578.51
Other Intangible Assets	5	2477.64	2509.90
Intangible Asset under Development	6	37.18	16.44
<b>Financial Assets</b>			
Investments	7	3368.76	2605.19
Loans	8	13.80	21.71
Other Financial Assets	9	104.44	103.59
Non-Current Tax Assets (Net)	20 (c)	121.97	122.61
Other Non-Current Assets	10	86.27	88.91
		<b>10299.05</b>	<b>9576.26</b>
<b>Current assets</b>			
Inventories	11	1271.94	1408.37
<b>Financial Assets</b>			
Investments	7	156.94	287.77
Trade Receivables	12	281.76	257.23
Cash and Cash Equivalents	13	327.40	644.74
Other Bank Balances	14	1,001.21	968.95
Loans	8	559.70	3.79
Other Financial Assets	9	48.75	31.57
Other Current Assets	10	279.46	253.08
		<b>3927.16</b>	<b>3855.50</b>
<b>TOTAL ASSETS</b>		<b>14226.21</b>	<b>13431.76</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15 (a)	92.16	92.16
Other Equity	15 (b)	11669.75	11131.94
<b>TOTAL EQUITY</b>		<b>11761.91</b>	<b>11224.10</b>
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Lease Liabilities		205.19	215.30
Other Financial Liability		76.91	76.20
Provisions	17	135.32	148.21
Deferred Tax Liabilities (Net)	20 (e)	511.22	367.55
		<b>928.64</b>	<b>807.26</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease Liabilities		29.71	28.94
Trade Payables	18		
Total outstanding dues of Micro enterprises and Small enterprises		29.64	13.96
Total outstanding dues of creditors other than Micro enterprises and Small enterprises		1234.10	1088.67
Other Financial Liabilities	16	77.68	81.93
Other Current Liabilities	19	96.66	99.73
Provisions	17	62.74	82.04
Current Tax Liability (Net)	20 (d)	5.13	5.13
		<b>1535.66</b>	<b>1400.40</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14226.21</b>	<b>13431.76</b>

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 4, 2022

For and on behalf of the Board

**N. Chandrasekaran**

Chairman  
(DIN 00121863)

**Sunil D'Souza**

Managing Director & CEO  
(DIN 07194259)

**John Jacob**

Chief Financial Officer

**K P Krishnan**

Director  
(DIN 01099097)

**L. Krishna Kumar**

Executive Director  
(DIN 00423616)

**Neelabja Chakrabarty**

Company Secretary



# STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

		Rs. in Crores	
	Note	2022	2021
<b>Income</b>			
Revenue from Operations	21	7932.29	7154.36
Other Income	22	238.96	133.01
<b>Total Income</b>		<b>8171.25</b>	<b>7287.37</b>
<b>Expenses</b>			
Cost of Materials Consumed	23	3195.72	3421.65
Purchases of Stock-in-Trade		1701.63	1425.63
Change in Inventories of Finished Goods/Stock-in-Trade/Work-in-Progress	24	46.40	(116.90)
Employee Benefits Expense	25	348.41	321.58
Finance Costs	26	29.78	28.13
Depreciation and Amortisation Expense		141.75	126.21
Advertisement and Sales Charge		511.25	396.83
Other Expenses	27	1017.99	787.00
<b>Total Expenses</b>		<b>6992.93</b>	<b>6390.13</b>
<b>Profit before Exceptional Items and Taxes</b>		<b>1178.32</b>	<b>897.24</b>
Exceptional Items (Net)	28	(27.23)	(61.10)
<b>Profit before Tax</b>		<b>1151.09</b>	<b>836.14</b>
<b>Tax Expenses</b>			
Current Tax	20(a)	130.09	(1.05)
Deferred Tax		135.25	217.68
		<b>265.34</b>	<b>216.63</b>
<b>Profit for the year</b>		<b>885.75</b>	<b>619.51</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit plans		30.15	(4.44)
Changes in fair valuation of equity instruments		4.98	5.87
		<b>35.13</b>	<b>1.43</b>
Tax Impact on above items		(9.06)	0.01
		<b>26.07</b>	<b>1.44</b>
<b>Items that will be reclassified to profit or loss</b>			
Gains/(loss) on effective portion of cash flow hedges		(1.65)	2.62
Tax Impact on above items		0.41	(0.66)
		<b>(1.24)</b>	<b>1.96</b>
<b>Other Comprehensive Income for the year</b>		<b>24.83</b>	<b>3.40</b>
<b>Total Comprehensive Income for the year</b>		<b>910.58</b>	<b>622.91</b>
<b>Earnings per share</b>			
Equity share of nominal value Re. 1 each	33		
Basic		9.61	6.72
Diluted		9.61	6.72

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 4, 2022

For and on behalf of the Board

**N. Chandrasekaran**

Chairman  
(DIN 00121863)

**Sunil D'Souza**

Managing Director & CEO  
(DIN 07194259)

**John Jacob**

Chief Financial Officer

**K P Krishnan**

Director  
(DIN 01099097)

**L. Krishna Kumar**

Executive Director  
(DIN 00423616)

**Neelabja Chakrabarty**

Company Secretary

# STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

## EQUITY SHARE CAPITAL AND OTHER EQUITY (REFER NOTE 15)

Particulars	Rs. in Crores										
	Equity Share Capital	Capital Reserve	Securities Premium	Contingency Reserve	Revaluation Reserve	General Reserve	Share Based Payments Reserve	Retained Earnings	Effective portion of cash flow hedge	Fair Value gain/(loss) on Equity Instruments	Total Other Equity
<b>Balance as at 1 April, 2020</b>	<b>92.16</b>	<b>15.79</b>	<b>6430.87</b>	<b>1.00</b>	<b>21.86</b>	<b>1143.31</b>	-	<b>3136.45</b>	<b>(1.13)</b>	<b>9.70</b>	<b>10757.85</b>
Profit for the year	-	-	-	-	-	-	-	619.51	-	-	<b>619.51</b>
Other Comprehensive Income	-	-	-	-	-	-	-	(4.26)	1.96	5.70	<b>3.40</b>
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	-	<b>615.25</b>	<b>1.96</b>	<b>5.70</b>	<b>622.91</b>
Transaction with owners in their capacity as owners:	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	(248.82)	-	-	<b>(248.82)</b>
<b>Balance as at 31 March, 2021</b>	<b>92.16</b>	<b>15.79</b>	<b>6430.87</b>	<b>1.00</b>	<b>21.86</b>	<b>1143.31</b>	-	<b>3502.88</b>	<b>0.83</b>	<b>15.40</b>	<b>11131.94</b>
Profit for the year	-	-	-	-	-	-	-	885.75	-	-	<b>885.75</b>
Other Comprehensive Income	-	-	-	-	-	-	-	22.56	(1.24)	3.51	<b>24.83</b>
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	-	<b>908.31</b>	<b>(1.24)</b>	<b>3.51</b>	<b>910.58</b>
Share - based payments (Refer Note 25)	-	-	-	-	-	-	0.46	-	-	-	<b>0.46</b>
Transaction with owners in their capacity as owners:	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	(373.23)	-	-	<b>(373.23)</b>
Realised gain on equity shares carried at Fair Value through Other Comprehensive Income	-	-	-	-	-	-	-	0.80	-	(0.80)	-
<b>Balance as at 31 March, 2022</b>	<b>92.16</b>	<b>15.79</b>	<b>6430.87</b>	<b>1.00</b>	<b>21.86</b>	<b>1143.31</b>	<b>0.46</b>	<b>4038.76</b>	<b>(0.41)</b>	<b>18.11</b>	<b>11669.75</b>

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 4, 2022

For and on behalf of the Board

**N. Chandrasekaran**

Chairman

(DIN 00121863)

**K P Krishnan**

Director

(DIN 01099097)

**L. Krishna Kumar**

Executive Director

(DIN 00423616)

**Neelabja Chakrabarty**

Company Secretary

**Sunil D'Souza**

Managing Director & CEO

(DIN 07194259)

**John Jacob**

Chief Financial Officer





# STATEMENT OF CASH FLOW

for the year ended March 31, 2022

Rs in Crores

	2022	2021
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax	1151.09	836.14
Adjusted for :		
Depreciation and Amortisation	141.75	126.21
Dividend Income	(145.97)	(55.20)
Unrealised Exchange Loss / (Gain)	(0.03)	0.27
Finance Cost	29.78	28.13
Fair Value movement in Financial Instruments designated at Fair Value through profit or loss	(13.49)	(8.11)
Interest Income	(71.95)	(57.96)
Profit on sale of Current Investments (net)	(7.39)	(11.57)
Impairment loss recognised in trade receivables (net of reversal)	-	20.46
(Profit) / Loss on sale of Property, Plant & Equipment (net)	3.27	0.49
Other Exceptional Expense/(Income)(net)	27.23	61.10
	<b>(36.80)</b>	<b>103.82</b>
<b>Operating Profit before working capital changes</b>	<b>1114.29</b>	<b>939.96</b>
Adjustments for :		
Trade Receivables & Other Assets	(60.59)	36.02
Inventories	136.43	(488.42)
Trade Payables & Other Liabilities	111.29	586.19
	<b>187.13</b>	<b>133.79</b>
<b>Cash generated from Operations</b>	<b>1301.42</b>	<b>1073.75</b>
Direct Taxes paid (net)	(143.10)	(9.52)
	<b>(143.10)</b>	<b>(9.52)</b>
<b>Net Cash from / (used in) Operating Activities</b>	<b>1158.32</b>	<b>1064.23</b>
<b>B. Cash Flow from Investing Activities</b>		
Payment for Property, Plant and Equipment and Intangibles	(93.25)	(146.89)
Sale of Property, Plant and Equipment	4.40	0.17
Sale of Non Current Investments carried at Fair value through OCI	1.05	-
Acquisition of Subsidiaries	(465.00)	(168.80)
Investment in Joint Ventures	(86.00)	(97.50)
Investment in Subsidiary	(45.13)	-
Investment in Associate	(150.00)	-
Dividend Income received	145.97	55.20
Interest Income received	64.35	54.17
(Purchase) / Sale of Current Investments (net)	138.22	448.31
(Placement) / Redemption of Fixed deposits (net)	(30.92)	(473.71)
Inter Corporate Deposits & Loans (Net)	(548.00)	(3.00)
<b>Net Cash from / (used in) Investing Activities</b>	<b>(1064.31)</b>	<b>(332.05)</b>

# STATEMENT OF CASH FLOW

for the year ended March 31, 2022

Rs in Crores

	2022	2021
<b>C. Cash Flow from Financing Activities</b>		
Working Capital Facilities (net)	-	(35.00)
Payment of Lease Liabilities	(31.21)	(27.81)
Dividend paid	(373.23)	(248.82)
Finance Cost paid	(20.33)	(19.05)
Refund of Dividend Distribution Tax paid in an earlier year	13.42	-
<b>Net Cash from / (used in) Financing Activities</b>	<b>(411.35)</b>	<b>(330.68)</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>(317.34)</b>	<b>401.50</b>
<b>D. Cash and Cash Equivalents balances</b>		
Balances at the beginning of the year	644.74	243.24
<b>Balances at the end of the year</b>	<b>327.40</b>	<b>644.74</b>

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 4, 2022

For and on behalf of the Board

**N. Chandrasekaran**

Chairman

(DIN 00121863)

**Sunil D'Souza**

Managing Director & CEO

(DIN 07194259)

**John Jacob**

Chief Financial Officer

**K P Krishnan**

Director

(DIN 01099097)

**L. Krishna Kumar**

Executive Director

(DIN 00423616)

**Neelabja Chakrabarty**

Company Secretary



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### 1. GENERAL INFORMATION

Tata Consumer Products Limited (“the Company”) 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, Water, Salt, Pulses, Spices, Snacks, Ready-to-Eat packaged foods products etc collectively termed as branded business. The Group has branded business mainly in India, Europe, US, Canada and Australia. The non-branded plantation business is in India and tea and coffee extraction businesses are mainly 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, 2022 were approved for issue by Company’s Board of Directors on May 4, 2022.

### 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 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.



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### (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 item. 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.



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### (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 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.

## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### (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 an Intangible Asset 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 8 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 8 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.

### (viii) Research and Development

Research expenditure is recognised in the statement of profit and loss as and when 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.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually.

### (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





## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

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

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Initial recognition and measurement

At initial recognition, the Company measures a financial assets at its fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the

financial asset. Transaction cost of financial assets carried at fair value through profit or loss is expensed in the Statement of Profit or loss.

#### Subsequent measurement

##### Debt Instruments:

Subsequent measurement of debts instruments depends on the Company's business model for managing the assets and the cash flows of the 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. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables and Loans.
- ii) **Financial assets at fair value through other comprehensive income (FVTOCI)** – Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represents solely payments of principal and interest, are on specified dates are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income from these financial assets is included in finance income using the effective interest rate method and impairment losses, if any are recognised in the Statement of Profit and Loss. When the financial asset is derecognition, the cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss.

## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

- 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.

### Equity Instruments

All equity investments are measured at fair values. The Company may irrevocably elect to measure the same either at FVTOCI or FVTPL on initial recognition. The Company makes such election on an instrument-by-instrument basis. The 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. Dividend income on the investments in equity instruments are recognised in the Statement of Profit and Loss.

### Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

### Impairment of financial assets

The Company assesses expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instrument 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.

#### Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using effective interest method. Financial liabilities carried at fair value

through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss. 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.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### 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 forecasted 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 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



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

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).

### 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.

### 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. Incomes from investments are accounted on an accrual basis.



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### (i) Inventories

Raw materials, 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/private 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.

In accordance with Ind AS 41- Agriculture, inventories comprising agricultural produce that the Company has harvested from its biological assets are measured on initial recognition at their fair value less costs to sell at the point of harvest.

### (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



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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) Share based payment

The Company recognises compensation expense relating to share based payments in accordance with Ind AS 102-Share based Payment. For share entitlement granted by the Company to its employees, the estimated fair value as determined on the date of grant, is charged to the Statement of Profit and Loss on a straight line basis over the vesting period and assessment of performance conditions if any, with a corresponding increase in equity.

### (l) 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.

### (m) 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current

## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

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.

### (n) 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.

### (o) 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 may be 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.

### (p) 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.

### (q) 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





## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

- 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 the 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.

### (r) 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.

### (s) 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.

### (t) 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 and considering the effect of all dilutive potential ordinary shares.

## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### (u) 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 including Goodwill.

### (v) 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.

### (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:

### a) 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. Judgement is also required to be exercised as regards the manner in which the carrying amount of goodwill is likely to be recovered for deferred tax accounting purposes. Appropriate independent professional advice is also obtained, as necessary. Goodwill has a useful life which is same as that of underlying cash generating unit. Intangible assets are assigned either an indefinite or a finite useful life, depending on the nature and expected consumption. Goodwill and indefinite lived intangible assets are as a minimum, subjected to annual tests of impairment in line with the accounting policy whereas all other intangibles assets are amortised. (Refer Note 5)

### b) 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 and 5)



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### c) **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)

### d) **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 the Standalone Financial Statements for the year ended March 31, 2022

### 3. PROPERTY, PLANT AND EQUIPMENT

	Rs. in Crores					
	Land <sup>®</sup>	Buildings <sup>®</sup>	Plant & Equipment <sup>®</sup>	Furniture, Fixtures & Office Equipment	Motor Vehicles	Total
<b>Cost</b>						
<b>As at April 1, 2020</b>	<b>7.37</b>	<b>56.56</b>	<b>320.52</b>	<b>58.67</b>	<b>4.72</b>	<b>447.84</b>
Additions	-	10.28	46.42	9.24	-	65.94
Disposals	-	-	(7.85)	(1.43)	(0.09)	(9.37)
<b>As at March 31, 2021</b>	<b>7.37</b>	<b>66.84</b>	<b>359.09</b>	<b>66.48</b>	<b>4.63</b>	<b>504.41</b>
Additions	-	12.98	54.85	13.64	0.51	81.98
Disposals	-	(0.19)	(12.14)	(7.33)	(0.05)	(19.71)
<b>As at March 31, 2022</b>	<b>7.37</b>	<b>79.63</b>	<b>401.80</b>	<b>72.79</b>	<b>5.09</b>	<b>566.68</b>
<b>Accumulated depreciation</b>						
<b>As at April 1, 2020</b>	<b>-</b>	<b>19.29</b>	<b>164.76</b>	<b>35.01</b>	<b>3.46</b>	<b>222.52</b>
Depreciation expense	-	1.24	25.21	5.50	0.34	32.29
Disposals	-	-	(7.32)	(1.30)	(0.08)	(8.70)
<b>As at March 31, 2021</b>	<b>-</b>	<b>20.53</b>	<b>182.65</b>	<b>39.21</b>	<b>3.72</b>	<b>246.11</b>
Depreciation expense	-	1.88	27.99	5.61	0.32	35.80
Disposals	-	(0.05)	(9.11)	(2.95)	(0.05)	(12.16)
<b>As at March 31, 2022</b>	<b>-</b>	<b>22.36</b>	<b>201.53</b>	<b>41.87</b>	<b>3.99</b>	<b>269.75</b>
<b>Net Carrying Value</b>						
<b>Net carrying value as at March 31, 2021</b>	<b>7.37</b>	<b>46.31</b>	<b>176.44</b>	<b>27.27</b>	<b>0.91</b>	<b>258.30</b>
<b>Net carrying value as at March 31, 2022</b>	<b>7.37</b>	<b>57.27</b>	<b>200.27</b>	<b>30.92</b>	<b>1.10</b>	<b>296.93</b>

- 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 (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).

### 3(A) CAPITAL-WORK-IN PROGRESS

Capital work-in-progress ageing schedule for the year ended March 31, 2022 and March 31, 2021:

<b>As at March 31, 2022</b>					Rs. in Crores
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.58	-	-	-	<b>2.58</b>
<b>As at March 31, 2021</b>					Rs. in Crores
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	36.01	10.45	-	-	<b>46.46</b>



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### 4 RIGHT OF USE ASSETS

	Rs. in Crores			
	Building	Plant & machinery	Motor Vehicles	Total
<b>Net Carrying Value</b>				
<b>As at April 1, 2020</b>	<b>109.36</b>	<b>13.52</b>	<b>2.00</b>	<b>124.88</b>
Additions	125.31	10.46	0.74	136.51
Disposals	(2.76)	(0.18)	(0.24)	(3.18)
Depreciation expense	(28.50)	(4.08)	(0.99)	(33.57)
<b>As at March 31, 2021</b>	<b>203.41</b>	<b>19.72</b>	<b>1.51</b>	<b>224.64</b>
Additions	25.90	9.55	1.51	36.96
Disposals	(12.67)	(0.12)	-	(12.79)
Depreciation expense	(31.70)	(5.10)	(1.04)	(37.84)
<b>As at March 31, 2022</b>	<b>184.94</b>	<b>24.05</b>	<b>1.98</b>	<b>210.97</b>

### 5 GOODWILL AND OTHER INTANGIBLE ASSETS

	Rs. in Crores					
	Goodwill	Capitalised Software	Patent/ Knowhow	Brand *	Distribution Network	Total Other Intangible Assets
<b>Cost</b>						
<b>As at April 1, 2020</b>	<b>3578.51</b>	<b>65.59</b>	<b>17.63</b>	<b>2273.45</b>	<b>270.46</b>	<b>2627.13</b>
Additions	-	30.42	-	16.00	-	46.42
Disposals	-	(0.14)	-	-	-	(0.14)
<b>As at March 31, 2021</b>	<b>3578.51</b>	<b>95.87</b>	<b>17.63</b>	<b>2289.45</b>	<b>270.46</b>	<b>2673.41</b>
Additions	-	36.08	-	-	-	36.08
Disposals	-	(0.78)	-	-	-	(0.78)
<b>As at March 31, 2022</b>	<b>3578.51</b>	<b>131.17</b>	<b>17.63</b>	<b>2289.45</b>	<b>270.46</b>	<b>2708.71</b>
<b>Accumulated Amortisation</b>						
<b>As at April 1, 2020</b>	<b>-</b>	<b>39.95</b>	<b>16.52</b>	<b>13.02</b>	<b>33.81</b>	<b>103.30</b>
Amortisation expense	-	9.31	0.58	16.65	33.81	60.35
Disposals	-	(0.14)	-	-	-	(0.14)
<b>As at March 31, 2021</b>	<b>-</b>	<b>49.12</b>	<b>17.10</b>	<b>29.67</b>	<b>67.62</b>	<b>163.51</b>
Amortisation expense	-	17.06	0.53	16.78	33.81	68.18
Disposals	-	(0.62)	-	-	-	(0.62)
<b>As at March 31, 2022</b>	<b>-</b>	<b>65.56</b>	<b>17.63</b>	<b>46.45</b>	<b>101.43</b>	<b>231.07</b>
<b>Net carrying value as at March 31, 2021</b>	<b>3578.51</b>	<b>46.75</b>	<b>0.53</b>	<b>2259.78</b>	<b>202.84</b>	<b>2509.90</b>
<b>Net carrying value as at March 31, 2022</b>	<b>3578.51</b>	<b>65.61</b>	<b>-</b>	<b>2243.00</b>	<b>169.03</b>	<b>2477.64</b>

\* Includes Brands 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.

## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### Impairment of Goodwill and intangible assets with indefinite useful life

For the purpose of Impairment Testing, Goodwill has been allocated to Company CGU as follows:

	Rs in Crores	
	2022	2021
India Branded Business	3578.51	3578.51

For the purpose of Impairment Testing, Indefinite life brand relates to following Company CGU:

	Rs in Crores	
	2022	2021
India Branded Business	2093.33	2093.33

Commencing from this year, Branded business within India is treated as a single CGU taking into account way the business is managed and the operating structures, and as independent cash inflows are generated at the country level.

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 CGU 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 Branded Business	13.79%	6.00%

The cash generating unit is engaged in trading, manufacturing and sale of a portfolio of products catering to every day consumption needs, and have strong market position and growth potential.

### Impairment charge

Based on an assessment carried out, there is no impairment charge in the current year.

### 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 CGU to be less than the carrying value.





## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### 6 INTANGIBLE ASSET UNDER DEVELOPMENT

Intangible asset under development ageing schedule as at March 31, 2022 and March 31, 2021

#### As at March 31, 2022

Rs. in Crores

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	37.18	-	-	-	37.18

#### As at March 31, 2021

Rs. in Crores

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3.24	13.20	-	-	16.44

### 7. INVESTMENTS

Rs. in Crores

	2022	2021
<b>Non-current Investments</b>		
Quoted Equity Instruments	181.42	176.72
Unquoted Equity Instruments	2835.36	2308.50
Unquoted Preference Shares	351.98	119.97
Unquoted Debentures (Refer footnote f)	0.00	0.00
Unquoted Government Securities (Refer footnote j)	0.00	0.00
	<b>3368.76</b>	<b>2605.19</b>
<b>Current Investments</b>		
Mutual Funds - Unquoted (Carried at Fair Value through Profit & Loss) - (Refer footnote j)	156.94	287.77
	<b>156.94</b>	<b>287.77</b>
<b>Total Investments</b>	<b>3525.70</b>	<b>2892.96</b>

Rs. in Crores

	2022	2021
Market Value of Quoted Investments	2345.86	1300.31
Aggregate amount of Unquoted Investments	3344.28	2716.24
Aggregate amount of Quoted Investments	181.42	176.72
Aggregate Amount of Impairment in Value of Investments	0.22	0.22

#### Quoted Equity Instruments

##### Carried at fair value through Other Comprehensive Income:

	Face Value	Nos.		Rs. in Crores	
		2022	2021	2022	2021
Tata Investment Corporation Ltd	Rs. 10	146872	146872	19.91	15.21
SBI Home Finance Ltd. (under liquidation) - (Refer foot note i)	Rs. 10	100000	100000	-	-
				<b>19.91</b>	<b>15.21</b>

##### Carried at Cost:

	Face Value	Nos.		Rs. in Crores	
		2022	2021	2022	2021
<b>Investment in Subsidiary</b>					
Tata Coffee Ltd (Refer footnote a)	Re. 1	107359820	107359820	161.51	161.51
				<b>161.51</b>	<b>161.51</b>
<b>Total Quoted Equity Instruments</b>				<b>181.42</b>	<b>176.72</b>

## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### Unquoted Equity Instruments

#### Carried at fair value through Other Comprehensive Income:

	Face Value	Nos.		Rs. in Crores	
		2022	2021	2022	2021
Tata Sons Pvt. Ltd. (Refer footnote b)	Rs. 1000	1755	1755	9.75	9.75
Tata Capital Ltd.	Rs. 10	613598	613598	3.07	3.07
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	1.22	1.04
Anamallais Ropeways Company Limited (Refer foot note i)	Rs. 100	2092	2092	-	-
ABC Tea Workers Welfare Services	Rs. 10	20000	20000	0.02	0.02
Assam Hospitals Ltd	Rs. 10	200000	200000	2.80	3.90
The Valparai Co-operative Wholesale Stores Ltd (Refer foot note i)	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	0.25	0.14
IFCI Venture Capital Funds Ltd	Rs. 10	250000	250000	1.05	0.99
Ritspin Synthetics Ltd (Refer foot note i)	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.	Rs. 10	-	12280	-	0.00
				<b>134.03</b>	<b>134.78</b>

### Unquoted Equity Instruments

#### Carried at cost

	Face Value	Nos.		Rs. in Crores		
		2022	2021	2022	2021	
<b>Investment in Subsidiaries:</b>						
Tata Tea Extractions Inc	US\$	1	14000000	14000000	59.80	59.80
Tata Consumer Products UK Group Limited	GBP	1	70666290	70666290	500.71	500.71
Tata Consumer Products Capital Limited	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
NourishCo Beverages Limited	Rs.	10	213000000	213000000	119.50	119.50
Tata Consumer Soufull Private Limited	Rs.	10	755526	755526	155.80	155.80
Tata Smartfoodz Limited (Refer footnote h)	Rs.	10	498084304	-	430.58	-
TCPL Beverages and Foods Limited (Refer footnote g)	Rs.	10	50000	-	0.05	-
TRIL Constructions Limited (Refer footnote e)	Rs.	10	11748148	-	11.75	-
<b>Investment in Associates :</b>						
Amalgamated Plantations Pvt Ltd. (Refer footnote d)	Rs.	10	61024400	61024400	82.08	71.10
Kanan Devan Hills Plantations Company Pvt. Ltd.	Rs.	10	3976563	3976563	12.33	12.33
TRIL Constructions Limited (Refer footnote e)	Rs.	10	-	11748148	-	11.75
<b>Investment in Joint Ventures :</b>						
Tata Starbucks Private Limited (Refer footnote c)	Rs.	10	472300000	386300000	472.30	386.30
					<b>2701.33</b>	<b>2173.72</b>
<b>Total Unquoted Equity Instruments</b>					<b>2835.36</b>	<b>2308.50</b>



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### Unquoted Preference Shares

	Face Value	Nos.		Rs. in Crores	
		2022	2021	2022	2021
<b>Investment in Subsidiaries:</b>					
TCPL Beverages and Foods Limited (Refer footnote g)	Rs. 10	7500000	-	7.50	-
TRIL Constructions Limited (Refer footnote e)	Rs. 10	138751852	-	138.75	-
<b>Investment in Associates:</b>					
Amalgamated Plantations Pvt Ltd. (Refer footnote d)	Rs. 10	217000000	67000000	205.73	53.22
TRIL Constructions Limited (Refer footnote e)	Rs. 10	-	66751852	-	66.75
<b>Others:</b>					
Thakurbari Club Ltd (Cost Re 1) (Refer footnote f)	Rs. 100	26	26	0.00	0.00
				<b>351.98</b>	<b>119.97</b>
<b>Total Unquoted Preference Shares</b>				<b>351.98</b>	<b>119.97</b>

### Unquoted Debentures and Government Securities

#### Carried at fair value through Other Comprehensive Income

	Face Value	Nos.		Rs. in Crores	
		2022	2021	2022	2021
<b>Unquoted Debentures</b>					
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
				<b>0.00</b>	<b>0.00</b>
<b>Unquoted Government Securities:</b>					
W.B. Estates Acquisition Compensation Bond (Refer footnote f)				0.00	0.00
				<b>0.00</b>	<b>0.00</b>

- Inclusive of Rs. 21.86 Crores (Rs. 21.86 Crores) kept in Revaluation Reserve.
- 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.
- During the financial year 2021-22, the Company has invested an amount of Rs. 86 Crores towards equity capital in Tata Starbucks Private Limited which is a 50:50 joint venture.
- Investment in preference shares of Amalgamated Plantations Pvt. Ltd. subscribed in an earlier year of Rs 46.40 Crores [67000000 shares of Rs 10 each] is redeemable with a special redemption premium, on fulfilment of certain conditions, within 15 - 17 years from the date of the issue and are designated as fair value through profit and loss. Preference shares subscribed to in the financial year 2021-22 of Rs 159.33 Crores [150000000 shares of Rs 10 each] are optionally convertible, cumulative and redeemable carrying an annual coupon rate of 6% with special redemption premium issued for a period of ten years and are also designated as fair value through profit and loss.
- During the financial year 2021-22, the Company has acquired control of TRIL Constructions Limited (TRIL C), consequent to a Restated Shareholder and Share Purchase Agreement which converted the Associate Company into a Subsidiary with effect from 17<sup>th</sup> November 2021. Based on the Share purchase Agreement, the Company have acquired Preference Shares of Rs 47.13 Crores from Tata Realty Infrastructure Limited



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

and have additionally infused Rs 24.87 Crores as preference shares in TRIL C. Preference shares of TRIL C are non-cumulative and mandatorily fully convertible within twenty years from the issue date and the same is carried at cost.

- f) Investment carrying values are below Rs. 0.01 crores.
- g) During the financial year 2021-22, the Company has formed a wholly owned Subsidiary TCPL Beverages & Foods Limited (TBFL) in connection with the proposed merger of Tata Coffee Limited (Refer Note 40A). The Company has infused Rs 0.05 Crores as equity capital in TBFL and Rs 7.5 Crores as Optionally Convertible non-cumulative redeemable preference shares. These preference shares are issued for a term of eight years.
- h) During the financial year 2021-22, the Company has acquired 100% equity of Tata SmartFoodz Limited pursuant to a Share Purchase Agreement with Tata Industries Limited at a total consideration of Rs 395 Crores. Post the acquisition, the Company has additionally invested Rs 35.58 Crores in Tata SmartFoodz Limited as equity capital.
- i) These investments are fully impaired.
- j) Mutual fund investments represents surplus cash deployed as a part of treasury operations (Refer to Statement of Cashflow).

### 8. LOANS

	Rs. in Crores	
	2022	2021
<b>Non-Current</b>		
<b>(Secured and considered good)</b>		
Inter Corporate Loan to related party <sup>§</sup>	13.00	16.50
Inter Corporate Deposits <sup>*</sup>	-	4.25
<b>(Unsecured and considered good)</b>		
Employee Loans and Advances	0.80	0.96
	<b>13.80</b>	<b>21.71</b>
<b>Current</b>		
<b>(Secured and considered good)</b>		
Inter Corporate Loan to related party <sup>§</sup>	3.50	3.50
Inter Corporate Deposits <sup>*</sup>	1.25	-
<b>(Unsecured and considered good)</b>		
Inter Corporate Deposits <sup>^</sup>	469.75	-
Inter Corporate Loan to related parties <sup>^^</sup>	84.75	-
Employee Loans and Advances	0.45	0.29
	<b>559.70</b>	<b>3.79</b>
<b>Total Loans</b>	<b>573.50</b>	<b>25.50</b>

<sup>§</sup> secured by mortgage of rights on immovable assets

<sup>\*</sup> secured by mortgage of land

<sup>^</sup> Outstanding with financial institutions for short duration and yield fixed interest rate. Loans given during the year for general corporate purposes – HDFC Limited Rs 295 Crores (Nil), LIC Housing Finance Limited Rs 124.75 Crores (Nil), Bajaj Finance Limited Rs 605 Crores (Nil).

<sup>^^</sup> Outstanding with Tata Smartfoodz Limited - Rs 14.75 Crores and Infiniti Retail Limited Rs 70 Crores for short duration and yield fixed interest rate. Loans given during the year for general corporate purposes – Tata Smartfoodz Limited Rs 49 Crores (Nil), Infiniti Retail Limited Rs 190 Crores (Nil) and Piem Hotel Limited Rs 20 Crores (Nil).



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### 9. OTHER FINANCIAL ASSETS

	Rs. in Crores	
	2022	2021
<b>Non-Current</b>		
<b>(Unsecured and considered good, unless otherwise stated)</b>		
Security Deposits	27.53	27.03
Lease receivable	-	0.36
Other Receivables #	76.91	76.20
<b>Considered Doubtful</b>		
Security Deposits	0.29	0.29
Less: Provision for Doubtful Deposits	(0.29)	(0.29)
	<b>104.44</b>	<b>103.59</b>
<b>Current</b>		
<b>(Unsecured and considered good, unless otherwise stated)</b>		
Due from Related Parties	11.12	7.25
Insurance Claims Receivable	5.95	3.14
Lease receivable	0.36	0.44
Interest Accrued	19.22	11.62
Export Incentive Receivable	12.10	8.01
Derivative Financial Assets	-	1.11
	<b>48.75</b>	<b>31.57</b>
<b>Total Other Financial Assets</b>	<b>153.19</b>	<b>135.16</b>

# Represents Contingent Consideration in connection with acquisition of Tata Consumer Soufull Private Limited made in financial year 20-21. The said contingent consideration has been recognised under Other Financial Liability with a corresponding recognition of Other Financial Asset.

### 10. OTHER ASSETS

	Rs. in Crores	
	2022	2021
<b>Non-Current</b>		
<b>(Unsecured and Considered Good, unless otherwise stated)</b>		
Capital Advances	1.35	2.91
Property Rights Pending Development #	70.50	70.50
Taxes Receivable	14.42	15.50
	<b>86.27</b>	<b>88.91</b>
<b>Current</b>		
Prepaid Expenses	47.59	37.78
Taxes Receivable	208.19	188.11
Other Trade Advances	23.68	27.19
<b>Considered Doubtful</b>		
Other Advances for Supply of Goods and Services	0.53	0.53
Less: Provision for Advances	(0.53)	(0.53)
	<b>279.46</b>	<b>253.08</b>
<b>Total Other Assets</b>	<b>365.73</b>	<b>341.99</b>

# Property Rights Pending Development represents constructed office space to be delivered to the Company by TRIL Constructions Limited, consequent to a development agreement.

## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### 11. INVENTORIES

(At lower of cost and net realisable value)

	Rs. in Crores	
	2022	2021
<b>Raw Material</b>		
Tea	819.22	925.01
Packing Materials	61.61	50.92
Others	20.26	13.78
	<b>901.09</b>	<b>989.71</b>
<b>Finished Goods</b>		
Tea	215.61	275.90
Others	1.59	1.43
	<b>217.20</b>	<b>277.33</b>
<b>Traded Goods</b>		
Salt and other items relating to Food Business	137.08	120.58
Others	6.23	8.91
	<b>143.31</b>	<b>129.49</b>
<b>Stores and Spare Parts</b>	<b>10.34</b>	<b>11.84</b>
<b>Total Inventories</b>	<b>1271.94</b>	<b>1408.37</b>

Raw material includes in transit tea inventory of Rs. 3.42 Crores (Rs. 2.62 Crores).

Traded Goods includes in transit inventory of Rs 0.45 Crores (Rs. 3.64 Crores).

During the period ended March 31, 2022- Rs. 23.99 Crores (Rs. 13.40 Crores) was charged to statement of profit and loss for slow moving and obsolete inventories.

### 12. TRADE RECEIVABLES

	Rs. in Crores	
	2022	2021
Trade Receivables considered good - Secured	0.10	3.11
Trade Receivables considered good - Unsecured	281.66	254.12
Trade Receivables - Credit Impaired (Refer note 38)	34.92	34.92
	<b>316.68</b>	<b>292.15</b>
Less: Allowance for Impairment	34.92	34.92
<b>Total Trade Receivables</b>	<b>281.76</b>	<b>257.23</b>

Secured receivables are backed by security deposits.

Includes dues from Related Parties - Rs. 109.28 Crores (Rs. 45.23 Crores).





## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

Ageing for trade receivables as at March 31, 2022 is as follows:

Particulars	Rs. in Crores						Total
	Not Due	Outstanding for the following periods from due date of payment					
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good- Secured	-	0.10	-	-	-	-	0.10
(ii) Undisputed Trade receivables – considered good- Unsecured	145.60	109.22	12.87	13.97	-	-	281.66
(iii) Undisputed Trade Receivables – credit impaired	-	-	2.39	18.79	1.35	1.58	24.11
(iv) Disputed Trade Receivables – credit impaired	-	-	-	10.81	-	-	10.81
<b>Total</b>	<b>145.60</b>	<b>109.32</b>	<b>15.26</b>	<b>43.57</b>	<b>1.35</b>	<b>1.58</b>	<b>316.68</b>
Less : Allowance for credit loss							34.92
<b>Total Trade Receivable</b>							<b>281.76</b>

Ageing for trade receivables as at March 31, 2021 is as follows:

Particulars	Rs. in Crores						Total
	Not Due	Outstanding for the following periods from due date of payment					
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good- Secured	-	3.11	-	-	-	-	3.11
(ii) Undisputed Trade receivables – considered good- Unsecured	119.30	111.18	16.38	7.26	-	-	254.12
(iii) Undisputed Trade Receivables – credit impaired	-	2.39	18.79	1.35	1.58	-	24.11
(iv) Disputed Trade Receivables – credit impaired	-	-	10.81	-	-	-	10.81
<b>Total</b>	<b>119.30</b>	<b>116.68</b>	<b>45.98</b>	<b>8.61</b>	<b>1.58</b>	<b>-</b>	<b>292.15</b>
Less : Allowance for credit loss							34.92
<b>Total Trade Receivable</b>							<b>257.23</b>

### 13. CASH AND CASH EQUIVALENTS

	Rs. in Crores	
	2022	2021
<b>Balances with banks:</b>		
Current Account	3.70	5.65
Deposit Account	323.66	639.05
<b>Cash/Cheques in hand</b>	<b>0.04</b>	<b>0.04</b>
<b>Total Cash and Cash Equivalents</b>	<b>327.40</b>	<b>644.74</b>

### 14. OTHER BANK BALANCES

	Rs. in Crores	
	2022	2021
Unclaimed Dividend Account	10.93	9.59
Deposit exceeding 3 months	990.28	959.36
<b>Total Other Bank Balances</b>	<b>1001.21</b>	<b>968.95</b>

## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### 15. EQUITY SHARE CAPITAL AND OTHER EQUITY

#### (a) Equity Share Capital

	Rs. in Crores	
	2022	2021
<b>AUTHORISED</b>		
1250000000 (1250000000) Equity Shares of Re 1 each	125.00	125.00
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
921551715 (921551715) Equity Shares of Re 1 each, fully paid-up	92.16	92.16
	<b>92.16</b>	<b>92.16</b>

#### i) The reconciliation of the number of shares as at March 31, 2022 is set out below:

Particulars	2022	2021
Number of shares as at the beginning of the year	921551715	921551715
Number of shares as at the end of the year	<b>921551715</b>	<b>921551715</b>

#### 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, 2022) pursuant to contracts without payment being received in cash

290421986 equity shares were issued during the financial year 2019-20, consequent to and as part of the merger of Food business of Tata Chemicals Limited with the Company.

#### iv) The details of shareholders holding more than 5% shares as at March 31, 2022 is set out as below :

	2022	2021
Name of shareholder	No. of shares	No. of shares
	% of holding	% of holding
Tata Sons Private Limited	270557128	270557128
	<b>29.36%</b>	<b>29.36%</b>

#### v) Shares held by promoters at the end of the year:

Promoter name	No of Shares	% of total shares	% change during the year
Tata Sons Private Limited			
As at 31 March 2022	270557128	29.36%	-
As at 31 March 2021	270557128	29.36%	-

#### vi) Dividend paid

	2022	2021
Dividend Paid (Rs. in Crores)	373.23	248.82
Dividend per share (Rs.)	4.05	2.70

The Board of Directors in its meeting held on May 4, 2022 have recommended a final dividend payment of Rs.6.05 per share for the financial year ended March 31, 2022.



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### b) Other Equity

	Rs. in Crores	
	2022	2021
Capital Reserve	15.79	15.79
Securities Premium Account	6430.87	6430.87
Contingency Reserve	1.00	1.00
Revaluation Reserve	21.86	21.86
General Reserve	1143.31	1143.31
Retained Earnings	4038.76	3502.88
Share Based Payment Reserve	0.46	-
Other Comprehensive Income		
- Effective portion of Cash Flow Hedge	(0.41)	0.83
- Fair value gains/(loss) on Equity Instruments	18.11	15.40
<b>Total Other Equity</b>	<b>11669.75</b>	<b>11131.94</b>

#### 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 7 – footnote a).

##### v. Share Based Payment Reserve

Share-based payment reserve represents amount of fair value, as on the date of grant, of unvested and vested shares not exercised till date, that have been recognised as expense in the statement of profit and loss till date.

## 16. OTHER FINANCIAL LIABILITIES

	Rs. in Crores	
	2022	2021
<b>Current</b>		
Unpaid Dividends *	10.93	9.59
Derivative Financial Liabilities	0.54	-
Security Deposits from Customers	1.64	5.07
Others	64.57	67.27
<b>Total Other Financial Liabilities</b>	<b>77.68</b>	<b>81.93</b>

\* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### 17. PROVISIONS

	Rs. in Crores	
	2022	2021
<b>Non-Current</b>		
Employee Benefits	135.32	148.21
	<b>135.32</b>	<b>148.21</b>
<b>Current</b>		
Employee Benefits	30.45	34.93
Other Provisions	32.29	47.11
	<b>62.74</b>	<b>82.04</b>
<b>Total Provisions</b>	<b>198.06</b>	<b>230.25</b>

#### Movement in Other Provisions - Current

	Rs. in Crores	
	2022	2021
<b>Provision for Trade Obligations</b>		
Opening balance	1.74	1.74
Provision during the year	-	-
Amount written back during the year	-	-
<b>Closing balance</b>	<b>1.74</b>	<b>1.74</b>

	Rs. in Crores	
	2022	2021
<b>Business Restructuring and Reorganisation Costs</b>		
Opening balance	45.37	30.05
Provision during the year	7.69	23.67
Amount paid/adjusted during the year	(22.51)	(8.35)
Closing balance	<b>30.55</b>	<b>45.37</b>
<b>Total Closing Balance</b>	<b>32.29</b>	<b>47.11</b>

### 18. TRADE PAYABLES

	Rs. in Crores	
	2022	2021
Total outstanding dues of creditors other than Micro enterprises and Small enterprises*	1234.10	1088.67
Total outstanding dues of Micro enterprises and Small enterprises (Refer Note 31)	29.64	13.96
<b>Total Trade Payable</b>	<b>1263.74</b>	<b>1102.63</b>

\* Includes due to Related Parties - Rs. 52.85 Crores (Rs. 38.89 Crores).

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for the following periods from due date of payment					Total due
	Not Due					
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	22.54	7.10	-	-	-	7.10
(ii) Others	485.62	734.65	6.99	-	-	741.64
(iii) Disputed dues - Others	-	-	-	-	6.84	6.84
<b>Total</b>	<b>508.16</b>	<b>741.75</b>	<b>6.99</b>	<b>-</b>	<b>6.84</b>	<b>755.58</b>



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### Ageing for trade payables outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for the following periods from due date of payment					Total due	Rs. in Crores	
	Not Due						Total due	
		Less than 1 year	1-2 years	2-3 years	More than 3 years			
(i) MSME	4.02	9.94	-	-	-	9.94		
(ii) Others	550.36	529.80	1.67	-	-	531.47		
(iii) Disputed dues - Others	-	-	-	-	6.84	6.84		
<b>Total</b>	<b>554.38</b>	<b>539.74</b>	<b>1.67</b>	<b>-</b>	<b>6.84</b>	<b>548.25</b>		

### 19. OTHER CURRENT LIABILITIES

	2022	2021	Rs. in Crores
<b>Current</b>			
Statutory Liabilities	23.00	18.33	
Advance from Customers	27.69	30.00	
Others	45.97	51.40	
<b>Total Other Current Liabilities</b>	<b>96.66</b>	<b>99.73</b>	

### 20. TAXATION

#### a) Tax charge in the Statement of profit and loss:

	2022	2021	Rs. in Crores
<b>Current tax</b>			
Current year	132.83	5.52	
Adjustment relating to earlier years	(2.74)	(6.57)	
	<b>130.09</b>	<b>(1.05)</b>	
<b>Deferred tax charge/(credit)</b>	<b>135.25</b>	<b>217.68</b>	
<b>Income Tax expense for the year</b>	<b>265.34</b>	<b>216.63</b>	

Income tax has been provided for at reduced rate as per section 115BAA of the Income-tax Act, 1961

#### b) Reconciliation of effective tax rate:

	2022	2021	Rs. in Crores
<b>Profit before tax</b>	<b>1151.09</b>	<b>836.14</b>	
Tax using the Company's domestic tax rate (Current year 25.17% and Previous Year 25.17%)	289.71	210.44	
<b>Tax effect of:</b>			
Non-deductible tax expenses	4.08	7.37	
Tax-exempt income	(35.67)	(0.13)	
Tax reversals of earlier years	(2.74)	(6.57)	
Non-creditable taxes	9.96	5.52	
	<b>265.34</b>	<b>216.63</b>	

## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### c) Non-Current Tax Asset (Net) :

	Rs. in Crores	
	2022	2021
Income Tax	121.12	108.34
Dividend Distribution Tax credit	0.85	14.27
	<b>121.97</b>	<b>122.61</b>

### d) Current Tax Liability (Net) :

	Rs. in Crores	
	2022	2021
Income Tax	5.13	5.13
	<b>5.13</b>	<b>5.13</b>

### e) The analysis of Deferred Tax Assets and Deferred Tax Liabilities is as follows:

	Rs. in Crores	
	2022	2021
Deferred Tax Asset	58.83	65.46
Deferred Tax Liability	(570.05)	(433.01)
<b>Net Deferred Tax Asset/(Liability)</b>	<b>(511.22)</b>	<b>(367.55)</b>

### 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	Other Assets	Total
<b>As at April 1, 2020</b>	<b>(209.72)</b>	<b>(1.12)</b>	<b>5.65</b>	<b>44.78</b>	<b>11.19</b>	<b>(149.22)</b>
(Charged)/credited:						
- to Statement of profit or loss	(221.79)	0.46	3.98	1.24	(1.57)	<b>(217.68)</b>
- to Other comprehensive income	-	(0.83)	-	0.18	-	<b>(0.65)</b>
<b>As at March 31, 2021</b>	<b>(431.51)</b>	<b>(1.49)</b>	<b>9.63</b>	<b>46.20</b>	<b>9.62</b>	<b>(367.55)</b>
(Charged)/credited:						
- to Statement of profit or loss	(136.52)	0.30	(0.84)	1.66	0.15	<b>(135.25)</b>
- to Other comprehensive income	-	(0.83)	-	(7.59)	-	<b>(8.42)</b>
<b>As at March 31, 2022</b>	<b>(568.03)</b>	<b>(2.02)</b>	<b>8.79</b>	<b>40.27</b>	<b>9.77</b>	<b>(511.22)</b>

Consequent to the amendments in the Income Tax Act, 1961, depreciation on Goodwill is no longer available as a deduction from taxable income with effect from 1<sup>st</sup> April, 2020, except that its written down value is available as a deduction in the event of sale of the underlying business. On goodwill of Rs 3578.51 crore recognised in the financial statements, through business combinations, no additional taxable temporary differences are expected to arise, having regard to the nature of the businesses to which the goodwill relates. (also refer notes 2.3(a) and 5).



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### 21. REVENUE FROM OPERATIONS

	Rs. in Crores	
	2022	2021
<b>Revenue from Contracts with Customers</b>		
Revenue from sale of goods	7846.07	7087.06
	<b>7846.07</b>	<b>7087.06</b>
<b>Other Operating Revenues</b>		
Export Incentive	4.48	8.55
Royalty Income	19.08	10.26
Management Service Fees	34.45	26.08
Miscellaneous Receipts	28.21	22.41
	<b>86.22</b>	<b>67.30</b>
	<b>7932.29</b>	<b>7154.36</b>

### 22. OTHER INCOME

	Rs. in Crores	
	2022	2021
<b>Interest Income</b>		
- Interest Income on Advances and Deposits carried at amortised cost	65.57	52.44
- Interest Income on Income Tax refund	6.38	5.52
<b>Dividend Income</b>		
- Non-Current Investments designated at fair value through other comprehensive income	2.12	2.26
- Investment in Subsidiaries and Associates carried at cost	143.85	52.94
<b>Gains on Current Investments (net)</b>	7.39	11.57
<b>Others</b>		
- Other non operating income	0.16	0.17
- Fair Value movement in Financial Instruments designated at Fair Value through profit or loss	13.49	8.11
	<b>238.96</b>	<b>133.01</b>

### 23. COST OF MATERIALS CONSUMED

	Rs. in Crores	
	2022	2021
<b>Tea</b>		
Opening Stock	934.99	577.09
Add: Purchases	2507.65	3282.53
Less: Closing Stock	819.22	934.99
	<b>2623.42</b>	<b>2924.63</b>
<b>Green Leaf</b>	<b>29.52</b>	<b>24.58</b>
<b>Packing Material</b>		
Opening Stock	50.92	35.34
Add: Purchases	442.10	394.88
Less: Closing Stock	61.61	50.92
	<b>431.41</b>	<b>379.30</b>
<b>Others</b>	<b>111.37</b>	<b>93.14</b>
	<b>3195.72</b>	<b>3421.65</b>



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### 24. CHANGE IN INVENTORIES OF FINISHED GOODS/STOCK-IN-TRADE/WORK-IN-PROGRESS

	Rs. in Crores	
	2022	2021
<b>Opening Stock</b>		
Tea	286.49	189.28
Salt and other food items	109.99	94.77
Others	10.34	5.87
	<b>406.82</b>	<b>289.92</b>
<b>Closing Stock</b>		
Tea	215.52	286.49
Salt and other food items	137.08	109.99
Others	7.82	10.34
	<b>360.42</b>	<b>406.82</b>
	<b>46.40</b>	<b>(116.90)</b>

### 25. EMPLOYEE BENEFITS EXPENSE

	Rs. in Crores	
	2022	2021
Salaries, Wages and Bonus *	302.02	276.09
Contribution to Provident Fund and other Funds	21.25	20.12
Workmen and Staff Welfare Expenses	25.14	25.37
	<b>348.41</b>	<b>321.58</b>

\* Includes Rs 0.46 Crores towards share based payment incentives and Rs 0.28 Crores expenses on Corporate Social Responsibility (CSR).

#### Employee Share based payment incentives

The Company has introduced share based incentives to certain employees during the year ended March 31, 2022, under Tata Consumer Products Limited- Share-based Long Term Incentive Scheme 2021 ("TCPL SLTI Scheme 2021") approved by Nomination and Remuneration Committee (NRC).

As per the scheme, the number of shares that will vest is conditional upon certain performance measures being achieved. The performance will be measured over vesting period of 3 years. The shares granted under this scheme is exercisable by employees till one year from date of its vesting.

The Company has granted 65780 number of performance share units during the year ended March 31, 2022 at an exercise price of Re 1 per share. Shares granted will vest equally each year over 3 years from date of grant. Number of shares that will vest range from 0.5 to 1.2 per performance share unit granted depending on performance measures achieved.

	2022
Performance Shares Units outstanding at the beginning of the year	-
Granted during the year	65780
Forfeited/expired during the year	-
Exercised during the year	-
<b>Outstanding at the end of the year</b>	<b>65780</b>

Performance share units were granted on January 04, 2022. The estimated fair value of performance share units are based on the quoted share price. The aggregate of the estimated fair values of the performance share units granted is Rs 5.36 Crores which will be recognised in the Statement of Profit and Loss over the vesting period.



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### 26. FINANCE COSTS

	Rs. in Crores	
	<b>2022</b>	<b>2021</b>
Interest expense on Financial liabilities measured at amortised cost	0.12	2.99
Interest expense on Lease Liabilities	20.21	15.95
Net interest on defined benefit plans	9.45	9.19
	<b>29.78</b>	<b>28.13</b>

### 27. OTHER EXPENSES

	Rs. in Crores	
	<b>2022</b>	<b>2021</b>
Manufacturing and Contract Packing Expenses	153.61	91.61
Rent	65.46	56.61
Freight	404.26	299.43
Management Service Fees #	14.00	9.85
Professional and Legal fees	104.12	95.15
Miscellaneous Expenses ^	276.54	234.35
	<b>1017.99</b>	<b>787.00</b>

# Includes fee for technical support services Rs. 2.99 Crores (Rs. 1.23 Crores) and for other support service Rs. 11.01 Crores (Rs. 8.62 Crores)

^ Includes exchange gain Rs. 5.19 Crores (Rs. 1.21 Crores exchange loss in PY), expense on CSR Rs. 13.26 Crores (Rs. 11.74 Crores).

### 28. EXCEPTIONAL ITEMS (NET)

	Rs. in Crores	
	<b>2022</b>	<b>2021</b>
<b>Expenditure</b>		
Expenses in connection with acquisition of business	1.80	-
Business restructure and reorganization Costs	22.23	61.10
Expenses in connection with the proposed Scheme of Arrangement	3.20	-
	<b>27.23</b>	<b>61.10</b>

### 29. CAPITAL COMMITMENT

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2022 aggregated Rs. 20.43 Crores (Rs. 12.56 Crores).
- (b) Commitment towards Share Capital contributions in Joint Ventures and Associates - Rs. 171.00 Crores (Rs. 294.00 Crores)

### 30. CONTINGENCIES:

#### (a) Statutory and other Commercial Claims:

	Rs. in Crores	
	<b>Gross</b>	<b>Net of Estimated Tax</b>
(i) Taxes, Statutory Duties/ Levies etc.	<b>22.59</b>	<b>20.67</b>
	(14.67)	(12.41)
(ii) Commercial and other Claims	<b>2.40</b>	<b>1.97</b>
	(2.40)	(1.97)

- (b) Labour disputes under adjudication relating to some staff – amount not ascertainable.

## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

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, 2022.

### 32 CORPORATE SOCIAL RESPONSIBILITY (CSR)

	Rs. in Crores	
	<b>2022</b>	<b>2021</b>
1. Amount required to be spent during the year	13.32	11.44
2. Opening Surplus balance if any	0.30	-
3. Amount of expenditure incurred on		
i) Construction/acquisition of Assets	-	-
ii) On purpose other than (i) above	13.54	11.74
4. Shortfall/(Surplus) at the end of the year	(0.52)	(0.30)
5. Total of previous years shortfall	-	-
6. Reason for Shortfall	NA	NA
7. Nature of CSR Activities	Rural development, Skill development, Affordable health care, Water and Sanitation, Supporting Vulnerable communities during Covid	
8. Detail of Related Party transactions in relation to CSR expenditure as per relevant Accounting Standard	NA	NA

### 33 EARNINGS PER SHARE

	<b>2022</b>	<b>2021</b>
Profit after taxation (Rs. in Crores )	885.75	619.51
Numbers of Equity Shares Outstanding	921551715	921551715
Effect of dilutive equivalent shares - Performance share units outstanding	15679	-
Weighted average number of shares outstanding during the year	921567394	921551715
Earnings Per Share (Rs.)		
Basic	9.61	6.72
Diluted	9.61	6.72

### 34 EXPENDITURE INCURRED IN RESPECT OF THE COMPANY'S RESEARCH AND DEVELOPMENT:

	Rs. in Crores	
	<b>2022</b>	<b>2021</b>
Capital Expenditure	1.78	0.50
Revenue Expenditure	17.15	13.95
	<b>18.93</b>	<b>14.45</b>



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### 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 - 20 years and usually renewable on mutually agreed terms.

#### Lease liability as at March 31, 2022

	Rs. in Crores	
	2022	2021
Current Lease Liability	29.71	28.94
Non-Current Lease Liability	205.19	215.30
<b>Total Lease Liability</b>	<b>234.90</b>	<b>244.24</b>

#### Contractual maturities of lease liabilities on an undiscounted basis:

	Rs. in Crores	
	2022	2021
Less than one year	48.33	48.78
One to two years	45.98	43.07
Two to five years	95.49	105.26
More than five years	181.86	203.84
<b>Total</b>	<b>371.66</b>	<b>400.95</b>

#### Amount Recognised in Statement of Profit and Loss

	Rs. in Crores	
	2022	2021
Expenses relating to Short-term Lease	65.32	56.52
Expenses relating to leases of low value assets	0.14	0.09

#### 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	
	2022	2021
Balance at the beginning of the period	0.80	1.19
Interest Income accrued during the period	0.05	0.09
Lease Receipts	(0.49)	(0.48)
<b>Balance at the end of the period</b>	<b>0.36</b>	<b>0.80</b>

#### Contractual maturities of net investment in sublease of Right of Use Asset on an undiscounted basis:

	Rs. in Crores	
	2022	2021
Less than 1 year	0.37	0.49
1 to 2 years	-	0.37
<b>Total</b>	<b>0.37</b>	<b>0.86</b>

Finance income on the net investment in the sublease recognised in the financial statement is Rs 0.05 crores (Rs 0.09 Crores).



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### 36. A) RELATED PARTY DISCLOSURE

#### Related Parties

##### Promoter

Tata Sons Private Limited

##### Subsidiaries

Tata Consumer Products UK Group Limited

Tata Global Beverages Holdings Limited

Tata Global Beverages Services Limited

Tata Consumer Products GB Limited

Tata Consumer Products Overseas Holdings Limited

Tata Global Beverages Overseas Limited

Lyons Tetley Limited

Tata Consumer Products US Holding Inc

Tata Water LLC

Tetley USA Inc

Tata Consumer Products Canada Inc

Tata Consumer Products Australia Pty Limited

Earth Rules Pty Limited

Stansand Limited

Stansand(Brokers) Limited

Stansand(Africa) Limited

Stansand(Central Africa) Limited

Tata Consumer Products Polska sp.zo.o

Drassington Limited, UK

Good Earth Corporation

Good Earth Teas Inc.

Teapigs Limited.

Teapigs US LLC.

Tata Global Beverages Investments Limited

Campestres Holdings Limited

Kahutara Holdings Limited

Suntycyco Holding Limited

Onomento Co Limited

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

Tata Tea Holdings Private Limited

NourishCo Beverages Limited

Tata Consumer Soufull Private Limited

TRIL Constructions Limited (w.e.f. 17<sup>th</sup> November, 2021)

Tata Smartfoodz Limited (w.e.f. 16<sup>th</sup> November, 2021)

TCPL Beverages & Foods Limited (w.e.f. 25<sup>th</sup> February, 2022)

##### Associates

Amalgamated Plantations Private Limited

Kanan Devan Hills Plantations Company Private Limited

TRIL Constructions Limited (till 16<sup>th</sup> November, 2021)

##### Joint Ventures

Tata Starbucks Private Limited

##### Joint Venture of Subsidiaries

Tetley ACI (Bangladesh) Limited

Tetley Clover (Private) Limited

Joekels Tea Packers (Proprietary) Limited

##### Key Management Personnel

Mr. Sunil D'Souza - Managing Director and CEO

Mr L Krishna Kumar - Executive Director and Group CFO

##### Subsidiary and Joint Venture of Promoter Company

Tata Investment Corporation Limited

Ewart Investments Limited

Tata AIG General Insurance Co Limited

Tata AIA Life Insurance Co Limited

Tata Consultancy Services 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

Supermarket Grocery Supplies Private Limited (w.e.f. 27<sup>th</sup> May, 2021)

Innovative Retail Concepts Private Limited (w.e.f. 27<sup>th</sup> May, 2021)

Tata 1MG Healthcare Solutions Private Limited (w.e.f. 9<sup>th</sup> June, 2021)

Tata Realty Infrastructure 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 the Standalone Financial Statements for the year ended March 31, 2022

### 36. B) PARTICULARS OF TRANSACTIONS ENTERED INTO WITH RELATED PARTIES FOR THE YEAR ENDED 31 MARCH, 2022:

Particulars	Rs. in Crores	
	2022	2021
<b>Sales of Goods and Services</b>		
Subsidiaries	227.19	209.62
Associates	2.62	6.14
Joint Ventures	-	1.15
Subsidiaries and Joint Ventures of Promoter	159.53	0.00
<b>Other Operating Income</b>		
Subsidiaries	34.46	27.99
Associates	3.60	3.25
Joint Ventures	19.08	10.26
<b>Sale of Fixed Asset</b>		
Subsidiaries	0.21	-
Joint Ventures	0.01	-
<b>Rent Paid</b>		
Associates	2.18	2.72
<b>Purchase of Goods &amp; Services</b>		
Subsidiaries	140.09	86.81
Associates	214.33	224.37
Subsidiaries and Joint Ventures of Promoter	13.02	-
<b>Other Expenses (Net)</b>		
Subsidiaries	25.31	14.17
Associates	3.60	3.00
Joint Ventures	-	0.96
Promoter	21.97	18.78
Subsidiaries and Joint Ventures of Promoter	76.41	59.68
<b>Reimbursement of Expenditure/(Income)</b>		
Subsidiaries	(23.57)	(7.26)
Associates	(3.16)	(3.57)
Joint Ventures	(1.82)	(0.26)
Promoter	0.17	0.14
<b>Dividend/Interest received</b>		
Subsidiaries	144.13	52.94
Associates	2.15	2.04
Promoter	1.76	1.76
Subsidiaries and Joint Ventures of Promoter	3.38	0.26
<b>Dividend Paid</b>		
Promoter	109.58	73.05
Subsidiaries and Joint Ventures of Promoter	19.77	13.18
<b>Intercorporate Loan/ Deposits Given</b>		
Subsidiaries	49.00	-
Associates	-	3.00
Subsidiaries and Joint Ventures of Promoter	190.00	-
<b>Intercorporate Loan/ Deposits Redeemed</b>		
Subsidiaries	34.25	-
Associates	3.50	-
Subsidiaries and Joint Ventures of Promoter	120.00	-

## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

Particulars	Rs. in Crores	
	2022	2021
<b>Investment made</b>		
Subsidiaries	68.00	-
Associates	150.00	-
Joint Ventures	86.00	97.50
Subsidiaries and Joint Ventures of Promoter	442.13	-
<b>Directors Remuneration *</b>		
Key Management Personnel	13.63	12.50
<b>Contribution to Funds</b>		
Post Employment Benefit Plans	27.08	36.58

**Outstanding at the year end:**

	2022		2021	
	Debit	Credit	Debit	Credit
Subsidiary	108.55	9.63	51.72	6.85
Associates	11.81	5.11	17.28	1.14
Joint Ventures	2.55	-	3.98	-
Promoter	-	23.52	-	17.96
Subsidiaries and Joint Ventures of Promoter	94.05	9.90	-	12.94
Employment Benefit Plans	-	3.49	-	8.27

\* Provision for employee benefits, which are based on actuarial valuation done on an overall company basis, is excluded.

**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, 2022:**

Particulars	Rs. in Crores	
	2022	2021
<b>Sales of Goods and Services</b>		
<b>Subsidiaries</b>		
Tata Consumer Products GB Limited	90.72	99.55
Tata Tea Extractions Inc	73.51	54.66
<b>Subsidiaries and Joint Ventures of Promoter</b>		
Supermarket Grocery Supplies Private Limited	58.64	-
Innovative Retail Concepts Private Limited	100.75	-
<b>Other Operating Income</b>		
<b>Subsidiary</b>		
Tata Consumer Products GB Limited	34.45	26.08
<b>Joint Ventures</b>		
Tata Starbucks Private Limited	19.08	10.26
<b>Sale of Fixed Asset</b>		
<b>Subsidiary</b>		
Tata Consumer Soulfull Private Limited	0.21	-
<b>Rent Paid</b>		
<b>Associates</b>		
Kanan Devan Hills Plantation Company Private Limited	0.80	1.14
Amalgamated Plantations Private Limited	1.38	1.58



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

Particulars	Rs. in Crores	
	2022	2021
<b>Purchase of Goods &amp; Services</b>		
<b>Subsidiaries</b>		
Tata Coffee Limited	50.69	47.35
Tata Consumer Soufull Private Limited	43.35	-
<b>Associates</b>		
Kanan Devan Hills Plantation Company Private Limited	85.36	95.72
Amalgamated Plantations Private Limited	128.97	128.65
<b>Other Expenses (Net)</b>		
<b>Subsidiary</b>		
NourishCo Beverages Limited	25.31	14.07
<b>Promoter</b>		
Tata Sons Private Limited	21.97	18.78
<b>Subsidiaries and Joint Ventures of Promoter</b>		
Tata AIG General Insurance Limited	29.40	19.88
Tata Consultancy Services Limited	27.53	24.61
Tata Communications Limited	14.81	-
<b>Reimbursement of Expenditure/(Income)</b>		
<b>Subsidiaries</b>		
Tata Consumer Products GB Limited	7.74	(1.95)
Nourishco Beverages Limited	(6.72)	(4.10)
Tata Smartfoodz Limited	(5.53)	-
Consolidated Coffee Inc	4.80	-
Tata Consumer Soufull Private Limited	(23.10)	-
<b>Associates</b>		
Kanan Devan Hills Plantation Company Private Limited	-	(1.85)
Amalgamated Plantations Private Limited	-	(1.72)
<b>Dividend/Interest received</b>		
<b>Subsidiaries</b>		
Tata Coffee Limited	16.10	16.10
Consolidated Coffee Inc.	29.75	29.29
Tata Consumer Products UK Group Limited	37.21	-
Tata Consumer Products Capital Limited	23.65	-
Tata Tea Extractions Inc	36.67	7.55
<b>Dividend Paid</b>		
<b>Promoter</b>		
Tata Sons Private Limited	109.58	73.05
<b>Subsidiaries and Joint Ventures of Promoter</b>		
Tata Investment Corporation Limited	17.93	11.95
<b>Intercorporate Loan/ Deposits Given</b>		
<b>Subsidiary</b>		
Tata Smartfoodz Limited	49.00	-
<b>Associate</b>		
Kanan Devan Hills Plantation Company Private Limited	-	3.00
<b>Subsidiaries and Joint Ventures of Promoter</b>		
Infiniti Retail Limited	190.00	-



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

Particulars	Rs. in Crores	
	2022	2021
<b>Intercorporate Loan/ Deposits Redeemed</b>		
<b>Subsidiary</b>		
Tata Smartfoodz Limited	34.25	-
<b>Subsidiaries and Joint Ventures of Promoter</b>		
Infiniti Retail Limited	120.00	-
<b>Investment made</b>		
<b>Associates</b>		
Amalgamated Plantations Private Limited	150.00	-
<b>Joint Ventures</b>		
Tata Starbucks Private Limited	86.00	97.50
<b>Subsidiaries and Joint Ventures of Promoter</b>		
Tata Industries Limited	395.00	-
<b>Contribution to Funds</b>		
<b>Post Employment Benefit Plans</b>		
Tata Tea Limited Management Staff Gratuity Fund	-	11.15
Tata Tea Limited Calcutta Provident Fund	19.83	17.32
Tata Tea Limited Gratuity Fund	4.76	4.66

## 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, 2022:

Particulars	Rs. in Crores	
	Outstanding 2022	Maximum during the year
<b>Associate</b>		
Kanan Devan Hills Plantation Company Private Limited	16.50	20.00
	(20.00)	(20.00)
<b>Subsidiary</b>		
Tata Smartfoodz Limited	14.75	49.00
	(-)	(-)



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### 37. A INTERESTS IN OTHER ENTITIES

#### i) Subsidiaries

The Company's direct Subsidiaries as at March 31, 2022 is given below.

SI No.	Name of entity	Country of incorporation	Principal Activities	% holding	% holding
				2022	2021
1	Tata Consumer Products Capital Limited	UK	Holding company	100.00	100.00
2	Tata Consumer Products UK Group Limited *	UK	Holding company	89.85	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
6	NourishCo Beverages Ltd.	India	Manufacturing and distribution of RTD products	100.00	100.00
7	Tata Consumer Soufull Private Limited	India	Manufacturing, marketing and distribution of Food Products	100.00	100.00
8	Tata Smartfoodz Limited (w.e.f. 16 <sup>th</sup> November, 2021)	India	Manufacturing and marketing ready-to-eat products	100.00	-
9	TRIL Constructions Limited (w.e.f. 17 <sup>th</sup> November, 2021) - Refer foot note 7e.	India	Development of real estate and infrastructure facilities	80.46	-
10	TCPL Beverages & Foods Limited (w.e.f. 25 <sup>th</sup> February, 2022)	India	Manufacturing, marketing and distribution of coffee & tea	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, 2022 is given below.

SI No.	Name of entity	Country of incorporation	Principal Activities	% holding	% holding
				2022	2021
1	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, 2022 is given below.

SI No.	Name of entity	Country of incorporation	Principal Activities	% holding	% holding
				2022	2021
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. (till 16 <sup>th</sup> November, 2021)	India	Development of real estate and infrastructure facilities	-	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.

## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

## 38. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

## A. Accounting classification and fair values

Rs. in crores								
2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-Current Financial assets</b>								
Investments								
Quoted Equity Instruments	-	19.91	-	19.91	19.91	-	-	19.91
Unquoted Equity Instruments*	-	134.03	-	134.03	-	7.24	126.79	134.03
Unquoted Preference Shares	205.73	-	-	205.73	-	-	205.73	205.73
Loans	-	-	13.80	13.80	-	-	-	-
Other Financial Assets	76.91	-	27.53	104.44	-	76.91	-	76.91
<b>Current Financial assets</b>								
Current Investments	156.94	-	-	156.94	156.94	-	-	156.94
Trade Receivables	-	-	281.76	281.76	-	-	-	-
Cash and Cash Equivalents	-	-	327.40	327.40	-	-	-	-
Other Bank Balances	-	-	1001.21	1001.21	-	-	-	-
Loans	-	-	559.70	559.70	-	-	-	-
Other Financial assets	-	-	48.75	48.75	-	-	-	-
	<b>439.58</b>	<b>153.94</b>	<b>2260.15</b>	<b>2853.67</b>	<b>176.85</b>	<b>84.15</b>	<b>332.52</b>	<b>593.52</b>
<b>Non - Current Financial liabilities</b>								
Lease Liability	-	-	205.19	205.19	-	-	-	-
Others	76.91	-	-	76.91	-	76.91	-	76.91
<b>Current Financial liabilities</b>								
Lease Liability	-	-	29.71	29.71	-	-	-	-
Trade Payables	-	-	1263.74	1263.74	-	-	-	-
Other Financial Liabilities	-	0.54	77.14	77.68	-	0.54	-	0.54
	<b>76.91</b>	<b>0.54</b>	<b>1575.78</b>	<b>1653.23</b>	<b>-</b>	<b>77.45</b>	<b>-</b>	<b>77.45</b>
<b>2021</b>								
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-Current Financial assets</b>								
Investments								
Quoted Equity Instruments	-	15.21	-	15.21	15.21	-	-	15.21
Unquoted Equity Instruments*	-	134.78	-	134.78	-	8.17	126.61	134.78
Unquoted Preference Shares	53.22	-	-	53.22	-	-	53.22	53.22
Loans	-	-	21.71	21.71	-	-	-	-
Other Financial assets	76.20	-	27.39	103.59	-	76.20	-	76.20
<b>Current Financial assets</b>								
Current Investments	287.77	-	-	287.77	287.77	-	-	287.77
Trade Receivables	-	-	257.23	257.23	-	-	-	-
Cash and Cash Equivalents	-	-	644.74	644.74	-	-	-	-
Other Bank Balances	-	-	968.95	968.95	-	-	-	-
Loans	-	-	3.79	3.79	-	-	-	-
Other Financial Assets	-	1.11	30.46	31.57	-	1.11	-	1.11
	<b>417.19</b>	<b>151.10</b>	<b>1954.27</b>	<b>2522.56</b>	<b>302.98</b>	<b>85.48</b>	<b>179.83</b>	<b>568.29</b>
<b>Non - Current Financial liabilities</b>								
Lease Liability	-	-	215.30	215.30	-	-	-	-
Others	76.20	-	-	76.20	-	76.20	-	76.20
<b>Current Financial liabilities</b>								
Lease Liability	-	-	28.94	28.94	-	-	-	-
Trade Payables	-	-	1102.63	1102.63	-	-	-	-
Other Financial Liabilities	-	-	81.93	81.93	-	-	-	-
	<b>76.20</b>	<b>-</b>	<b>1428.80</b>	<b>1505.00</b>	<b>-</b>	<b>76.20</b>	<b>-</b>	<b>76.20</b>

\* 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 represent the best estimate of fair value within that range.



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### 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/ 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

#### 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 behavior and analysis of customer credit risk.



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Rs. in Crores
<b>Balance as at March 31, 2020</b>	<b>14.46</b>
Impairment loss recognised	20.46
Amounts written off	-
<b>Balance as at March 31, 2021</b>	<b>34.92</b>
Impairment loss recognised	-
Amounts written off	-
<b>Balance as at March 31, 2022</b>	<b>34.92</b>

### 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 counterparty. The limits are assigned to mitigate the concentration risks. These limits are actively monitored by the Company.

### 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.

#### 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.

2022	Contractual cash flows				
	Carrying amount	Less than 1 year	1- 2 years	2- 5 years	More than 5 years
<b>Current Financial Liabilities</b>					
Trade Payables	1263.74	1263.74	-	-	-
Other Financial Liabilities	77.68	77.68	-	-	-
<b>Non-Current Financial Liabilities</b>					
Others	76.91	-	-	76.91	-

2021	Contractual cash flows				
	Carrying amount	Less than 1 year	1- 2 years	2- 5 years	More than 5 years
<b>Current Financial Liabilities</b>					
Trade Payables	1102.63	1102.63	-	-	-
Other Financial Liabilities	81.93	81.93	-	-	-
<b>Non-Current Financial Liabilities</b>					
Others	76.20	-	-	76.20	-



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### 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, 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.

#### Exposure to currency risk

The currency profile of financial assets and liabilities as at March 31, 2022 and March 31, 2021 are as below:

2022	Rs. in Crores			
	USD	GBP	Others	Total
<b>Financial assets</b>				
Trade receivables	56.36	0.10	17.70	74.16
<b>Financial liabilities</b>				
Trade payables	7.09	2.19	-	9.28

2021	Rs. in Crores			
	USD	GBP	Others	Total
<b>Financial assets</b>				
Trade receivables	35.85	-	20.92	56.77
<b>Financial liabilities</b>				
Trade payables	4.21	2.46	1.52	8.19

The following table gives details in respect of outstanding foreign currency forward contracts –

Category	Instrument	Currency pair	2022			2021		
			FCY Amount (million)	Equivalent Amount (Rs. in Crores)	Fair Value Amount (Rs. in Crores)*	FCY Amount (million)	Equivalent Amount (Rs. in Crores)	Fair Value Amount (Rs. in Crores)*
Hedges of highly probable forecasted transactions	Forward contract	USD/ INR	9.35	70.86	0.36	9.20	70.23	1.31
Hedges of highly probable forecasted transactions	Forward contract	AUD/ INR	6.00	34.01	(0.90)	6.05	34.38	(0.20)

\* Represents impact of mark to market value as at year end.

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 -

Details	2022		2021	
	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	3.24	(2.00)	2.43	(2.65)
5% depreciation of the underlying foreign currencies	(3.24)	2.00	(2.43)	2.65

## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

Movement in cash flow hedging reserve for derivatives designated as cash flow hedges is given below –

Details	Rs. in Crores	
	2022	2021
Balance at the beginning of the period	0.83	(1.13)
Movement during the year	(1.65)	2.62
Tax impact on above	0.41	(0.66)
<b>Balance at the end of the period</b>	<b>(0.41)</b>	<b>0.83</b>

### 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.

### 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	
	2022	2021
<b>Total Borrowings</b>	-	-
Less: Cash and Cash Equivalents including Deposits	1317.68	1604.10
Less: Current Investments	156.94	287.77
Less: Inter Corporate Deposits/Loan	572.25	24.25
<b>Adjusted net (cash)/debt</b>	<b>(2046.87)</b>	<b>(1916.12)</b>
<b>Total Equity</b>	<b>11761.91</b>	<b>11224.10</b>



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### 39. EMPLOYEE BENEFITS OBLIGATION:

#### i) Defined Contributions

Amount of Rs. 15.10 crores (Rs. 14.23 crores) is recognised as an expense and included in employee benefit expense to the following defined contribution plans:

	Rs. in Crores	
	2022	2021
Provident Fund	9.74	8.63
Superannuation Fund	3.13	3.46
Employee state insurance schemes	2.23	2.14
	<b>15.10</b>	<b>14.23</b>

#### 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	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening Defined Benefit Obligation	5.51	6.77	77.97	76.39	54.12	51.55	92.11	83.84
Current Service cost	-	-	6.51	5.58	1.43	1.59	3.95	6.13
Interest on Defined Benefit Obligation	0.30	0.36	4.65	4.59	3.41	3.30	5.71	5.31
Actuarial changes arising from change in experience	(0.27)	(0.29)	0.71	0.14	(7.17)	(2.10)	(1.04)	1.12
Actuarial changes arising from change in demographic assumption	0.02	-	(2.58)	-	-	-	-	-
Actuarial changes arising from changes in financial assumption	(0.09)	0.02	(3.30)	0.68	(3.81)	0.83	(5.30)	0.27
Benefits Paid	(0.70)	(1.35)	(7.75)	(9.43)	(1.06)	(1.05)	(5.43)	(4.56)
Liability assumed/settled	-	-	(0.08)	0.02	-	-	-	-
<b>Closing Defined Benefit Obligation</b>	<b>4.77</b>	<b>5.51</b>	<b>76.13</b>	<b>77.97</b>	<b>46.92</b>	<b>54.12</b>	<b>90.00</b>	<b>92.11</b>

##### Changes in the Fair value of Plan Assets during the year:

	Rs. in Crores			
	Pension		Gratuity	
	2022	2021	2022	2021
Opening fair value of Plan assets	5.14	5.92	71.30	65.98
Employers contribution	(1.50)	-	6.68	10.49
Interest on Plan Assets	0.23	0.31	4.44	4.06
Actual return on plan assets less interest on plan assets	0.46	0.07	0.47	0.18
Benefits Paid	(0.52)	(1.16)	(7.75)	(9.43)
Asset acquired/(settled)	-	-	(0.08)	0.02
<b>Closing Fair value of plan assets</b>	<b>3.81</b>	<b>5.14</b>	<b>75.06</b>	<b>71.30</b>



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to the Standalone Financial Statements for the year ended March 31, 2022

### Net Asset/(Liability) recognised in balance sheet

	Rs. in Crores							
	Pension		Gratuity		Medical		Others	
	2022	2021	2022	2021	2022	2021	2022	2021
Present Value of Funded defined benefit obligation at the year end	2.94	3.46	76.13	77.97	-	-	-	-
Fair value of plan assets at the end of the year	3.81	5.14	75.06	71.30	-	-	-	-
	<b>(0.87)</b>	<b>(1.68)</b>	<b>1.07</b>	<b>6.67</b>	-	-	-	-
Present Value of Unfunded defined benefit obligation at the year end	1.83	2.05	-	-	46.92	54.12	90.00	92.11
Asset ceiling	0.29	0.57	-	-	-	-	-	-
<b>Amount recognised in Balance Sheet</b>	<b>1.25</b>	<b>0.94</b>	<b>1.07</b>	<b>6.67</b>	<b>46.92</b>	<b>54.12</b>	<b>90.00</b>	<b>92.11</b>

### Expense recognized in the statement of profit and loss for the year:

	Rs. in Crores							
	Pension		Gratuity		Medical		Others	
	2022	2021	2022	2021	2022	2021	2022	2021
Current Service Cost	-	-	6.51	5.58	1.43	1.59	3.95	6.13
Interest cost on defined benefit obligation (net)	0.07	0.05	0.21	0.53	3.41	3.30	5.71	5.31
<b>Total recognised in the statement of profit and loss</b>	<b>0.07</b>	<b>0.05</b>	<b>6.72</b>	<b>6.11</b>	<b>4.84</b>	<b>4.89</b>	<b>9.66</b>	<b>11.44</b>

### Amounts recognized in Other Comprehensive Income for the year:

	Rs. in Crores							
	Pension		Gratuity		Medical		Others	
	2022	2021	2022	2021	2022	2021	2022	2021
Actuarial changes arising from changes in financial assumption	(0.09)	0.02	(3.30)	0.68	(3.81)	0.83	(5.30)	0.27
Actuarial changes arising from changes in demographic assumption	0.02	-	(2.58)	-	-	-	-	-
Actuarial changes arising from changes in experience assumption	(0.27)	(0.29)	0.71	0.14	(7.17)	(2.10)	(1.04)	1.12
Return on plan asset excluding interest income	(0.46)	(0.07)	(0.47)	(0.18)	-	-	-	-
Adjustment to recognise the effect of asset ceiling	(0.28)	0.01	-	-	-	-	-	-
<b>Total recognised in Other Comprehensive Income</b>	<b>(1.08)</b>	<b>(0.33)</b>	<b>(5.64)</b>	<b>0.64</b>	<b>(10.98)</b>	<b>(1.27)</b>	<b>(6.34)</b>	<b>1.39</b>

### Maturity Profile of defined benefit obligation (on an undiscounted basis)

	Rs. in Crores							
	Pension		Gratuity		Medical		Others	
	2022	2021	2022	2021	2022	2021	2022	2021
Within next 12 months	1.53	2.21	14.02	10.26	1.81	1.78	5.77	5.80
Between 2 and 5 years	2.21	2.86	24.08	22.77	7.77	7.71	26.29	25.13
Between 6 and 9 years	1.02	1.83	26.23	25.53	8.53	8.53	28.73	27.98
10 years and above	1.44	1.77	82.75	98.49	46.33	48.41	145.18	139.12



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### Principal Actuarial assumptions used:

	2022	2021
Discount rates	6.95%	6.40%
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.

	Rs. in Crores			
	Pension 2022	Gratuity 2022	Medical 2022	Others 2022
Impact of increase in 50 basis point in discount rate on Defined Benefit Obligation	(0.08)	(2.79)	(3.06)	(3.99)
Impact of decrease in 50 basis point in discount rate on Defined Benefit Obligation	0.08	2.99	3.43	4.32
Impact of increase in 50 basis point in salary escalation on Defined Benefit Obligation	-	2.96	-	-
Impact of decrease in 50 basis point in salary escalation on Defined Benefit Obligation	-	(2.79)	-	-
Impact of increase in 100 basis point in health care cost on Defined Benefit Obligation	-	-	7.06	0.11
Impact of decrease in 100 basis point in health care cost on Defined Benefit Obligation	-	-	(5.75)	(0.09)
Impact of increase in 100 basis point in pension rate on Defined Benefit Obligation	0.07	-	-	2.28
Impact of decrease in 100 basis point in pension rate on Defined Benefit Obligation	(0.06)	-	-	(2.20)
Impact of increase in 1 year in Life Expectancy on Defined Benefit Obligation	0.12	-	2.56	3.64
Impact of decrease in 1 year in Life Expectancy on Defined Benefit Obligation	(0.12)	-	(2.58)	(3.63)

### Major Categories of Plan Assets :

	Rs. in Crores			
	Pension		Gratuity	
	2022	2021	2022	2021
Govt of India Securities	-	0.10	-	-
Insurance managed Funds	3.67	4.90	74.83	70.95
Others	0.14	0.14	0.23	0.35
<b>Total</b>	<b>3.81</b>	<b>5.14</b>	<b>75.06</b>	<b>71.30</b>

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, 2022 and March 31, 2021, the plan assets have been primarily invested in insurer managed funds.

## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### Expected Contribution over the next financial year:

The Company is expected to contribute Rs. 1.82 Crores to defined benefit obligation funds for the year ending March 31, 2023.

### (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	
	2022	2021
Plan Assets as at year end	214.17	178.52
Present Value of Funded Obligations at year end	214.17	183.96
Amount Recognised in the Balance Sheet	-	<b>(5.44)</b>

### Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	2022	2021
Guaranteed Rate of Return	8.10%	8.50%
Discount Rate for remaining term to Maturity of Investment	6.80%	6.55%
Expected Rate of Return on Investment	8.42%	8.35%

- 40 A. The Board of Directors of the Company in its meeting held on March 29, 2022, has approved the composite scheme of arrangement (the scheme), amongst the Company and its subsidiaries, Tata Coffee Limited (TCL) and TCPL Beverages & Foods Limited (TBFL), in terms of Section 230-232 and other applicable provisions of Companies Act, 2013.

The Scheme inter alia provides for the demerger of the Plantation Business (as defined in the Scheme) of TCL into TBFL and as consideration, issue equity shares of the Company to all the shareholders of TCL (other than to itself) in accordance with the Share Entitlement Ratio mentioned in the Scheme. This would be followed immediately by the amalgamation of the TCL comprising of the Remaining Business (as defined in the Scheme) with the Company and as consideration, issue equity shares of the Company to all the shareholders of TCL (other than to itself) in accordance with the Share Exchange Ratio mentioned in the Scheme.

The Scheme would become effective after receipt of all requisite approvals as mentioned in the Scheme. Pending receipt of necessary approvals, no effect of the Scheme has been given in the financial results for the year ended March 31, 2022.

- 40 B. The Board of Directors of the Company in its meeting held on March 29, 2022 has also approved acquisition of additional 10.15% stake in Tata Consumer Products UK Group Limited, an overseas subsidiary, through an issue of equity shares of the Company on a preferential basis, as consideration for the acquisition. Post completion of this acquisition after requisite approvals, Tata Consumer Products UK Group Limited will become a wholly owned subsidiary of the Company.

### 41. AUDIT FEES

	Rs. in Crores	
	2022	2021
Statutory Audit	1.87	1.70
Tax Audit	0.16	0.16
Other Services ( including Limited Reviews)	1.60	1.39
Reimbursement of Expenses	0.05	0.03
	<b>3.68</b>	<b>3.28</b>



## NOTES

to the Standalone Financial Statements for the year ended March 31, 2022

### 42. ADDITIONAL REGULATORY INFORMATION

#### i) Financial Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021:

Particulars	Numerator	Denominator	2022	2021	Change
(a) Current Ratio	Current Assets	Current Liabilities	2.56	2.75	-7%
(b) Debt-Equity Ratio	Total Debt (Note 1)	Total Equity	0.02	0.02	8%
(c) Debt Service Coverage Ratio	Earnings available for debt service	Debt Service (Note 2)	20.54	17.68	16%
(d) Return on Equity Ratio	Profit for the year	Average Total Equity	7.71%	5.61%	210bps *
(e) Inventory turnover ratio	Revenue from Operations	Average Inventory	5.92	6.15	-4%
(f) Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivable	29.43	25.04	18%
(g) Trade payables turnover ratio	Purchases and Other Services	Average Trade Payables	5.47	7.63	28% **
(h) Net capital turnover ratio	Revenue from Operations	Working Capital	3.32	2.91	14%
(i) Net profit ratio	Profit for the year	Revenue from Operations	11.17%	8.66%	251bps ***
(j) Return on Capital employed	EBIT (Note 3)	Capital Employed (Note 4)	22.25%	20.83%	142bps
(k) Return on investment	Earnings from invested funds	Average invested funds in Treasury Investments	3.98%	3.92%	6bps

\* Led by higher operating margin and other income

\*\* Higher efficiency due to working capital optimisation

\*\*\* Led by higher operating margin and other income

Note 1: Debt includes lease liabilities

Note 2: Debt service = Interest and Lease payments and Principal Repayments

Note 3: EBIT = Profit before exceptional items + Finance Costs - Interest and Investment Income

Note 4: Capital Employed = Net Tangible Assets + Total Debt + Deferred Tax Liabilities

#### ii) Relationship with Struck off Companies

The company does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, during the current year and in the previous year.

43. 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

#### 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, 2022, 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 and based on the consideration of reports of the other auditors on financial statements of the subsidiaries and joint ventures referred to in the Other Matters section below, 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, 2022, 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 ("SA"s). 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.



## INDEPENDENT AUDITOR'S REPORT

Sr. No. Key Audit Matter	Auditor's Response
<p><b>1. Impairment of the carrying value of goodwill on consolidation</b></p> <p>On account of competitive pressure and decline in black tea demand in developed markets, there is a risk that the Group's goodwill attributable/allocated to cash generating units in those markets may be impaired.</p> <p>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.</p> <p>Focus was on the goodwill carried in books for cash generating units with lower headroom.</p> <p>Refer note 6 and note 2.3 to the financial statements</p>	<p>The goodwill has been recorded in the books of an overseas component. The Component Auditor has reported that they have performed the following procedures.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Engaged internal fair valuation experts to challenge management's underlying assumptions and appropriateness of the valuation model used.</li> <li>• Compared the Group's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates.</li> <li>• Assessed the appropriateness of the forecast cash flows within the budgeted period based on their understanding of the business and sector experience.</li> <li>• Considered historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved.</li> <li>• Performed a sensitivity analysis in relation to key assumptions.</li> </ul> <p>We have engaged with the Component Auditor to understand the nature, timing and extent of their audit procedures. We have 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.</p>
<p><b>2. Impairment of investments in an associate</b></p> <p>During the current financial year, an associate has incurred significant losses as it has not been able to recover increase in input costs through increased prices. This has triggered an impairment assessment of carrying value of investments of preference shares of ₹206 crore in the associate in consolidated financial statements of the Company. The Company has also engaged a valuation expert to evaluate the recoverable value of the entity through sale of its assets.</p> <p>Refer Note 35(c) to the financial statements.</p>	<p>Besides obtaining an understanding of Management's processes and controls with regard to testing the investments for impairment, our procedures included the following:</p> <ol style="list-style-type: none"> <li>a) We understood the methodology applied by Management in performing its impairment test for the investments at fair value and walked through the controls over the process.</li> <li>b) We challenged the assumptions made by Management for the input data used by Management through discussions, comparisons to industry peers and other available independent external data sources. We also performed sensitivity analysis on the key assumptions.</li> </ol>

## INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
3.	<p data-bbox="204 348 772 427"><b>Inventory of raw / cured coffee beans ("green coffee beans"), tea and pepper (Valuation) – Tata Coffee Limited:</b></p> <p data-bbox="204 446 772 687">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.</p> <p data-bbox="204 707 772 760">The total value of finished goods (commodities) as at 31 March, 2022 is ₹209.12 crore.</p>	<p data-bbox="799 348 1434 452">This matter is in respect of the Tata Coffee Limited component. We have used the work of Component Auditors. The Component Auditor has reported that they have performed the following procedures:</p> <p data-bbox="799 472 1198 497">With respect to the net realisable value:</p> <ul data-bbox="799 517 1434 1799" style="list-style-type: none"> <li data-bbox="799 517 1434 629">• 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.</li> <li data-bbox="799 648 1434 760">• 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.</li> <li data-bbox="799 780 1434 1446">• To assess the reasonableness of the net realisable value that was estimated and considered by the management: <ul style="list-style-type: none"> <li data-bbox="852 844 1434 981">o 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;</li> <li data-bbox="852 1001 1434 1158">o 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;</li> <li data-bbox="852 1177 1434 1334">o 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;</li> <li data-bbox="852 1354 1434 1446">o Verified the publicly available market information to assess if there has been significant decrease in the rates subsequent to the year end.</li> </ul> </li> <li data-bbox="799 1466 1434 1577">• 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.</li> <li data-bbox="799 1597 1434 1701">• 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.</li> <li data-bbox="799 1720 1434 1799">• Tested the appropriateness of the disclosure in the financial statements in accordance with the applicable financial reporting framework.</li> </ul>



## INDEPENDENT AUDITOR'S REPORT

### 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 Report of the Board of Directors including Annexures thereto, 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 Boards 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 Boards 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 respective Boards of Directors either intend to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Boards 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



## INDEPENDENT AUDITOR'S REPORT

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.

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.



## INDEPENDENT AUDITOR'S REPORT

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 34 subsidiaries whose financial statements reflect total assets of ₹10,884.84 crore as at March 31, 2022, total revenues of ₹3,706.12 crore and net cash outflows amounting to ₹192.42 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 ₹9.90 crore for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 3 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, 2022 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, 2022 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

## INDEPENDENT AUDITOR'S REPORT

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.
  - iv) a. The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - b. The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Parent Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - c. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us on the financial statements of the Parent Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



## INDEPENDENT AUDITOR'S REPORT

- v) The final dividend proposed in the previous year, declared and paid by the Parent Company during the year is in accordance with section 123 of the Act.

As stated in note 14 to the financial statements, the Board of Directors of the Parent Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/the "Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO

reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Place: Mumbai  
Date: May 04, 2022

**Sanjiv V Pilgaonkar**  
Partner  
(Membership No.039826)  
UDIN: 22039826AIJDNT5756



## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph (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, 2022, 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 venture, which are companies incorporated in India, as of that date.

### Management’s Responsibility for Internal Financial Controls

The respective Boards of Directors of the Parent, its subsidiary companies, its associate companies and joint venture, 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 venture, 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 venture, 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



## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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 venture,

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, 2022, 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

Place: Mumbai  
Date: May 04, 2022

(Membership No.039826)  
UDIN: 22039826AIJDNT5756

# CONSOLIDATED BALANCE SHEET

as at March 31, 2022

	Note	2022	Rs in Crores 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property Plant and Equipment	3	1480.31	1222.67
Capital Work in Progress		209.44	93.17
Investment Property	4	17.31	33.17
Investment Property under Development	4A	214.78	-
Right of Use Assets	5	378.44	386.41
Goodwill	6	7754.11	7596.57
Other Intangible Assets	6	2754.40	2784.31
Intangible Assets under Development		37.53	19.68
Investments accounted for using Equity method	35(c)	234.31	207.27
<b>Financial Assets</b>			
Investments	7	364.94	275.46
Loans	8	14.01	21.87
Other Financial Assets	9	35.69	74.92
Deferred Tax Assets (Net)	20 (d)	42.72	38.05
Non-current Tax Assets (Net)	20 (c)	141.66	142.30
Other Non Current Assets	10	302.26	311.39
		<b>13981.91</b>	<b>13207.24</b>
<b>Current Assets</b>			
Inventories	11	2266.51	2249.16
<b>Financial Assets</b>			
Investments	7	198.03	323.16
Trade Receivables	12	835.15	761.32
Cash and Cash Equivalents	13	1497.97	2041.99
Other Bank balances	13	1101.92	1032.89
Loans	8	659.94	185.12
Other Financial Assets	9	184.30	116.35
Current Tax Assets (Net)	20 (c)	1.33	1.37
Other Current Assets	10	390.53	337.27
		<b>7135.68</b>	<b>7048.63</b>
		<b>21117.59</b>	<b>20255.87</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	14 (a)	92.16	92.16
Other Equity	14 (b)	15049.78	14442.35
<b>Equity attributable to the Equity holders of the company</b>			
Non Controlling Interest		1151.62	1092.53
<b>Total Equity</b>		<b>16293.56</b>	<b>15627.04</b>
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15	241.87	287.54
Lease Liabilities	34	350.91	389.10
Other Financial Liabilities	16	93.14	80.24
Provisions	17	175.59	192.46
Deferred Tax Liabilities (Net)	20 (d)	776.41	570.16
Non Current Tax Liabilities	20 (c)	13.49	14.87
		<b>1651.41</b>	<b>1534.37</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15	768.72	919.10
Lease Liabilities	34	50.51	37.81
Trade Payables	18	1915.85	1625.47
Other Financial Liabilities	16	211.78	250.19
Other Current Liabilities	19	132.15	136.09
Provisions	17	73.21	101.71
Current Tax Liabilities (Net)	20 (c)	20.40	24.09
		<b>3172.62</b>	<b>3094.46</b>
		<b>21117.59</b>	<b>20255.87</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			

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 4, 2022

For and on behalf of the Board

**N. Chandrasekaran**Chairman  
(DIN 00121863)**Sunil D'Souza**Managing Director & CEO  
(DIN 07194259)**John Jacob**

Chief Financial Officer

**K P Krishnan**Director  
(DIN 01099097)**L. Krishna Kumar**Executive Director  
(DIN 00423616)**Neelabja Chakrabarty**

Company Secretary



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

	Note	2022	2021
Rs in Crores			
<b>Income</b>			
Revenue from Operations	21	12425.37	11602.03
Other Income	22	140.06	121.38
<b>Total Income</b>		<b>12565.43</b>	<b>11723.41</b>
<b>Expenses</b>			
Cost of Materials Consumed	23	4908.36	4937.45
Purchase of Stock in Trade		2215.39	2114.40
Change in Inventories of Finished Goods/Work-in-progress/Stock in Trade	24	(39.78)	(149.54)
Employee Benefits Expense	25	1048.00	970.23
Finance Costs	26	72.78	68.69
Depreciation and Amortisation Expense		278.01	254.74
Advertisement and Sale Charges		840.99	726.27
Other Expenses	27	1733.63	1459.46
<b>Total Expenses</b>		<b>11057.38</b>	<b>10381.70</b>
<b>Profit before Exceptional Items and Tax</b>		<b>1508.05</b>	<b>1341.71</b>
Exceptional Items (net)	28	(52.06)	(30.65)
<b>Profit before Tax</b>		<b>1455.99</b>	<b>1311.06</b>
<b>Tax Expenses</b>	20 (a)		
Current Tax		220.24	98.16
Deferred Tax		156.80	219.11
		<b>377.04</b>	<b>317.27</b>
<b>Profit after Taxation before share of results of investments accounted using equity method</b>		<b>1078.95</b>	<b>993.79</b>
Share of net profit/(loss) in Associates and Joint Ventures using equity method		(63.79)	(63.33)
<b>Profit for the year</b>		<b>1015.16</b>	<b>930.46</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of the defined benefit plan		55.91	(145.58)
Changes in fair valuation of equity instruments		4.67	5.88
		<b>60.58</b>	<b>(139.70)</b>
Tax impact on above items		(25.61)	22.06
		<b>34.97</b>	<b>(117.64)</b>
<b>Items that will be reclassified to profit or loss</b>			
Exchange differences on translation of foreign operations		12.74	262.68
Gains/(loss) on Effective portion of cash flow hedges		10.63	3.56
		<b>23.37</b>	<b>266.24</b>
Tax impact on above items		0.90	0.82
		<b>24.27</b>	<b>267.06</b>
<b>Total Other Comprehensive Income</b>		<b>59.24</b>	<b>149.42</b>
<b>Total Comprehensive Income</b>		<b>1074.40</b>	<b>1079.88</b>
<b>Net Profit for the year - attributable to :</b>			
Owners of Parent		935.78	856.69
Non Controlling Interest		79.38	73.77
<b>Net profit for the year</b>		<b>1015.16</b>	<b>930.46</b>
<b>Other Comprehensive Income - attributable to :</b>			
Owners of Parent		50.78	127.49
Non Controlling Interest		8.46	21.93
<b>Other Comprehensive Income</b>		<b>59.24</b>	<b>149.42</b>
<b>Total Comprehensive Income - attributable to :</b>			
Owners of Parent		986.56	984.18
Non Controlling Interest		87.84	95.70
<b>Total Comprehensive Income</b>		<b>1074.40</b>	<b>1079.88</b>
<b>Earnings Per Share</b>			
Equity share of nominal value of ₹ 1 each	29		
Basic		10.15	9.30
Diluted		10.15	9.30

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 4, 2022

For and on behalf of the Board

**N. Chandrasekaran**

Chairman  
(DIN 00121863)

**Sunil D'Souza**

Managing Director & CEO  
(DIN 07194259)

**John Jacob**

Chief Financial Officer

**K P Krishnan**

Director  
(DIN 01099097)

**L. Krishna Kumar**

Executive Director  
(DIN 00423616)

**Neelabja Chakrabarty**

Company Secretary



# CONSOLIDATED STATEMENT IN CHANGE IN EQUITY

as at March 31, 2022

Particulars	Reserve and Surplus										Other Comprehensive Income			Total Other Equity	Non Controlling Interests	Total Equity
	Equity Share Capital	Capital Reserve	Securities Premium Reserve	Share Based Payment Reserve	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, 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
Profit for the year									856.69	856.69				856.69	73.77	930.46
Other Comprehensive Income									(112.03)	(112.03)	(0.99)	5.88	234.63	127.49	21.93	149.42
Total Comprehensive Income for the year									744.66	744.66	(0.99)	5.88	234.63	984.18	95.70	1079.88
Transaction with owners in their capacity as owners																
Dividends								4.75	(4.75)					(248.82)	(18.35)	(267.17)
Transfer to General Reserve																
Reclassification of Foreign Currency Translation Reserve on disposal of foreign operations												(19.02)			(2.33)	(21.35)
Reversal of Dividend Distribution Tax									3.31	3.31				3.31	2.45	5.76
Adjustment on disposal of a subsidiary															(77.41)	(77.41)
Balance as at March 31, 2021	92.16	15.79	6430.87	-	0.10	1.00	8.33	21.86	1175.48	6396.35	5.72	(2.29)	389.14	14442.35	1092.53	15627.04
Profit for the year									935.78	935.78	7.53	3.20	9.06	935.78	79.38	1015.16
Other Comprehensive Income									30.99	30.99	7.53	3.20	9.06	50.78	8.46	59.24
Total Comprehensive Income for the year									966.77	966.77	7.53	3.20	9.06	986.56	87.84	1074.40
Transaction with owners in their capacity as owners																
Dividends									(373.23)	(373.23)				(373.23)	(25.39)	(398.62)
Transfer to General Reserve								9.21	(9.21)							
Recognition of share-based payments				0.46										0.46	-	0.46
Realised gain on equity shares carried at Fair Value through Other Comprehensive Income									0.80	0.80		(0.80)				
Reclassification of hedging (gain)/loss to the Statement of Profit and Loss											2.63			2.63	0.72	3.35
Non-controlling interest on acquisition of a subsidiary (Refer Note 40)															33.39	33.39
Transaction with Non-Controlling Interest (Refer Note 35 a)									(8.99)	(8.99)				(8.99)	(37.47)	(46.46)
Balance as at March 31, 2022	92.16	15.79	6430.87	0.46	0.10	1.00	8.33	21.86	1184.69	6972.49	15.88	0.11	398.20	15049.78	1151.62	16293.56

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

For and on behalf of the Board

**N. Chandrasekaran**

Chairman

(DIN00121863)

**Sunil D'Souza**

Managing Director &amp; CEO

(DIN 07194259)

**John Jacob**

Chief Financial Officer

**K P Krishnan**

Director

(DIN 01099097)

**L. Krishna Kumar**

Executive Director

(DIN 00423616)

**Neelabja Chakrabarty**

Company Secretary



# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

Rs in Crores

	2022	2021
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax	<b>1455.99</b>	<b>1311.06</b>
<b>Adjusted for :</b>		
Depreciation and amortisation	278.01	254.74
Finance Cost	72.78	68.69
Dividend Income	(2.12)	(2.02)
Profit on sale of current investments (net)	(8.94)	(13.00)
Fair value movement in Financial instruments at fair value through profit and loss	(13.49)	(8.11)
Interest Income	(85.39)	(72.70)
Unrealised foreign exchange (gain) / loss	(0.51)	4.13
Impairment loss recognised in trade receivables & advances (net of reversal)	1.23	21.49
(Profit) / Loss on sale of Property, Plant & Equipment including investment property (net)	1.61	(11.75)
Rental Income from Investment Property	(2.42)	(3.81)
Exceptional Items-		
Gain on conversion of a Joint Venture into a Subsidiary	-	(84.30)
(Gain) / Loss on Disposal of a Subsidiary/Joint Venture	-	46.45
Loss on disposal of a business	-	4.25
Other Exceptional items	52.06	64.25
	<b>292.82</b>	<b>268.31</b>
<b>Operating Profit before working capital changes</b>	<b>1748.81</b>	<b>1579.37</b>
Adjustments for:		
Trade Receivables & Other Assets	(148.78)	186.14
Inventories	(0.91)	(533.45)
Trade payables & Other Liabilities	151.96	530.74
	<b>2.27</b>	<b>183.43</b>
<b>Cash generated from/(used in) operations</b>	<b>1751.08</b>	<b>1762.80</b>
Direct taxes paid (net)	(235.27)	(106.43)
<b>Net Cash from/(used in) Operating Activities</b>	<b>1515.81</b>	<b>1656.37</b>
<b>B. Cash Flow from Investing Activities</b>		
Payment for Property, Plant and Equipment including Intangibles	(273.34)	(210.68)
Sale of Property, Plant and Equipment	27.26	31.50
Rental Income from Investment Property	2.42	3.81
Sale of Non Current Investments carried at Fair value through OCI	1.20	0.02
Acquisition of Subsidiaries	(465.00)	(168.80)
Investments in Joint Ventures	(86.00)	(112.32)
Investments in Associates	(150.00)	-
Purchase of additional stake in a Subsidiary	(46.45)	-
Proceeds from disposal of Subsidiary / Joint Venture	-	56.99
Deferred consideration pertaining to disposal of a Subsidiary	11.30	-
Dividend Income received (including dividend from Associates & JVs)	12.84	5.10
Interest Income received	75.21	67.96
(Purchase) / Sale of Current Investments (net)	135.27	523.39
(Placement) / Redemption Fixed deposits (net)	(67.80)	(532.38)
Inter Corporate Loans and Deposits including FX (net)	(498.75)	(73.00)
<b>Net cash from / (used in) Investing Activities</b>	<b>(1321.84)</b>	<b>(408.41)</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

	Rs in Crores	
	2022	2021
<b>C. Cash Flow from Financing Activities</b>		
Proceeds/(Repayment) from Long term borrowings (net)	(493.00)	(69.16)
Proceeds from / (Repayment of) Short term borrowings (net)	(1.71)	11.82
Payment of Lease Liabilities	(52.78)	(45.06)
Dividend & Dividend Tax paid	(398.19)	(267.29)
Finance Cost paid	(62.51)	(65.41)
Refund of Dividend Distribution Tax paid in an earlier year	13.42	9.07
<b>Net Cash used in Financing Activities</b>	<b>(994.77)</b>	<b>(426.03)</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents(A+B+C)</b>	<b>(800.80)</b>	<b>821.93</b>
<b>D. Cash and Cash Equivalents</b>		
Opening balance of cash and cash equivalent	1773.18	889.34
Add: Cash and Cash equivalent of the acquired companies	0.90	44.08
Less: Cash and Cash equivalent on disposal of a subsidiary	-	(22.80)
Exchange Gain/ (Loss) on translation of foreign currency cash and cash equivalents	3.83	40.63
<b>Balances at the end of the year</b>	<b>977.11</b>	<b>1773.18</b>

	Rs in Crores	
	2022	2021
<b>Reconciliation with Balance Sheet</b>		
Cash and Cash Equivalents	977.11	1773.18
Add : Bank Overdraft	520.86	268.81
<b>Balances at the end of the year (Refer Note 13)</b>	<b>1497.97</b>	<b>2041.99</b>

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 4, 2022

For and on behalf of the Board

**N. Chandrasekaran**  
Chairman  
(DIN00121863)

**Sunil D'Souza**  
Managing Director & CEO  
(DIN 07194259)

**John Jacob**  
Chief Financial Officer

**K P Krishnan**  
Director  
(DIN 01099097)

**L. Krishna Kumar**  
Executive Director  
(DIN 00423616)

**Neelabja Chakrabarty**  
Company Secretary



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### 1. GENERAL INFORMATION

Tata Consumer Products Limited ("the Parent Company") 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, Water, Salt, Pulses, Spices, Snacks, Ready-to-Eat packaged food products etc. collectively termed as branded business. The Group has branded business mainly in India, Europe, US, Canada and Australia. The non-branded plantation business is 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, 2022 were approved for issue by Company's Board of Directors on May 4, 2022.

### 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 the Consolidated Financial Statements for the year ended March 31, 2022

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,
- incurred to the former owners of the acquired business
- equity interests issued by the Group, and
- fairvalueofanyassetorliabilityresultingfrom 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.



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

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 item. 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:** Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.
- 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 changes in fair

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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



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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 an Intangible Asset 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 8 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 7 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.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually.

### (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



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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 impairments 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 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 twelve 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

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Initial recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss is expensed in the Statement of Profit or Loss.

#### Subsequent measurement

##### Debt Instruments:

Subsequent measurement of debts instruments depends on the Group's business model for managing the assets and the cash flows of the 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. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables and loans.
- ii) **Financial assets at fair value through other comprehensive income (FVTOCI)** – Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represents solely payments of principal and interest, are on specified dates are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income from these financial assets is included in finance income using the effective interest rate method and impairment losses, if any are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and 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.



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### Equity Instruments

All equity investments are measured at fair values. The Group may irrevocably elect to measure the same either at FVOCI or FVTPL on initial recognition. The Group makes such election on an instrument-by-instrument basis. The 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. Dividend income on the investments in equity instruments are recognised in the Statement of Profit and Loss.

### Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

### Impairment of financial assets

Group assesses expected credit losses associated with its assets carried at amortised cost and FVOCI debt instrument 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.

#### Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using effective interest method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss. 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.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### 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.

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### (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).

### 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.

### 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.



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Cost is determined on weighted average method for all categories of inventories other than for auction/private 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.

In accordance with Ind AS 41- Agriculture, inventories comprising agricultural produce that the Group has harvested from its biological assets are measured on initial recognition at their fair value less costs to sell at the point of harvest

### (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, and subsequently not reclassified to 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 twelve months after the end of the reporting period are discounted to their present value.



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### (k) Share based payments

The Parent Company recognises compensation expense relating to share based payments in accordance with Ind AS 102 - Share-based Payment. For share entitlement granted by the Parent Company to its employees the estimated fair value as determined on the date of grant, is charged to the Statement of Profit and Loss on a straight line basis over the vesting period and assessment of performance conditions, if any, with a corresponding increase in equity.

### (l) 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.

### (m) 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



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subsidiaries and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is 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.

### (n) 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) 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.

### (o) 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 may be 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.

### (p) Government Grant

Government grants including any non-monetary grants are recognised where there is reasonable assurance that the grant will

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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.

### (q) 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 recognise 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 the 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.

### (r) 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



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are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

### (s) 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.

### (t) 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 and considering the effect of all dilutive potential ordinary shares.

### (u) 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.

### (v) 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.

### (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:

### a) 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. Judgement is also required to be exercised as regards the manner in which carrying amount of goodwill is likely to be recovered, for deferred tax accounting purposes. Appropriate independent professional advice is also obtained, as necessary. Goodwill has a useful life which is same as that of underlying cash generating unit. Intangible assets are



## NOTES

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assigned either an indefinite or a finite useful life, depending on the nature and expected consumption. Goodwill and indefinite lived intangible assets are as a minimum, subjected to annual tests of impairment in line with the accounting policy whereas all other intangibles assets are amortised. (Refer Note 6).

### b) 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).

### c) 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).

### d) 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)

### e) 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)

### f) 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.



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to the Consolidated Financial Statements for the year ended March 31, 2022

### 3. PROPERTY, PLANT AND EQUIPMENT

	Rs. in Crores							
	Land	Bearer Assets	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Motor Vehicles	Total Tangible Assets
<b>Cost</b>								
<b>As at April 1, 2020</b>	<b>63.90</b>	<b>15.21</b>	<b>341.27</b>	<b>1940.47</b>	<b>216.77</b>	<b>8.01</b>	<b>23.12</b>	<b>2608.75</b>
Acquisition through Business Combination	-	-	-	7.85	0.21	0.77	-	8.83
Additions	-	10.58	19.61	100.19	9.36	1.15	0.97	141.86
Disposal	(0.09)	-	(0.09)	(39.07)	(4.29)	(0.23)	(2.56)	(46.33)
Translation exchange difference	0.22	-	(0.84)	23.09	7.43	-	0.12	30.02
<b>As at March 31, 2021</b>	<b>64.03</b>	<b>25.79</b>	<b>359.95</b>	<b>2032.53</b>	<b>229.48</b>	<b>9.70</b>	<b>21.65</b>	<b>2743.13</b>
Acquisition through Business Combination	-	-	90.95	129.50	3.15	0.95	0.04	224.59
Additions	-	7.87	20.25	106.56	18.14	1.47	0.51	154.80
Disposal	(0.48)	-	(3.87)	(37.10)	(20.86)	(3.19)	(2.84)	(68.34)
Translation exchange difference	(0.03)	-	3.16	15.35	(0.90)	0.03	0.02	17.63
<b>As at March 31, 2022</b>	<b>63.52</b>	<b>33.66</b>	<b>470.44</b>	<b>2246.84</b>	<b>229.01</b>	<b>8.96</b>	<b>19.38</b>	<b>3071.81</b>
<b>Accumulated Depreciation</b>								
<b>As at April 1, 2020</b>	<b>-</b>	<b>0.66</b>	<b>133.39</b>	<b>1087.19</b>	<b>162.16</b>	<b>5.84</b>	<b>12.01</b>	<b>1401.25</b>
Depreciation for the year	-	0.76	13.54	87.18	11.95	0.99	1.74	116.16
Disposal	-	-	(0.09)	(30.31)	(3.95)	(0.21)	(1.12)	(35.68)
Translation exchange difference	-	-	(0.94)	33.22	6.46	(0.05)	0.04	38.73
<b>As at March 31, 2021</b>	<b>-</b>	<b>1.42</b>	<b>145.90</b>	<b>1177.28</b>	<b>176.62</b>	<b>6.57</b>	<b>12.67</b>	<b>1520.46</b>
Depreciation for the year	-	0.96	11.15	96.32	13.07	1.49	1.38	124.37
Disposal	-	-	(3.69)	(31.71)	(15.31)	(3.02)	(1.31)	(55.04)
Translation exchange difference	-	-	1.50	1.11	(0.95)	0.03	0.02	1.71
<b>As at March 31, 2022</b>	<b>-</b>	<b>2.38</b>	<b>154.86</b>	<b>1243.00</b>	<b>173.43</b>	<b>5.07</b>	<b>12.76</b>	<b>1591.50</b>
<b>Net Carrying Value</b>								
<b>As at March 31, 2021</b>	<b>64.03</b>	<b>24.37</b>	<b>214.05</b>	<b>855.25</b>	<b>52.86</b>	<b>3.13</b>	<b>8.98</b>	<b>1222.67</b>
<b>As at March 31, 2022</b>	<b>63.52</b>	<b>31.28</b>	<b>315.58</b>	<b>1003.84</b>	<b>55.58</b>	<b>3.89</b>	<b>6.62</b>	<b>1480.31</b>

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 44.40 Crores (Rs 43.47 Crores).

#### Capital work-in-progress ageing schedule for the year ended March 31, 2022 and March 31, 2021:

	Amount in CWIP for a period of				Rs in Crores
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2022</b>					
Projects in progress	111.83	25.90	26.88	0.43	165.04
Bearer Plants in Progress	2.83	3.03	10.91	27.63	44.40
<b>Total</b>	<b>114.66</b>	<b>28.93</b>	<b>37.79</b>	<b>28.06</b>	<b>209.44</b>

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to the Consolidated Financial Statements for the year ended March 31, 2022

	Amount in CWIP for a period of				Rs in Crores
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2021</b>					
Projects in progress	38.75	10.50	-	0.45	49.70
Bearer Plants in Progress	1.65	7.43	13.82	20.57	43.47
<b>Total</b>	<b>40.40</b>	<b>17.93</b>	<b>13.82</b>	<b>21.02</b>	<b>93.17</b>

#### 4. INVESTMENT PROPERTY

Investment properties of the Group comprises of land, commercial and residential property.

	Rs in Crores	
	2022	2021
<b>Cost</b>		
Opening Balance	37.07	55.04
Disposal	(17.48)	(17.97)
<b>Closing Balance</b>	<b>19.59</b>	<b>37.07</b>
<b>Accumulated Depreciation</b>		
Opening Balance	3.90	5.00
Depreciation for the year	0.61	0.89
Deductions / Adjustments	(2.23)	(1.99)
<b>Closing Balance</b>	<b>2.28</b>	<b>3.90</b>
<b>Net Carrying Value</b>	<b>17.31</b>	<b>33.17</b>

Amount recognised in the statement of profit and loss for investment property:

	Rs in Crores	
	2022	2021
Rental Income	2.42	3.81
Direct operating expenses	(0.51)	(0.60)
<b>Profit from investment property before depreciation</b>	<b>1.91</b>	<b>3.21</b>
Depreciation for the year	(0.61)	(0.89)
<b>Profit/(loss) from Investment Property</b>	<b>1.30</b>	<b>2.32</b>

#### Fair value:

Fair valuation of the Land is Rs 120 Crores and Buildings is Rs 15.70 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	
	2022	2021
Within one year	1.27	2.48
Later than one year but not later than five years	2.61	5.44



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### 4A. INVESTMENT PROPERTY UNDER DEVELOPMENT

	Rs in Crores
<b>Cost</b>	<b>2022</b>
Opening Balance	-
Acquisition during the year	215.74
Adjustments	(0.96)
Closing Balance	<b>214.78</b>

#### Investment property under development - Ageing schedule and Expected completion:

Particulars	Amount in WIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects temporarily on hold	-	-	-	214.78	214.78

Particulars	To be completed in				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Yeshwantpur Project	-	-	-	214.78	214.78

The development is temporarily on hold as the Group is of the view that the approvals do not permit development to full potential. The Group is in the process of evaluating various options and obtaining necessary legal clarifications.

#### Fair value:

Fair value of land pertaining to Investment Property is Rs 228.30 Crores based on Valuation (sales comparable approach – level 2) by recognised independent valuers.

### 5. RIGHT TO USE ASSETS

	Rs in Crores					
	Land	Buildings	Plant and Machinery	Office Equipment	Motor Vehicles	Total Right of Use Assets
<b>Net Carrying Value</b>						
<b>As at April 1, 2020</b>	86.50	187.03	15.41	0.24	4.28	293.46
Acquisition through Business Combination		2.70				2.70
Additions	-	134.65	10.46	0.09	0.85	146.05
Disposal	-	(5.57)	(0.17)	-	(0.34)	(6.08)
Depreciation for the year	(2.14)	(43.33)	(4.08)	(0.16)	(1.88)	(51.59)
Translation exchange difference	(2.88)	4.48	-	-	0.27	1.87
<b>As at March 31, 2021</b>	<b>81.48</b>	<b>279.96</b>	<b>21.62</b>	<b>0.17</b>	<b>3.18</b>	<b>386.41</b>
Acquisition through Business Combination	22.00	-	-	-	-	22.00
Additions	-	26.56	9.55	-	3.12	39.23
Disposal	-	(14.34)	(0.12)	-	0.16	(14.30)
Depreciation for the year	(2.22)	(47.80)	(5.10)	(0.09)	(2.42)	(57.63)
Translation exchange difference	3.15	(0.39)	-	-	(0.03)	2.73
<b>As at March 31, 2022</b>	<b>104.41</b>	<b>243.99</b>	<b>25.95</b>	<b>0.08</b>	<b>4.01</b>	<b>378.44</b>



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

## 6. GOODWILL AND OTHER INTANGIBLE ASSETS

	Rs in Crores						
	Goodwill	Brands / Trademarks	Customer Intangibles	Patent / Knowhow	Capitalised Software / Website	Distribution Network	Total Other Intangible Assets
<b>Cost</b>							
<b>As at April 1, 2020</b>	7912.33	2635.76	121.06	17.64	205.83	270.46	<b>3250.75</b>
Acquisition through Business Combination	174.10	145.70	-	-	0.01	-	145.71
Additions	-	16.00	-	-	33.29	-	49.29
Disposal	(226.29)	(11.75)	(117.54)	-	(0.88)	-	(130.17)
Translation exchange difference	155.06	(6.86)	(3.52)	-	4.90	-	(5.48)
<b>As at March 31, 2021</b>	<b>8015.20</b>	<b>2778.85</b>	<b>-</b>	<b>17.64</b>	<b>243.15</b>	<b>270.46</b>	<b>3310.10</b>
Acquisition through Business Combination	107.34	-	-	20.40	1.02	-	21.42
Additions	-	-	-	-	40.30	-	40.30
Disposal	-	-	-	-	(20.88)	-	(20.88)
Translation exchange difference	58.19	9.97	-	-	0.23	-	10.20
<b>As at March 31, 2022</b>	<b>8180.73</b>	<b>2788.82</b>	<b>-</b>	<b>38.04</b>	<b>263.82</b>	<b>270.46</b>	<b>3361.14</b>
<b>Accumulated Amortisation / Impairment</b>							
<b>As at April 1, 2020</b>	578.50	231.24	28.25	16.52	169.72	33.81	<b>479.54</b>
Amortisation for the year	-	29.17	7.93	0.58	14.61	33.81	86.10
Disposal	(179.19)	(5.46)	(35.27)	-	(0.65)	-	(41.38)
Impairment	-	-	-	-	-	-	-
Translation exchange difference	19.32	(1.62)	(0.91)	-	4.06	-	1.53
<b>As at March 31, 2021</b>	<b>418.63</b>	<b>253.33</b>	<b>-</b>	<b>17.10</b>	<b>187.74</b>	<b>67.62</b>	<b>525.79</b>
Amortisation for the year	-	37.81	-	1.22	22.56	33.81	95.40
Disposal	-	-	-	-	(20.36)	-	(20.36)
Impairment	-	-	-	-	-	-	-
Translation exchange difference	7.99	6.33	-	-	(0.41)	(0.01)	5.91
<b>As at March 31, 2022</b>	<b>426.62</b>	<b>297.47</b>	<b>-</b>	<b>18.32</b>	<b>189.53</b>	<b>101.42</b>	<b>606.74</b>
<b>Net Carrying Value</b>							
As at March 31, 2021	<b>7596.57</b>	<b>2525.52</b>	<b>-</b>	<b>0.54</b>	<b>55.41</b>	<b>202.84</b>	<b>2784.31</b>
<b>As at March 31, 2022</b>	<b>7754.11</b>	<b>2491.35</b>	<b>-</b>	<b>19.72</b>	<b>74.29</b>	<b>169.04</b>	<b>2754.40</b>

Brands/ Trademarks 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.

Intangible assets under development ageing schedule for the year ended March 31, 2022 and March 31, 2021 :

Particulars	Amount in Intangible assets under development for a period of				Total
	Rs in Crores				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
<b>Projects in progress</b>					
<b>As at March 31, 2022</b>	<b>37.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37.53</b>
As at March 31, 2021	6.48	13.20	-	-	19.68



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### 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 following is a summary of the goodwill allocation to each CGU as mentioned above:

Rs in Crores						
2022	Opening	Addition	Disposal	Impairment	Foreign exchange	Closing
<b>Branded Business</b>						
<b>India Business</b>	3752.61	107.34	-	-	-	3859.95
<b>International Business</b>						
UK & Europe	1756.44	-	-	-	(25.84)	1730.60
US	1341.76	-	-	-	49.25	1391.01
Canada	657.96	-	-	-	26.79	684.75
	<b>3756.16</b>	-	-	-	<b>50.20</b>	<b>3806.36</b>
<b>Non Branded Business</b>	<b>87.80</b>	-	-	-	-	<b>87.80</b>
<b>Total Group</b>	<b>7596.57</b>	<b>107.34</b>	-	-	<b>50.20</b>	<b>7754.11</b>

Rs in Crores						
2021	Opening	Addition	Disposal	Impairment	Foreign exchange	Closing
<b>Branded Business</b>						
<b>India Business</b>	3578.51	174.10	-	-	-	3752.61
<b>International Business</b>						
UK & Europe	1629.00	-	-	-	127.44	1756.44
US	1437.17	-	(47.10)	-	(48.31)	1341.76
Canada	601.35	-	-	-	56.61	657.96
	<b>3667.52</b>	-	<b>(47.10)</b>	-	<b>135.74</b>	<b>3756.16</b>
<b>Non Branded Business</b>	<b>87.80</b>	-	-	-	-	<b>87.80</b>
<b>Total Group</b>	<b>7333.83</b>	<b>174.10</b>	<b>(47.10)</b>	-	<b>135.74</b>	<b>7596.57</b>

The Group has identified branded business within each country as its CGU for the purpose of allocation and monitoring of goodwill and other assets. Commencing from this year, branded business within India is treated as a single CGU taking into account way the business is managed and the operating structures, and as independent cash inflows are generated at the country level.

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.

## NOTES

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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, 2022 are given below:

	Pre-tax discount rate	Long-term growth rate
UK & Europe	8.10%	2.80%
US	7.60% - 12.75%	2.00% - 4.00%
Canada	7.63%	3.70%
India	13.79%	6.00%

These cash generating units are engaged in trading, manufacturing and sale of a portfolio of products catering to every day consumption needs, and generally have strong market position and growth potential.

### Impairment charge

Based on an assessment carried out, there is no impairment charge in the current year.

### 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.

## 7. INVESTMENTS

		Rs in Crores	
		2022	2021
<b>Non-current Investments</b>			
Quoted Equity Instruments	a	19.92	15.22
Unquoted Equity Instruments	b	139.29	140.27
Unquoted Preference Shares	c	205.73	119.97
Unquoted Debentures	d	-	-
Unquoted Government Securities	d	-	-
		<b>364.94</b>	<b>275.46</b>
<b>Current Investments</b>			
Mutual Funds - Unquoted (Carried at Fair value through Profit or Loss)		198.03	323.16
		<b>198.03</b>	<b>323.16</b>
<b>Total Investments</b>		<b>562.97</b>	<b>598.62</b>

Quoted investments are carried in the financial statements at market value.



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to the Consolidated Financial Statements for the year ended March 31, 2022

Details of investments are as follows:

### a) Quoted Equity Instruments

Carried at fair value through Other Comprehensive Income

Carried at fair value through Other Comprehensive Income:

	Face Value	Nos.		Rs. in Crores	
		2022	2021	2022	2021
Tata Chemicals Ltd.	Rs. 10	150	150	0.01	0.01
Tata Investment Corporation Ltd.	Rs. 10	146872	146872	19.91	15.21
SBI Home Finance Ltd. (Under liquidation) <sup>^</sup>	Rs. 10	100000	100000	-	-
				<b>19.92</b>	<b>15.22</b>

<sup>^</sup> Investment is fully impaired.

### b) Unquoted Equity Instruments

Carried at fair value through other comprehensive income

	Face Value	Nos.		Rs in Crores	
		2022	2021	2022	2021
Tata Sons Private Ltd.*	Rs. 1000	1755	1755	9.75	9.75
Tata Capital Ltd.	Rs. 10	613598	613598	3.07	3.07
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	6.39	6.29
Southern Scribe Instruments Pvt Ltd <sup>#</sup>	Rs. 100	7280	7280	0.07	0.07
Armstrong Power Private Ltd <sup>#</sup>	Rs. 100	1100	-	0.01	-
K.T.V Oil Mills Private Ltd <sup>#</sup>	Rs. 100	1450	1450	0.01	0.01
Mytrah Vayu (Manjira) Private Ltd <sup>#</sup>	Rs. 10	-	162500	-	0.16
Coorg Orange Growers Co-Operative Society Ltd. <sup>^</sup>	Rs. 100	4	-	-	-
Tata Coffee Co-operative Stores Ltd <sup>^</sup>	Rs. 5	20	-	-	-
Coorg Cardamom Co-operative Marketing Society Ltd <sup>^</sup>	Rs. 100	1	-	-	-
ABC Tea Workers Welfare Services	Rs. 10	20000	20000	0.02	0.02
Assam Hospitals Ltd	Rs. 10	200000	200000	2.80	3.90
GNRC Ltd	Rs. 10	50000	50000	0.25	0.14
IFCI Venture Capital Funds Ltd	Rs. 10	250000	250000	1.05	0.99
The Annamallais Ropeways Company Ltd. <sup>^</sup>	Rs. 10	2092	2092	-	-
The Valparai Co-operative Wholesale Stores Ltd. <sup>^</sup>	Rs. 10	350	350	-	-
Suryakiran Apartment Services Private Ltd. <sup>§</sup>	Rs. 10	2146	2146	0.00	0.00
Jalpaiguri Club Ltd. (Cost Re 1) <sup>§</sup>	Rs. 10	60	60	0.00	0.00
Ritspin Synthetics Ltd. <sup>^</sup>	Rs. 10	100000	100000	-	-
Coorg Orange Growers Co-operative Society Ltd <sup>§</sup>	Rs. 100	4	4	0.00	0.00
Tata Coffee Co-operative Stores Ltd. <sup>§</sup>	Rs. 5	20	20	0.00	0.00
Coorg Cardamom Co-operative Marketing Society Ltd.	Rs. 100	1	1	-	-
TEASERVE <sup>§</sup> (The Tamil Nadu Tea Manufacturers' Service Industrial Co-Op Society Ltd)	Rs. 5000	1	1	-	-
Woodlands Hospital & Medical Res. Centre Ltd. <sup>§</sup>	Rs. 10	-	12280	-	-
				<b>139.29</b>	<b>140.27</b>

<sup>§</sup> Investment carrying values are below Rs 0.01 Crores.

<sup>^</sup> Investments are fully impaired.

<sup>#</sup> relating to power purchase agreement entered into by an Indian subsidiary.

<sup>\*</sup> 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 the Consolidated Financial Statements for the year ended March 31, 2022

## c) Unquoted Preference Shares

	Face Value	Nos.		Rs. in Crores	
		2022	2021	2022	2021
<b>Investment in Associates</b>					
Amalgamated Plantations Pvt Ltd.	Rs. 10	217000000	67000000	205.73	53.22
TRIL Constructions Ltd.	Rs. 10	-	66751852	-	66.75
<b>Other</b>					
Thakurbari Club Ltd (Cost Re 1) <sup>§</sup>	Rs. 100	26	26	0.00	0.00
				<b>205.73</b>	<b>119.97</b>

<sup>§</sup> Investment carrying values are below Rs 0.01 Crores.

Investment in preference shares of Amalgamated Plantations Pvt. Ltd. : Preference shares subscribed in an earlier year of Rs 46.40 Crores [67000000 shares of Rs 10 each] is redeemable with a special redemption premium, on fulfilment of certain conditions, within 15 - 17 years from the date of the issue and are designated as fair value through profit and loss. Preference shares subscribed to in the financial year 2021-22 of Rs 159.33 Crores [150000000 shares of Rs 10 each] are optionally convertible, cumulative and redeemable carrying an annual coupon rate of 6% with special redemption premium issued for a period of 10 years and are also designated as fair value through profit and loss.

## d) Unquoted Debentures and Government Securities

Carried at fair value through other comprehensive income

	Face Value	Nos.		Rs. in Crores	
		2022	2021	2022	2021
<b>Unquoted Debentures</b>					
The Bengal Chamber of Commerce & Industry - 6 1/2% Debentures <sup>§</sup>	Rs. 1000	7	7	-	-
Shillong Club Ltd - 5% Debentures - (Cost Rs 2) <sup>§</sup>	Rs. 100	31	31	-	-
<b>Unquoted Government Securities:</b>					
W.B. Estates Acquisition Compensation Bond <sup>§</sup>		-	-	-	-
		-	-	-	-

<sup>§</sup> Investment carrying values are below Rs 0.01 Crores.

## 8. LOANS

	Rs in Crores	
	2022	2021
<b>Non-Current Loans</b>		
Inter Corporate Loans	-	4.25
Inter Corporate Loans to related party	13.00	16.50
Employee Loans and Advances	1.01	1.12
	<b>14.01</b>	<b>21.87</b>
<b>Current Loans</b>		
Inter Corporate Loans	114.40	109.14
Inter Corporate Deposit*	469.75	-
Inter Corporate Loans to related parties	73.50	73.50
Employee Loans and Advances	2.29	2.48
	<b>659.94</b>	<b>185.12</b>
<b>Total Loans</b>	<b>673.95</b>	<b>206.99</b>

\* Inter-corporate deposits outstanding with financial institutions.



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### Sub-classification of Loans

	Rs in Crores	
	2022	2021
<b>Non-Current Loans</b>		
Loan Receivables considered good - Secured	13.00	20.75
Loan Receivables considered good - Unsecured	1.01	1.12
	<b>14.01</b>	<b>21.87</b>
<b>Current Loans</b>		
Loan Receivables considered good - Secured	111.06	106.05
Loan Receivables considered good - Unsecured	548.88	79.07
	<b>659.94</b>	<b>185.12</b>
<b>Total Loans</b>	<b>673.95</b>	<b>206.99</b>

### Non-Current loans

Inter Corporate loans amounting to Nil (Rs. 4.25 Crores) is backed by mortgage over land, and Inter Corporate Loans to a related party amounting to Rs 13.00 Crores (Rs 16.50 Crores) is secured by way of mortgage of rights on immovable assets.

### Current loans

Inter Corporate Loans – (a) amounting to Rs 106.31 Crores (Rs. 102.55 Crores) is secured by way of pledge of shares of the borrower and by a corporate guarantee, (b) amounting to Rs.3.50 Crores (Rs 3.50 Crores) is given to a related party and is secured by way of mortgage of rights on immovable assets, (c) amounting to Rs 1.25 Crores (Nil) is backed by mortgage over land.

## 9. OTHER FINANCIAL ASSETS

	Rs in Crores	
	2022	2021
<b>Non-Current</b>		
<b>(unsecured and considered good unless otherwise stated)</b>		
Security Deposit	29.76	27.75
Other Receivables	-	40.01
Lease Receivables	5.93	7.16
	<b>35.69</b>	<b>74.92</b>
<b>Current</b>		
<b>(unsecured and considered good unless otherwise stated)</b>		
Interest Accrued	62.34	52.48
Export and Other Incentive Receivable	14.11	14.97
Deposits	11.02	5.40
Lease Receivables	1.14	1.04
Derivative Financials Assets / Margin on Contracts		
Currency Hedges	4.36	5.28
Commodity Hedges	46.69	19.20
Others	44.64	17.98
	<b>184.30</b>	<b>116.35</b>
<b>Total Other Financial Assets</b>	<b>219.99</b>	<b>191.27</b>

Non-current security deposits includes doubtful deposits which are fully provided - Rs 0.33 Crores (Rs 0.33 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 2.55 Crores (Rs 2.37 Crores). Interest accrued includes due from related party – Rs 0.55 Crores (Rs 1.32 Crores).

## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### 10. OTHER ASSETS

	Rs in Crores	
	2022	2021
<b>Non-Current Assets</b>		
(unsecured and considered good unless otherwise stated)		
Property rights pending development	-	70.50
Capital Advance	5.41	6.28
Pension Surplus	224.41	206.43
Taxes Receivables	49.01	15.50
Others	23.43	12.68
	<b>302.26</b>	<b>311.39</b>
<b>Current Assets</b>		
(unsecured and considered good unless otherwise stated)		
Prepaid Expenses	77.72	62.86
Taxes Receivables	232.99	207.36
Other Trade Advance	79.82	67.05
	<b>390.53</b>	<b>337.27</b>
<b>Total Other Assets</b>	<b>692.79</b>	<b>648.66</b>

Other trade advance includes doubtful advances which are fully provided – Rs 1.19 Crores (Rs 1.19 Crores). Other trade advance include advance paid to related parties – Rs 22.55 Crores (Rs 16.29 Crores).

### 11. INVENTORIES

	Rs in Crores	
	2022	2021
<b>(At lower of cost and net realisable value)</b>		
Raw Material	1243.43	1278.50
Finished Goods	629.56	648.40
Stock in Trade	286.85	227.53
Work in Progress	48.27	48.29
Stores and Spare Parts	58.40	46.44
<b>Total Inventories</b>	<b>2266.51</b>	<b>2249.16</b>

Raw material includes in-transit inventory of Rs. 30.09 Crores (Rs. 22.61 Crores) and Stock in Trade includes in-transit inventory of Rs. 3.64 Crores (Nil). During the year ended March 31, 2022 – Rs 38.49 Crores (Rs 29.70 Crores) was charged to the statement of profit and loss for slow moving and obsolete inventories.

### 12. TRADE RECEIVABLES

	Rs in Crores	
	2022	2021
Trade Receivables considered good - Secured	13.80	32.42
Trade Receivables considered good - Unsecured	821.35	728.90
Trade Receivables - Credit Impaired	<b>39.18</b>	<b>37.95</b>
	874.33	799.27
Less : Allowance for Credit Impairment	(39.18)	(37.95)
<b>Total Trade Receivables</b>	<b>835.15</b>	<b>761.32</b>

Secured receivables are backed by security deposits. Trade receivables considered good – Unsecured includes receivables amounting to Rs 101.86 Crores (Rs 3.98 Crores) due from a related party.



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### Ageing for trade receivables:

Particulars	Rs. in Crores						Total
	Not Due	Outstanding for the following periods from due date of payment					
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2022</b>							
Undisputed Trade receivables considered good- Unsecured	591.56	196.77	17.85	18.21	0.05	0.12	824.56
Undisputed Trade receivables considered good- Secured	5.24	4.95	-	0.05	0.35	-	10.59
Undisputed Trade Receivables – credit impaired	-	1.39	2.43	19.09	1.57	3.89	28.37
Disputed Trade Receivables – credit impaired	-	-	-	10.81	-	-	10.81
	<b>596.80</b>	<b>203.11</b>	<b>20.28</b>	<b>48.16</b>	<b>1.97</b>	<b>4.01</b>	<b>874.33</b>
Less: Allowance for credit loss							(39.18)
<b>Total Trade Receivables</b>							<b>835.15</b>
<b>As at March 31, 2021</b>							
Undisputed Trade receivables considered good- Unsecured	473.35	226.27	20.77	5.18	0.46	0.33	726.36
Undisputed Trade receivables considered good- Secured	17.50	17.36	0.10	-	-	-	34.96
Undisputed Trade Receivables – credit impaired	-	3.01	19.27	1.53	2.67	0.66	27.14
Disputed Trade Receivables – credit impaired	-	-	10.81	-	-	-	10.81
	<b>490.85</b>	<b>246.64</b>	<b>50.95</b>	<b>6.71</b>	<b>3.13</b>	<b>0.99</b>	<b>799.27</b>
Less: Allowance for credit loss							(37.95)
<b>Total Trade Receivables</b>							<b>761.32</b>

### 13. CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES

	Rs in Crores	
	2022	2021
<b>Cash and Cash Equivalents</b>		
Balances with Bank		
Current Account	636.17	536.63
Deposit Account	861.79	1505.24
Cash/Cheques in hand	0.01	0.12
	<b>1497.97</b>	<b>2041.99</b>
<b>Other Bank Balances</b>		
Deposit Account	1088.71	1020.91
Unclaimed Dividend Account	13.21	11.98
	<b>1101.92</b>	<b>1032.89</b>
	<b>2599.89</b>	<b>3074.88</b>

Balances in current accounts mainly pertain to the International markets and are interest bearing.



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

## 14. EQUITY SHARE CAPITAL AND OTHER EQUITY

## (a) Equity Share Capital

	Rs. in Crores	
	2022	2021
<b>AUTHORISED</b>		
1250000000 (1250000000) Equity Shares of Re 1 each	125.00	125.00
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
921551715 (921551715) Equity Shares of Re 1 each, fully paid-up	92.16	92.16
	<b>92.16</b>	<b>92.16</b>

## i) Reconciliation of the number of shares as at March 31, 2022:

	2022	2021
Number of shares as at the beginning and end of the year	921551715	921551715
Number of shares as at the end of the year	<b>921551715</b>	<b>921551715</b>

## 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 Patent 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, 2022) pursuant to contracts without payment being received in cash:

290421986 equity shares were issued during the financial year 2019-20, consequent to and as part of the merger of Food business of Tata Chemicals Limited with the Parent Company.

## iv) The details of shareholders holding more than 5% shares:

	2022	2021
Name of shareholder	No. of shares % of holding	No. of shares % of holding
Tata Sons Private Limited	270557128 29.36%	270557128 29.36%

## v) Shares held by promoters at the end of the year:

Promoter name	No of Shares	% of total shares	% change during the year
Tata Sons Private Limited			
As at March 31, 2022	270557128	29.36%	-
As at March 31, 2021	270557128	29.36%	-

## vi) Dividend paid:

	2022	2021
Dividend Paid (Rs. in Crores)	373.23	248.82
Dividend per share (Rs.)	4.05	2.70

The Board of Directors in its meeting held on May 4, 2022 has recommended a final dividend payment of Rs 6.05 per share for the financial year ended March 31, 2022.



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### b) Other Equity

	Rs. in Crores	
	<b>2022</b>	<b>2021</b>
Capital Reserve	15.79	15.79
Securities Premium	6430.87	6430.87
Capital Redemption Reserve	0.10	0.10
Contingency Reserve	1.00	1.00
Amalgamation Reserves	8.33	8.33
Share Based Payment Reserve	0.46	-
Revaluation Reserve	21.86	21.86
General Reserve	1184.69	1175.48
Retained Earnings	6972.49	6,396.35
Other Comprehensive Income		
- Effective portion of Cash Flow Hedge	15.88	5.72
- Fair value gains/(loss) on Equity Instruments	0.11	(2.29)
- Foreign Currency Translation Reserve	398.20	389.14
<b>Total Other Equity</b>	<b>15049.78</b>	<b>14442.35</b>

#### Nature and purpose of reserves:

##### i) Capital Reserve

Capital Reserve was created consequent to the acquisition of certain plantation businesses.

##### ii) Securities Premium

Securities premium reserve 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) Share based Payment Reserve

Share-based payments reserve represents amount of fair value, as on the date of grant, of unvested and vested shares not exercised till date, that have been recognised as expense in the statement of profit and loss till date

##### vi) Revaluation Reserve

Revaluation Reserve was created on acquisition of shares of an Indian subsidiary.

## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### 15. BORROWINGS

(Secured unless otherwise stated)

	Rs in Crores	
	2022	2021
<b>Non Current</b>		
Loan From Banks		
Term Loan	298.15	773.58
	<b>298.15</b>	<b>773.58</b>
Less : Maturing within the next 12 months	(56.28)	(486.04)
<b>Total Non current Borrowings</b>	<b>241.87</b>	<b>287.54</b>
<b>Current</b>		
Loan from Banks		
Current Maturities of Long Term Borrowings	56.28	486.04
Bank Overdraft	520.86	268.81
Working Capital Facilities	-	73.00
Working Capital Facilities - Unsecured	191.58	91.25
<b>Total Current Borrowings</b>	<b>768.72</b>	<b>919.10</b>
<b>Total Borrowings</b>	<b>1010.59</b>	<b>1206.64</b>

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 298.15 Crores (Rs 341.32 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 network.

Debt amounting to Nil (Rs 432.26 Crores) was repayable within March 28, 2022, has been fully repaid during the year. The borrowing was secured over all assets of an overseas subsidiary, interest being charged at the Libor plus a margin. The agreement required compliance with various financial covenants, including restrictions on capital expenditures, additional indebtedness, acquisitions and distributions to stockholders.

#### Current Borrowings

##### Bank Overdraft

Bank overdrafts of Rs 520.86 Crores (Rs 268.81 Crores) are part of a Group's cash-pooling arrangement, interest charged at a margin over I.C.E. benchmark administration settlement rate, with corresponding offsetting balances under cash and cash equivalent (Refer Note 13).

##### Working Capital Facilities

Working capital facilities of Nil (Rs 73.00 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.



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### 16. OTHER FINANCIAL LIABILITIES

	Rs in Crores	
	2022	2021
<b>Non-Current</b>		
Contingent consideration payable	76.91	76.20
Others	16.23	4.04
	<b>93.14</b>	<b>80.24</b>
<b>Current</b>		
Security Deposits from Customers	1.64	5.07
Unpaid Dividends	13.21	11.98
Interest Accrued but not due	-	0.03
Derivative Financial Liabilities		
Currency Hedges	20.58	4.85
Commodity Hedges	-	3.86
Interest rate swap	4.51	20.26
Other Payables	171.84	204.14
	<b>211.78</b>	<b>250.19</b>
<b>Total Financial Liabilities</b>	<b>304.92</b>	<b>330.43</b>

There are no amounts due to and outstanding to be credited to the Investor Education and Protection Fund.

### 17. PROVISIONS

	Rs in Crores	
	2022	2021
<b>Non-Current</b>		
Employee Benefits	175.59	192.46
	<b>175.59</b>	<b>192.46</b>
<b>Current</b>		
Employee Benefits	40.93	45.32
Other Provisions	32.28	56.39
	<b>73.21</b>	<b>101.71</b>
<b>Total Provisions</b>	<b>248.80</b>	<b>294.17</b>

#### Movement of Other Provisions – Current:

	Rs in Crores	
	2022	2021
<b>Business Restructuring and Reorganisation Cost</b>		
Opening Balance	54.65	38.29
Provision made during the year	7.81	27.71
Amount paid / adjusted during the year	(31.95)	(11.53)
Translation exchange difference	0.03	0.18
<b>Closing Balance</b>	<b>30.54</b>	<b>54.65</b>
<b>Provisions for Trade Obligation</b>		
Opening Balance	1.74	1.74
<b>Closing Balance</b>	<b>1.74</b>	<b>1.74</b>
<b>Total Closing Balance</b>	<b>32.28</b>	<b>56.39</b>



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### 18. TRADE PAYABLES

	Rs in Crores	
	2022	2021
Trade Payables	1863.94	1580.20
Trade Payables to related parties	51.91	45.27
<b>Total Trade Payables</b>	<b>1915.85</b>	<b>1625.47</b>

#### Aging of Trade Payables:

Particulars	Outstanding for following periods from due date of payment					Total
	Not Overdue	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
<b>As at March 31, 2022</b>						
Others	819.68	1,058.31	20.62	3.89	6.51	1909.01
Disputed Dues	-	-	-	-	6.84	6.84
	<b>819.68</b>	<b>1058.31</b>	<b>20.62</b>	<b>3.89</b>	<b>13.35</b>	<b>1915.85</b>
<b>As at March 31, 2021</b>						
Others	880.08	723.39	8.59	3.59	2.98	1618.63
Disputed Dues	-	-	-	-	6.84	6.84
	<b>880.08</b>	<b>723.39</b>	<b>8.59</b>	<b>3.59</b>	<b>9.82</b>	<b>1625.47</b>

### 19. OTHER CURRENT LIABILITIES

	Rs in Crores	
	2022	2021
Statutory Liabilities	32.62	25.94
Advance from Customers	44.18	40.94
Others	55.35	69.21
<b>Total Other Current Liabilities</b>	<b>132.15</b>	<b>136.09</b>

### 20. TAXATION

#### (a) Tax charge in the statement of profit and loss

	Rs in Crores	
	2022	2021
<b>Current tax</b>		
Current year	226.29	105.01
Adjustment relating to earlier years	(6.05)	(6.85)
	<b>220.24</b>	<b>98.16</b>
<b>Deferred tax charge / (credit)</b>	<b>156.80</b>	<b>219.11</b>
<b>Income tax expenses for the year</b>	<b>377.04</b>	<b>317.27</b>



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### b) Reconciliation of tax expense and tax based on accounting profit:

	Rs. in Crores	
	2022	2021
<b>Profit before tax</b>	<b>1455.99</b>	<b>1311.06</b>
Tax at Indian tax rate of 25.17% (PY - 25.17%)	366.44	329.97
<b>Effects of:</b>		
Difference in tax rate	(6.06)	0.14
Impact of change in UK tax rate change	6.45	-
Non-deductible tax expenses	7.61	10.29
Income exempt from income taxes	(11.97)	(25.14)
Non-creditable taxes	12.21	6.26
Tax reversals of previous years including deferred tax	(6.05)	(6.85)
Losses for which no deferred tax asset is recognised	18.28	16.71
Recognition of tax effect of previously unrecognised tax losses	(10.24)	(14.95)
Others	0.37	0.84
	<b>377.04</b>	<b>317.27</b>

### (c) Income tax assets / (liabilities)

	Rs in Crores	
	2022	2021
<b>Non-Current tax assets</b>		
Income Tax	121.12	108.34
Dividend Distribution Tax Credit	20.54	33.96
	<b>141.66</b>	<b>142.30</b>
<b>Current tax assets</b>		
Income Tax	1.33	1.37
	<b>1.33</b>	<b>1.37</b>
<b>Total Tax Assets</b>	<b>142.99</b>	<b>143.67</b>
<b>Non-Current tax liabilities</b>		
Income Tax	13.49	14.87
	<b>13.49</b>	<b>14.87</b>
<b>Current tax liabilities (Net)</b>		
Income Tax	20.40	24.09
	<b>20.40</b>	<b>24.09</b>
<b>Total Tax Liabilities</b>	<b>33.89</b>	<b>38.96</b>
<b>Net Income tax assets / (liabilities)</b>	<b>109.10</b>	<b>104.71</b>

### (d) Analysis of deferred tax assets and deferred tax liabilities:

	Rs in Crores	
	2022	2021
Deferred Tax Assets	42.72	38.05
Deferred Tax Liabilities	(776.41)	(570.16)
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>(733.69)</b>	<b>(532.11)</b>

## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### (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	Total
<b>As at April 1, 2020</b>	(356.29)	1.71	68.11	(286.47)
Acquisition through business combination	(36.67)	-	-	(36.67)
Statement of Profit and Loss (charge) /credit	(224.43)	(0.08)	5.40	(219.11)
(Charge)/credit relating to other comprehensive income	-	8.25	(0.18)	8.07
Translation exchange difference	4.53	(3.92)	1.46	2.07
<b>As at March 31, 2021</b>	<b>(612.86)</b>	<b>5.96</b>	<b>74.79</b>	<b>(532.11)</b>
Recognised on business combination	(12.64)	-	-	(12.64)
Statement of Profit and Loss (charge) /credit	(161.60)	(0.44)	5.24	(156.80)
(Charge)/credit relating to other comprehensive income	2.78	(25.91)	(6.88)	(30.01)
Translation exchange difference	(3.96)	1.26	0.57	(2.13)
<b>As at March 31, 2022</b>	<b>(788.28)</b>	<b>(19.13)</b>	<b>73.72</b>	<b>(733.69)</b>

Consequent to the amendments in the Indian Income Tax Act, 1961, depreciation on Goodwill is no longer available as a deduction from taxable income with effect from 1<sup>st</sup> April 2020, except that it's written down value is available as a deduction in the event of sale of the underlying business. On goodwill of Rs 3578.51 Crores recognised in the financial statements of the Parent Company, through business combinations, no additional taxable temporary differences are expected to arise, having regard to the nature of the businesses to which the goodwill relates. [Also refer notes 2.3(a) and 6].

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, 2022, unrecognised deferred tax assets on account of tax losses amount to Rs 245.09 Crores (Rs 198.57 Crores) in various jurisdictions, which can be carried forward up to a specified period or indefinitely.

## 21. REVENUE FROM OPERATIONS

	Rs in Crores	
	2022	2021
<b>Revenue from contract with customers</b>		
Revenue from sale of goods	12338.10	11530.17
Revenue from sale of services	8.91	5.28
	<b>12347.01</b>	<b>11535.45</b>
<b>Other Operating Revenues</b>		
Royalty Income	29.72	19.43
Export Incentive	8.87	18.81
Miscellaneous Receipts	39.77	28.34
	<b>78.36</b>	<b>66.58</b>
	<b>12425.37</b>	<b>11602.03</b>



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### 22. OTHER INCOME

	Rs in Crores	
	2022	2021
<b>Interest Income</b>		
Interest Income on Advances and Deposits carried at amortised cost	79.01	67.18
Interest on tax refund	6.38	5.52
<b>Dividend income</b>		
Non-current investments designated at fair value through OCI	2.12	2.02
<b>Others</b>		
Fair value movement in Financial instruments at fair value through profit or loss	13.49	8.11
Gains on Current Investments (net)	8.94	13.00
Other non operating income	30.12	25.55
	<b>140.06</b>	<b>121.38</b>

### 23. COST OF MATERIALS CONSUMED

	Rs in Crores	
	2022	2021
Raw Materials Consumed	4107.83	4253.39
Packing Materials Consumed	800.53	684.06
	<b>4908.36</b>	<b>4937.45</b>

### 24. CHANGE IN INVENTORIES OF FINISHED GOODS/WORK IN PROGRESS/STOCK IN TRADE

	Rs in Crores	
	2022	2021
<b>Stock as at April 1</b>		
Finished Goods	648.40	598.96
Stock-in-Trade	227.53	184.39
Work-in-Progress	48.29	12.28
	<b>924.22</b>	<b>795.63</b>
<b>Stock as at March 31</b>		
Finished Goods	629.56	648.40
Stock-in-Trade	286.85	227.53
Work-in-Progress	48.27	48.29
	<b>964.68</b>	<b>924.22</b>
	<b>(40.46)</b>	<b>(128.59)</b>
Add/Less: Adjustment due to sale of business and acquisition on Business Combination	(0.68)	20.95
	<b>(39.78)</b>	<b>(149.54)</b>



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### 25. EMPLOYEE BENEFITS EXPENSE

	Rs in Crores	
	<b>2022</b>	<b>2021</b>
Salaries, Wages and Bonus*	953.23	880.55
Contribution to Provident Fund and other Funds	65.11	59.08
Workmen and Staff Welfare Expenses	29.66	30.60
	<b>1048.00</b>	<b>970.23</b>

\* Includes Rs 0.46 Crores towards share based payment incentives.

#### Employee Shared based payment incentives

The Parent Company has introduced share based incentives to certain employees during the year ended March 31, 2022, under Tata Consumer Products Limited-Share-based Long Term Incentive Scheme 2021 ("TCPL SLTI Scheme 2021") approved by Nomination and Remuneration Committee (NRC).

As per the scheme, the number of shares that will vest is conditional upon certain performance measures being achieved. The performance will be measured over the vesting period of 3 years. The shares granted under this scheme is exercisable by employees till one year from date of its vesting.

The Parent Company has granted 65,780 number of performance share units during the year ended March 31, 2022 at an exercise price of Re 1 per shares. Shares granted will vest equally each year over 3 years from date of grant. Number of shares that will vest range from 0.5 to 1.2 per performance share unit granted depending on performance measures achieved.

	<b>2022</b>
Performance Share Units outstanding at the beginning of the year	-
Granted during the year	65,780
Forfeited/Expired during the year	-
Exercised during the year	-
<b>Outstanding at the end of the year</b>	<b>65,780</b>

Performance share units were granted on January 4, 2022. The estimated fair value of performance share units are based on the quoted share price. The aggregate of the estimated fair values of the performance share units granted is Rs 5.36 Crores, which will be recognised in the Statement of Profit and Loss over the vesting period.

### 26. FINANCE COSTS

	Rs in Crores	
	<b>2022</b>	<b>2021</b>
Interest Expense on financial liabilities valued at amortised cost	37.97	41.85
Interest expense on lease liabilities	27.12	22.74
Net Interest on defined benefit plans	7.16	3.57
Other Borrowing Cost	0.53	0.53
	<b>72.78</b>	<b>68.69</b>



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### 27. OTHER EXPENSES

	Rs in Crores	
	2022	2021
Manufacturing and Contract Packing Expenses	188.84	121.48
Consumption of Stores and Spare Parts	53.70	50.49
Power and Fuel	123.90	97.36
Repairs and Maintenance	96.52	85.72
Rent	68.64	58.53
Freight	597.71	457.26
Legal and Professional Expenses	184.49	179.40
Miscellaneous Expenses	419.83	409.22
	<b>1733.63</b>	<b>1459.46</b>

Miscellaneous expenses include exchange gain of Rs 14.65 Crores (Rs 1.98 Crores) against which offsets are available elsewhere in the Statement of Profit and Loss.

### 28. EXCEPTIONAL ITEMS

	Rs in Crores	
	2022	2021
<b>Income</b>		
Gain on conversion of Joint Venture into a Subsidiary	-	84.30
	-	<b>84.30</b>
<b>Expenditure</b>		
Re-organisation/business restructure costs	(46.17)	(64.25)
Loss on disposal of Subsidiary / Joint Venture	-	(46.45)
Loss on disposal of a Business	-	(4.25)
Expenses in connection with the acquisition of business	(1.80)	-
Expenses in connection with the proposed scheme of arrangement	(4.09)	-
	<b>(52.06)</b>	<b>(114.95)</b>
	<b>(52.06)</b>	<b>(30.65)</b>

### 29. EARNINGS PER SHARE

	Rs. in Crores	
	2022	2021
Group Net Profit attributable to owners of parent (Rs in Crores)	935.78	856.69
Numbers of Equity Shares Outstanding	921551715	921551715
Effect of dilutive equity shares - Performance share unit outstanding	15679	-
Weighted average number of shares outstanding during the year	921567394	921551715
Earnings Per Share (Rs.)		
Basic	10.15	9.30
Diluted	10.15	9.30

## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### 30. RESEARCH & DEVELOPMENT EXPENDITURE RECOGNISED DURING THE YEAR:

	Rs in Crores	
	<b>2022</b>	<b>2021</b>
i. Capital	1.81	0.50
ii. Revenue	22.06	18.03
	<b>23.87</b>	<b>18.53</b>

### 31. CAPITAL COMMITMENT

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2022 – Rs 233.99 Crores (Rs 41.91 Crores).
- b) Commitment towards Share Capital contributions in Joint Ventures & Associates - Rs 171.00 Crores (Rs 294.00 Crores).

### 32. CONTINGENCIES:

#### a) Statutory and Commercial claims:

	Rs in Crores	
	<b>2022</b>	<b>2021</b>
i. Taxes, Statutory Duties/ Levies etc.	47.13	26.44
ii. Commercial and other Claims	4.41	4.11
	<b>51.54</b>	<b>30.55</b>

- b) Past service liabilities and certain labour disputes for which amounts are not ascertainable. Labour disputes under adjudication for an Indian subsidiary Rs 0.65 Crores (Rs 0.94 Crores).

### 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 filed a motion for summary judgment in January, 2020 which was granted in August, 2020. As a result, the litigation was dismissed and final judgment was entered on October 6, 2020. Defense filed appeals brief in August, 2021 and Plaintiff filed a reply to the Defense's appeal brief in November 2021. We expect Court to schedule oral arguments in the near term, then take the matter under submission and issue an opinion. 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.



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### 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, 2022

	Rs in Crores	
	2022	2021
Current Lease Liabilities	50.51	37.81
Non-Current Lease Liabilities	350.91	389.10
<b>Total Lease Liabilities</b>	<b>401.42</b>	<b>426.91</b>

#### Contractual maturities of lease liabilities on an undiscounted basis:

	Rs in Crores	
	2022	2021
Less than one year	87.22	66.86
One to two years	77.21	60.05
Two to five years	139.23	172.02
More than five years	371.46	399.34
<b>Total</b>	<b>675.12</b>	<b>698.27</b>

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	
	2022	2021
Balance at beginning of the year	8.20	8.57
Interest Income accrued during the year	0.25	0.31
Lease Receipts	(1.38)	(0.68)
<b>Balance at the end of the year</b>	<b>7.07</b>	<b>8.20</b>

#### Contractual maturities of net investment in sublease of Right of Use Asset on an undiscounted basis:

	Rs in Crores	
	2022	2021
Less than one year	1.14	1.28
One to two years	0.78	1.17
Two to three years	0.79	0.80
Three to Four years	0.79	0.80
Four to Five years	0.79	0.80
More than five years	3.50	4.37
<b>Total</b>	<b>7.79</b>	<b>9.22</b>



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### 35. INTEREST IN OTHER ENTITIES

#### a) Subsidiaries

The Group's subsidiaries as at March 31, 2022 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:

SI No.	Name of entity	Country of incorporation	Principal Activities	Effective ownership (%)		Interest held by non-controlling interests (%)	
				2022	2021	2022	2021
1	Tata Consumer Products UK Group Ltd.	U K	Holding company	89.85	89.10	10.15	10.90
	<b>Subsidiaries of Tata Consumer Products UK Group Ltd.</b>						
2	Tata Global Beverages Holdings Ltd.	U K	Dormant	89.85	89.10	10.15	10.90
3	Tata Global Beverages Services Ltd.	U K	Dormant	89.85	89.10	10.15	10.90
4	Tata Consumer Products GB Ltd.	U K	Manufacturing, marketing and distribution of tea	89.85	89.10	10.15	10.90
5	Tata Consumer Products Overseas Holdings Ltd.	U K	Holding company	89.85	89.10	10.15	10.90
6	Tata Global Beverages Overseas Ltd.	U K	Dormant	89.85	89.10	10.15	10.90
7	Lyons Tetley Ltd.	U K	Dormant	89.85	89.10	10.15	10.90
8	Drassington Ltd.	U K	Dormant	89.85	89.10	10.15	10.90
9	Teapigs Ltd.	U K	Marketing and distribution of tea	89.85	89.10	10.15	10.90
10	Teapigs US LLC	USA	Marketing and distribution of tea	89.85	89.10	10.15	10.90
11	Stansand Ltd.	U K	Dormant	89.85	89.10	10.15	10.90
12	Stansand (Brokers) Ltd.	U K	Dormant	89.85	89.10	10.15	10.90
13	Stansand (Africa) Ltd.	Kenya	Purchase and sale of tea	89.85	89.10	10.15	10.90
14	Stansand (Central Africa) Ltd.	Malawi	Purchase and sale of tea	89.85	89.10	10.15	10.90
15	Tata Consumer Products Polska sp.zo.o	Poland	Marketing and distribution of tea	89.85	89.10	10.15	10.90
16	Tata Consumer Products US Holdings Inc.	USA	Holding company	89.85	89.10	10.15	10.90
17	Tetley USA Inc.	USA	Marketing and distribution of tea	89.85	89.10	10.15	10.90
18	Tata Waters LLC	USA	Marketing and distribution of water	89.85	89.10	10.15	10.90
19	Good Earth Corporation.	USA	Holding company	89.85	89.10	10.15	10.90
20	Good Earth Teas Inc.	USA	Marketing and distribution of tea	89.85	89.10	10.15	10.90
21	Tata Consumer Products Canada Inc.	Canada	Marketing and distribution of tea	89.85	89.10	10.15	10.90
22	Tata Consumer Products Australia Pty Ltd.	Australia	Marketing and distribution of tea	89.85	89.10	10.15	10.90
23	Earth Rules Pty Ltd.	Australia	Marketing and distribution of coffee	89.85	89.10	10.15	10.90
24	Tata Global Beverages Investments Ltd.	U K	Dormant	89.85	89.10	10.15	10.90
25	Campestres Holdings Ltd.	Cyprus	Holding company	89.85	89.10	10.15	10.90
26	Kahutara Holdings Ltd.	Cyprus	Holding company	89.85	89.10	10.15	10.90
27	Suntyco Holding Ltd.	Cyprus	Holding company	89.85	89.10	10.15	10.90



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

SI No.	Name of entity	Country of incorporation	Principal Activities	Effective ownership (%)		Interest held by non-controlling interests (%)	
				2022	2021	2022	2021
28	Onomento Co Ltd.	Cyprus	Holding and assignment of Trademark	89.85	89.10	10.15	10.90
29	Tata Consumer Products Capital Ltd.	UK	Holding company	100.00	100.00	-	-
30	Tata Coffee Ltd.	India	Manufacturing, marketing and distribution of Coffee & tea	57.48	57.48	42.52	42.52
<b>Subsidiaries of Tata Coffee Ltd.</b>							
31	Tata Coffee Vietnam Company Ltd.	Vietnam	Manufacturing, marketing and distribution of Coffee	57.48	57.48	42.52	42.52
32	Consolidated Coffee Inc. Subsidiaries of Consolidated Coffee Inc.	USA	Holding company	78.70	78.70	21.30	21.30
33	Eight O'Clock Holdings Inc.	USA	Holding company	78.70	78.70	21.30	21.30
34	Eight O'Clock Coffee Company.	USA	Manufacturing, marketing and distribution of Coffee	78.70	78.70	21.30	21.30
35	Tata Tea Extractions Inc.	USA	Manufacturing, marketing and distribution of tea	100.00	100.00	-	-
36	NourishCo Beverages Ltd.	India	Marketing and distribution of Water	100.00	100.00	-	-
37	Tata Consumer Soufull Private Ltd.	India	Manufacturing, marketing and distribution of Food Products	100.00	100.00	-	-
38	Tata Smartfoodz Ltd. (w.e.f November 16, 2021)	India	Manufacturing, marketing and distribution of Food Products	100.00	-	-	-
39	TCPL Beverages & Foods Ltd. (w.e.f February 25, 2022)	India	Manufacturing, marketing and distribution of Beverages & Food Products	100.00	-	-	-
40	TRIL Constructions Ltd. (w.e.f November 17, 2021) * on a fully dilutive basis	India	Development of real estate and infrastructure facilities	80.46*	-	19.54	-
41	Tata Tea Holdings Private Ltd.	India	Investment company	100.00	100.00	-	-

During the year, Tata Consumer Products Capital Limited a 100% overseas subsidiary of the Holding Company has increased its shareholding in Tata Consumer Products UK Group Ltd from 48.43% to 49.18%, consequently effective holding has increased from 89.10% to 89.85%, and the effect of the said transaction with non-controlling interest is reflected in the Statement of Changes in Equity.

## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### (b) Non-Controlling Interest (NCI)

The material non-controlling interests in the Group arise from the Group's 89.85% 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)	
	2022	2021	2022	2021
Non-current assets	4080.18	3944.33	2489.16	2459.18
Current assets	2188.41	1996.99	1199.53	1111.45
<b>Total Assets</b>	<b>6268.59</b>	<b>5941.32</b>	<b>3688.69</b>	<b>3570.63</b>
Non-current liabilities	133.22	110.12	773.86	776.00
Current liabilities	1055.28	754.86	889.28	974.61
<b>Total Liabilities</b>	<b>1188.50</b>	<b>864.98</b>	<b>1663.14</b>	<b>1750.61</b>
<b>Net Assets</b>	<b>5080.09</b>	<b>5076.34</b>	<b>2025.55</b>	<b>1820.02</b>
Accumulated Non Controlling Interest	472.92	510.52	645.57	582.37

#### Summarised Statement of Profit and Loss:

	Rs in Crores			
	TCP UK Group Ltd (CFS)		Tata Coffee Ltd (CFS)	
	2022	2021	2022	2021
Revenue	2032.67	2202.99	2363.50	2254.95
Profit/(Loss) for the year	152.50	131.51	233.40	211.55
Other Comprehensive Income	(24.90)	223.69	45.22	(8.96)
<b>Total Comprehensive Income</b>	<b>127.60</b>	<b>355.20</b>	<b>278.62</b>	<b>202.59</b>
Profit allocated to NCI	16.62	16.99	62.80	56.78
Total Comprehensive Income allocated to NCI	13.91	37.22	74.37	58.48
Dividend paid to NCI (including dividend tax)	13.48	6.44	11.91	11.91

#### Summarised Statement of Cash Flows:

	Rs in Crores			
	TCP UK Group Ltd (CFS)		Tata Coffee Ltd (CFS)	
	2022	2021	2022	2021
Cash Flows from operating activities	211.95	236.18	143.29	302.02
Cash Flows from investing activities	(394.41)	53.88	(8.05)	(25.14)
Cash Flows from financing activities	(142.97)	(24.68)	(296.52)	(140.92)
<b>Net increase/ (Decrease) in cash and cash equivalents</b>	<b>(325.43)</b>	<b>265.38</b>	<b>(161.28)</b>	<b>135.96</b>



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### (c) Interest in Joint Ventures and Associates

	Rs in Crores	
	<b>2022</b>	<b>2021</b>
Investment in Joint Ventures	224.63	185.53
Investment in Associates	9.68	21.74
	<b>234.31</b>	<b>207.27</b>

#### 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	% holding
				2022	2021
1	Tata Starbucks Private Ltd.	India	Operating Starbucks Cafes in India	50.00	50.00
2	Tetley ACI (Bangladesh) Ltd.	Bangladesh	Manufacturing, marketing and distribution of tea	50.00	50.00
3	Joekels Tea Packers (Proprietary) Ltd.	South Africa	Manufacturing, marketing and distribution of tea	51.70	51.70
4	Tetley Clover (Pvt) Ltd. (under liquidation)	Pakistan	Manufacturing, marketing and distribution of tea	50.00	50.00

#### An analysis of the Group's investments in joint ventures is as follows:

	Rs in Crores	
	<b>2022</b>	<b>2021</b>
April 1	185.53	200.36
Addition	86.00	112.32
Disposal	-	(72.41)
Share of Profits / (Loss)	(37.53)	(58.51)
Share of Other Comprehensive Income	(0.35)	0.03
Dividend Received	(11.38)	(2.84)
Translation exchange difference	2.36	6.58
<b>March 31</b>	<b>224.63</b>	<b>185.53</b>

Addition relates to additional equity investment in Tata Starbucks Private Ltd. – Rs 86.00 Crores (Rs 97.50 Crores) and Southern Tea – Nil (Rs 14.82 Crores)

#### 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	
	<b>2022</b>	<b>2021</b>
Profit / (loss) after tax	(75.81)	(117.84)
Other Comprehensive Income	(0.70)	0.06
<b>Total Comprehensive Income</b>	<b>(76.51)</b>	<b>(117.78)</b>

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.



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### Associates

A list of Group's associates is given below. All associates are included in the Group's financial statements using the equity method of accounting:

SI No.	Name of entity	Country of incorporation	Principal Activities	% holding	% holding
				2022	2021
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. (upto 16 <sup>th</sup> November,2021)	India	Development of real estate and infrastucture facilities	-	32.50

An analysis of the Group's investments in associates is as follows:

	Rs in Crores	
	2022	2021
April 1	21.74	27.83
Addition / Adjustment	10.98	-
Disposal	1.28	-
Share of Profits / (Loss)	(26.26)	(4.82)
Share of Other Comprehensive Income	2.42	(1.03)
Dividend Received	(0.48)	(0.24)
<b>March 31</b>	<b>9.68</b>	<b>21.74</b>

### 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	
	2022	2021
Profit / (loss) after tax	(63.88)	(13.18)
Other Comprehensive Income	7.77	(1.39)
<b>Total Comprehensive Income</b>	<b>(56.11)</b>	<b>(14.57)</b>

Other comprehensive income mainly represents re-measurement losses on defined benefits obligation.



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### 36. FINANCIAL INSTRUMENTS

#### A. Accounting classification and fair values

Rs. in Crores

2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Investments								
Quoted Equity Investments	-	19.92	-	19.92	19.92	-	-	19.92
Unquoted Equity Investments *	-	139.29	-	139.29	-	7.33	131.96	139.29
Unquoted Preference Shares	205.73	-	-	205.73	-	-	205.73	205.73
Units of Mutual Funds	198.03	-	-	198.03	198.03	-	-	198.03
Loans								
Non-current	-	-	14.01	14.01	-	-	-	-
Current	-	-	659.94	659.94	-	-	-	-
Trade Receivables	-	-	835.15	835.15	-	-	-	-
Cash and Cash Equivalent	-	-	1497.97	1497.97	-	-	-	-
Other Bank balances	-	-	1101.92	1101.92	-	-	-	-
Other Financial Assets								
Non-current	-	-	35.69	35.69	-	-	-	-
Current	31.25	7.46	145.59	184.30	-	38.71	-	38.71
	<b>435.01</b>	<b>166.67</b>	<b>4290.27</b>	<b>4891.95</b>	<b>217.95</b>	<b>46.04</b>	<b>337.69</b>	<b>601.68</b>
<b>Financial liabilities</b>								
Borrowings								
Non-current	-	-	241.87	241.87	-	-	-	-
Current	-	-	768.72	768.72	-	-	-	-
Lease Liabilities								
Non-current	-	-	350.91	350.91	-	-	-	-
Current	-	-	50.51	50.51	-	-	-	-
Trade payables	-	-	1915.85	1915.85	-	-	-	-
Other Financial Liabilities								
Non-current	76.91	-	16.23	93.14	-	76.91	-	76.91
Current	20.58	4.51	186.69	211.78	20.58	4.51	-	25.09
	<b>97.49</b>	<b>4.51</b>	<b>3530.78</b>	<b>3632.78</b>	<b>20.58</b>	<b>81.42</b>	<b>-</b>	<b>102.00</b>

Rs. in Crores

2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Investments								
Quoted Equity Investments	-	15.22	-	15.22	15.22	-	-	15.22
Unquoted Equity Investments *	-	140.27	-	140.27	-	8.41	131.86	140.27
Unquoted Preference Shares	53.22	-	-	53.22	-	-	53.22	53.22
Units of Mutual Funds	323.16	-	-	323.16	323.16	-	-	323.16
Loans								
Non-current	-	-	21.87	21.87	-	-	-	-
Current	-	-	185.12	185.12	-	-	-	-
Trade Receivables	-	-	761.32	761.32	-	-	-	-
Cash and Cash Equivalent	-	-	2041.99	2041.99	-	-	-	-
Other Bank balances	-	-	1032.89	1032.89	-	-	-	-
Other Financial Assets								
Non-current	39.93	-	34.99	74.92	-	39.93	-	39.93
Current	2.96	19.88	93.51	116.35	17.56	5.28	-	22.84
	<b>419.27</b>	<b>175.37</b>	<b>4171.69</b>	<b>4766.33</b>	<b>355.94</b>	<b>53.62</b>	<b>185.08</b>	<b>594.64</b>
<b>Financial liabilities</b>								
Borrowings								
Non-current	-	-	287.54	287.54	-	-	-	-
Current	-	-	919.10	919.10	-	-	-	-
Lease Liabilities								
Non-current	-	-	389.10	389.10	-	-	-	-
Current	-	-	37.81	37.81	-	-	-	-
Trade payables	-	-	1625.47	1625.47	-	-	-	-
Other Financial Liabilities								
Non-current	76.20	-	4.04	80.24	-	76.20	-	76.20
Current	3.86	25.11	221.22	250.19	3.86	25.11	-	28.97
	<b>80.06</b>	<b>25.11</b>	<b>3484.28</b>	<b>3589.45</b>	<b>3.86</b>	<b>101.31</b>	<b>-</b>	<b>105.17</b>

\* 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.

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### 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 statements.

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

#### 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 credit impairment of trade receivables are as follows:

	Rs in Crores	
	<b>2022</b>	<b>2021</b>
As at April 1	37.95	14.92
Acquired on Acquisition	-	1.51
Impairment loss recognised	1.20	21.49
Translation exchange difference	0.03	0.03
<b>As at March 31</b>	<b>39.18</b>	<b>37.95</b>



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### (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.

### 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.

#### 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				
2022	Within 1 year	Due from 1 to 2 years	Due from 2 to 5 years	After 5 Years
Borrowings	768.72	59.26	119.04	74.56
Trade payables	1915.85	-	-	-
Other financial liabilities	225.28	1.92	77.71	-
	<b>2909.85</b>	<b>61.18</b>	<b>196.75</b>	<b>74.56</b>

Rs in Crores				
2021	Within 1 year	Due from 1 to 2 years	Due from 2 to 5 years	After 5 Years
Borrowings	919.10	57.16	143.09	103.50
Trade payables	1625.47	-	-	-
Other financial liabilities	250.19	4.04	76.20	-
	<b>2794.76</b>	<b>61.20</b>	<b>219.29</b>	<b>103.50</b>

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.

### 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.



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

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, 2022, 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.

The currency profile of financial assets and financial liabilities:

Rs in Crores					
2022	USD	GBP	CAD	Other Currencies	Total
Trade Receivable and Other Financial Assets including loans/advances	232.62	3.98	-	24.42	261.02
Trade Payables and Other Financial Liabilities	43.67	-	0.05	46.87	90.59

Rs in Crores					
2021	USD	GBP	CAD	Other Currencies	Total
Trade Receivable and Other Financial Assets including loans/advances	237.70	0.23	-	18.98	256.91
Trade Payables and Other Financial Liabilities	45.34	-	0.01	17.59	62.94

The following table gives details in respect of outstanding foreign currency forward and option contracts:

Type of Contract	Currency Pair	2022			2021		
		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*
<b>Forward Contracts Outstanding</b>							
i) Exports	EUR / GBP	-	-	-	0.45	3.86	(0.00)
	CAD / GBP	21.00	126.93	(1.32)	16.00	92.92	0.70
	USD / INR	25.55	193.66	0.99	26.68	195.04	2.90
	AUD / INR	6.00	34.01	(0.90)	6.05	33.72	(0.20)
	EUR / INR	1.41	11.82	0.27	1.56	13.36	0.52
	GBP/INR	0.74	7.36	0.16	-	-	-
ii) Payables	USD / GBP	21.00	159.15	5.28	34.25	250.38	(4.85)
	EUR / GBP	8.89	74.64	0.41	-	-	-
iii) Loans given	USD / GBP	20.39	154.52	(3.78)	20.00	146.21	0.34
iv) Loan to subsidiaries	USD / GBP	73.11	554.10	(13.57)	30.00	219.31	0.53
	AUD / GBP	-	-	-	1.20	6.69	(0.01)
	USD / GBP	14.50	109.89	(2.69)	-	-	-
v) Receivables from Subsidiaries	AUD / GBP	-	-	-	1.20	6.69	(0.01)
	CAD / GBP	1.40	8.46	(0.00)	-	-	-
vi) Bank Deposits	USD / GBP	14.50	109.89	(2.69)	-	-	-
	USD/VND	0.71	5.37	(0.01)	2.59	18.96	(0.05)

\* converted at the year end exchange rates

Fair value represents impact of mark to market value as at year end.



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

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:

Details	Rs in Crores			
	2022		2021	
	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	1.72	(15.71)	(0.62)	(20.23)
5% depreciation of the underlying foreign currencies	(1.72)	16.25	0.62	21.02

### 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 impacts 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	2022			2021		
		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	22.33	169.23	(4.51)	56.61	413.87	(20.26)

\* 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:

Change	Rs in Crores	
	2022	2021
	Effect on Profit before tax	Effect on Profit before tax
25 basis points increase	(0.35)	(0.94)
25 basis points decrease	0.35	0.94

### 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.

## NOTES

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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	2022			2021		
		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 (Net)	24.85	188.37	2.72	19.66	143.73	15.43
b) Coffee	Options (Net)	3.15	23.84	0.38	2.81	20.52	(1.45)

\* converted at the year end exchange rate

Fair value represents impact of mark to market value as at year end.

### 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.

### 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, 2022 was as follows:

	Rs in Crores	
	2022	2021
Total Borrowings	1010.59	1206.64
Less : Cash and cash equivalent including bank deposits	2586.68	3062.90
Less : Current Investments	198.03	323.16
Less : Inter-corporate Loans (excludes accrued interest)	670.65	203.39
<b>Adjusted net (cash) / debt</b>	<b>(2444.77)</b>	<b>(2382.81)</b>
<b>Total Equity</b>	<b>16293.56</b>	<b>15627.04</b>



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### 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 50.15 Crores (Rs 45.50 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 April 6, 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.



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

The table below outlines the net position of the Group's post-employment benefits plan:

	Rs in Crores	
	2022	2021
<b>Defined benefits - India</b>		
Pension	1.87	1.62
Gratuity	0.98	3.89
Post employment medical benefits	58.29	67.86
Others	106.96	110.00
<b>Defined benefits - Overseas</b>		
Pension	(224.42)	(206.43)
Life Assurance benefits	3.43	3.89
Post employment medical benefits	6.49	6.63
<b>Liabilities / (Assets) in the balance sheet</b>	<b>(46.40)</b>	<b>(12.54)</b>

Net Liabilities / (Assets) recognised in balance sheet for defined benefits:

	Rs. in Crores									
	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Present Value of Funded defined benefit obligation at the year end	3.56	4.14	155.82	151.51	-	-	-	-	1479.57	1554.06
Fair value of plan assets at the end of the year	3.81	5.14	154.84	147.66	-	-	-	-	1703.99	1760.49
	<b>(0.25)</b>	<b>(1.00)</b>	<b>0.98</b>	<b>3.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(224.42)</b>	<b>(206.43)</b>
Present Value of Unfunded defined benefit obligation at the year end	1.83	2.05	-	-	58.29	67.86	106.96	110.00	-	-
Asset ceiling	0.29	0.57	-	0.04	-	-	-	-	-	-
<b>Amount recognised in Balance Sheet</b>	<b>1.87</b>	<b>1.62</b>	<b>0.98</b>	<b>3.89</b>	<b>58.29</b>	<b>67.86</b>	<b>106.96</b>	<b>110.00</b>	<b>(224.42)</b>	<b>(206.43)</b>

Changes in the Defined Benefit Obligation:

	Rs. in Crores									
	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Opening Defined Benefit Obligation	6.19	7.49	151.51	152.66	67.86	65.08	110.00	101.59	1554.06	1280.54
Acquired on Business Combination	-	-	0.67	1.02	-	-	-	-	-	-
Current Service cost	-	-	10.98	10.14	1.74	1.94	3.95	6.12	-	-
Past Service Cost	-	-	0.02	-	-	-	-	-	-	-
Interest on Defined Benefit Obligation	0.34	0.40	9.38	9.51	4.33	4.20	6.90	6.48	31.35	31.53
Actuarial changes arising from change in experience	(0.25)	(0.25)	5.61	(6.95)	(10.00)	(2.64)	(1.42)	1.45	40.07	24.33
Actuarial changes arising from change in demographic assumption	0.02	-	(2.58)	-	-	-	-	-	-	42.82
Actuarial changes arising from changes in financial assumption	(0.10)	0.02	(4.85)	0.10	(4.25)	0.62	(5.63)	0.12	(70.12)	119.70
Benefits Paid	(0.81)	(1.47)	(14.32)	(15.46)	(1.39)	(1.34)	(6.84)	(5.76)	(53.55)	(51.01)
Liability assumed/(settled)	-	-	(0.60)	0.49	-	-	-	-	-	-
Translation exchange difference	-	-	-	-	-	-	-	-	(22.24)	106.15
<b>Closing Defined Benefit Obligation</b>	<b>5.39</b>	<b>6.19</b>	<b>155.82</b>	<b>151.51</b>	<b>58.29</b>	<b>67.86</b>	<b>106.96</b>	<b>110.00</b>	<b>1479.57</b>	<b>1554.06</b>



## NOTES

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### Changes in the Fair value of Plan Assets during the year:

	Rs. in Crores					
	India				Overseas	
	Pension		Gratuity		Pension	
	2022	2021	2022	2021	2022	2021
Opening fair value of Plan assets	5.14	5.92	147.66	138.22	1760.49	1538.52
Employers contribution	(1.50)	-	11.25	16.32	-	74.20
Interest on Plan Assets	0.23	0.31	9.55	8.86	35.40	39.41
Administrative cost	-	-	-	-	(7.07)	(6.14)
Actual return on plan assets less interest on plan assets	0.46	0.07	0.77	(0.46)	(5.84)	41.85
Benefits Paid	(0.52)	(1.16)	(14.31)	(15.30)	(53.55)	(51.01)
Assets acquired on Acquisition / (settled on Divestiture)	-	-	(0.08)	0.02	-	-
Translation exchange difference	-	-	-	-	(25.44)	123.66
<b>Closing Fair value of plan assets</b>	<b>3.81</b>	<b>5.14</b>	<b>154.84</b>	<b>147.66</b>	<b>1703.99</b>	<b>1760.49</b>

### Expense recognised in the statement of profit and loss for the year:

	Rs. in Crores									
	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Current Service Cost	-	-	10.98	10.14	1.74	1.94	3.95	6.12	-	-
Past Service Cost	-	-	0.02	-	-	-	-	-	-	-
Interest cost on defined benefit obligation (net)	0.11	0.09	(0.17)	0.65	4.33	4.20	6.90	6.48	(4.05)	(7.88)
<b>Total recognised in the statement of profit and loss</b>	<b>0.11</b>	<b>0.09</b>	<b>10.83</b>	<b>10.79</b>	<b>6.07</b>	<b>6.14</b>	<b>10.85</b>	<b>12.60</b>	<b>(4.05)</b>	<b>(7.88)</b>

### Amounts recognised in Other Comprehensive Income for the year:

	Rs. in Crores									
	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Actuarial changes arising from change in demographic assumption	0.02	-	(2.58)	-	-	-	-	-	-	42.82
Actuarial changes arising from changes in financial assumption	(0.10)	0.02	(4.85)	0.10	(4.25)	0.62	(5.63)	0.12	(70.12)	119.70
Actuarial changes arising from changes in experience assumption	(0.25)	(0.25)	5.61	(6.95)	(10.00)	(2.64)	(1.42)	1.45	40.07	24.33
Return on plan asset excluding interest Income	(0.46)	(0.07)	(0.77)	0.46	-	-	-	-	5.84	(41.85)
Adjustment to recognise the effect of asset ceiling	(0.28)	0.01	(0.04)	0.04	-	-	-	-	-	-
<b>Total (gain) / loss recognised in Other Comprehensive Income</b>	<b>(1.07)</b>	<b>(0.29)</b>	<b>(2.63)</b>	<b>(6.35)</b>	<b>(14.25)</b>	<b>(2.02)</b>	<b>(7.05)</b>	<b>1.57</b>	<b>(24.21)</b>	<b>145.00</b>

## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

## Principal Actuarial assumptions used:

India	2022	2021
Discount rates	5.66%/6.60%/6.95%/7.10%	6.40%/6.45%/6.50%/6.85%
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	2022	2021
Discount rate	2.70%	2.05%
Inflation assumptions		
- RPI	3.90%	3.30%
Rate of increase in pensions in payment	3.95%	3.55%
Rate of increase in pensions in deferment	3.90%	3.30%
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, 2022 is as below:

	India				Overseas
	Pension	Gratuity	Medical	Others	Pension
Impact of increase in 50 basis point in discount rate on Defined Benefit Obligation	(0.09)	(5.76)	(3.86)	(4.61)	(100.29)
Impact of decrease in 50 basis point in discount rate on Defined Benefit Obligation	0.09	6.17	4.33	4.99	111.22
Impact of increase in 50 basis point in salary escalation rate on Defined Benefit Obligation	-	6.12	-	-	-
Impact of decrease in 50 basis point in salary escalation rate on Defined Benefit Obligation	-	(5.77)	-	-	-
Impact of increase in 100 basis point in health care costs on Defined Benefit Obligation	-	-	8.94	0.11	-
Impact of decrease in 100 basis point in health care costs on Defined Benefit Obligation	-	-	(7.26)	(0.09)	-
Impact of increase in 50 basis point in RPI inflation rate on Defined Benefit Obligation	-	-	-	-	38.73
Impact of decrease in 50 basis point in RPI Inflation Rate on Defined Benefit Obligation	-	-	-	-	(36.74)
Impact of increase in 100 basis point in pension rate on Defined Benefit Obligation	0.07	-	-	2.68	-
Impact of decrease in 100 basis point in pension rate on Defined Benefit Obligation	(0.06)	-	-	(2.59)	-
Impact of increase in 1 year in Life Expectancy on Defined Benefit Obligation	0.15	-	3.14	4.38	63.55
Impact of decrease in 1 year in Life Expectancy on Defined Benefit Obligation	(0.15)	-	(3.17)	(4.37)	(62.56)

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.



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### Major Categories of Plan Assets:

	Rs. in Crores					
	India				Overseas	
	Pension		Gratuity		Pension	
	2022	2021	2022	2021	2022	2021
Govt of India Securities	-	0.10	-	-	-	-
Insurance managed Funds	3.67	4.90	154.61	147.31	-	-
Equities	-	-	-	-	146.96	208.62
Liability Driven Investments (LDI)	-	-	-	-	714.96	603.68
Multi asset credit	-	-	-	-	226.40	259.01
Diversified growth funds	-	-	-	-	118.17	148.15
Secured income	-	-	-	-	-	156.21
Corporate bonds	-	-	-	-	469.69	366.85
Cash & Insurance policies	-	-	-	-	27.81	17.97
Others	0.14	0.14	0.23	0.35	-	-
<b>Total</b>	<b>3.81</b>	<b>5.14</b>	<b>154.84</b>	<b>147.66</b>	<b>1703.99</b>	<b>1760.49</b>

### 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, 2022 and March 31, 2021, 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 – Employees Benefits. 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 95%.

- **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 95% 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.



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### Asset-liability matching strategies used by the overseas scheme

The Scheme's stated investment strategy includes holding a benchmark allocation of 43% to liability-driven investments which involves hedging the Scheme's exposure to changes in interest rates and inflation through the use of liability driven investments (LDI) which typically involves swaps and derivatives. The benchmark allocation also includes a 13% benchmark exposure to multi-asset credit and a 28% benchmark holding in corporate bonds. The remaining portfolio is invested across a diversified range of growth assets which include equities and diversified growth funds.

### Expected contributions over the next financial year:

The Group expect to contribute approximately Rs 8.84 Crores to the scheme in the year ending March 31, 2023.

### Maturity Profile of defined benefit obligation (undiscounted basis):

	Rs. in Crores									
	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Within next 12 months	1.64	2.33	23.10	18.89	2.23	2.24	6.70	6.73	67.52	60.48
Between 2 and 5 years	2.56	3.23	56.01	49.72	9.76	9.83	30.30	29.16	233.36	224.75
Between 6 and 9 years	1.22	2.05	57.93	54.64	11.09	11.08	33.34	32.66	267.12	258.01
10 years and above	1.63	1.99	168.82	176.01	92.75	71.49	161.41	157.26	1689.09	1650.82

### 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, 2022 was Rs 3.43 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 4.75% p.a. and in the UK of 6.0% p.a. The liability recognised in the balance sheet as at March 31, 2022 was Rs 6.49 Crores (Rs 6.63 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	
	2022	2021
Plan Assets as at year end	303.28	258.54
Present value of Funded Obligation at period end	303.28	263.98
Amount recognised in the Balance Sheet	-	(5.44)

### Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	2022	2021
Guaranteed Rate of Return	8.10%	8.50%
Discount Rate for remaining term to Maturity of Investment	6.30%/6.80%	6.50%/6.55%
Expected Rate of Return on Investment	8.42%/8.47%	8.35%/8.50%



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### 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 Business and International Business.

Description of each segment is as follows:

##### i) Branded Business -

India Business: Sale of branded tea, coffee & water and sale of food products in various value added forms

International Business: Sale of branded tea, coffee & water and sale of food products 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	
	2022	2021
<b>Branded Business</b>		
India Business	7913.54	7003.24
International Business	3335.66	3508.43
<b>Total Branded</b>	<b>11249.20</b>	<b>10511.67</b>
<b>Non Branded Business</b>	1214.44	1122.17
<b>Total Segments Revenue</b>	<b>12463.64</b>	<b>11633.84</b>
Others	13.78	13.45
Less: Inter-Segment Revenue	(52.05)	(45.26)
<b>Revenue from External Customer</b>	<b>12425.37</b>	<b>11602.03</b>

##### b) Segment Results

	Rs. in Crores	
	2022	2021
<b>Branded Business</b>		
India Business	1011.67	875.53
International Business	478.37	467.32
<b>Total Branded</b>	<b>1490.04</b>	<b>1342.85</b>
<b>Non Branded Business</b>	92.65	90.89
<b>Total Segment Results</b>	<b>1582.69</b>	<b>1433.74</b>
<b>Add/Less:</b>		
Other Income*	109.94	95.82
Finance Cost	(72.78)	(68.69)
Unallocable items	(111.80)	(119.16)
Exceptional Items	(52.06)	(30.65)
<b>Profit before Income Tax</b>	<b>1455.99</b>	<b>1311.06</b>

\* excluding amounts considered within segment results.

## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

## c) Segment Assets and Liabilities

	Rs in Crores	
	2022	2021
<b>Segment Assets</b>		
<b>Branded Business</b>		
India Business	9099.75	8754.30
International Business	5384.58	5206.59
<b>Total Branded Business</b>	<b>14484.33</b>	<b>13960.89</b>
<b>Non Branded Business</b>	<b>1752.27</b>	<b>1577.24</b>
<b>Total Segment</b>	<b>16236.60</b>	<b>15538.13</b>
Unallocable Corporate Assets	4880.99	4717.74
<b>Total Assets</b>	<b>21117.59</b>	<b>20255.87</b>

	Rs in Crores	
	2022	2021
<b>Segment Liabilities</b>		
<b>Branded Business</b>		
India Business	1756.03	1611.70
International Business	785.88	748.17
<b>Total Branded Business</b>	<b>2541.91</b>	<b>2359.87</b>
<b>Non Branded Business</b>	<b>178.91</b>	<b>174.35</b>
<b>Total Segment</b>	<b>2720.82</b>	<b>2534.22</b>
Unallocable Corporate Liabilities	2103.21	2094.61
<b>Total Liabilities</b>	<b>4824.03</b>	<b>4628.83</b>

## d) Addition to non-current assets

	Rs in Crores	
	2022	2021
<b>Branded Business</b>		
India Business	532.74	597.44
International Business	122.53	43.68
<b>Total Branded Business</b>	<b>655.28</b>	<b>641.12</b>
<b>Non Branded Business</b>	<b>111.25</b>	<b>37.02</b>
<b>Total Segments</b>	<b>766.53</b>	<b>678.14</b>

Non-current assets do not include financial instruments, deferred tax assets, post-employment benefit assets.

## e) Depreciation and Amortisation Expense

	Rs in Crores	
	2022	2021
<b>Branded Business</b>		
India Business	155.18	122.74
International Business	68.01	79.01
<b>Total Branded Business</b>	<b>223.19</b>	<b>201.75</b>
<b>Non Branded Business</b>	<b>54.82</b>	<b>52.99</b>
<b>Total Segments</b>	<b>278.01</b>	<b>254.74</b>



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### C. Additional information by Geographies

	Rs. in Crores	
<b>Revenue by Geographical Market</b>	<b>2022</b>	<b>2021</b>
India	8711.70	7782.63
USA	1638.01	1806.46
United Kingdom	1232.44	1206.31
Rest of the World	843.22	806.63
<b>Revenue from External Customer</b>	<b>12425.37</b>	<b>11602.03</b>

	Rs. in Crores	
<b>No-current Assets</b>	<b>2022</b>	<b>2021</b>
India	8156.82	7560.65
USA	1681.11	1642.15
United Kingdom	1933.71	1870.62
Rest of the World	1143.44	1139.34
<b>Total Non Current Assets</b>	<b>12915.08</b>	<b>12212.76</b>

#### 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) 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 prior year has been restated as per the requirements of Ind AS 108 – Operating Segments.
- c) Pricing of inter segment transfers are based on benchmark market prices.



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### 39. RELATED PARTY TRANSACTION

- a) **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

#### Key Managerial Personnel

Mr. Sunil D'Souza - Managing Director and CEO

Mr. L Krishna Kumar - Executive Director and Group CFO

#### 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 Limited

Tata AIA Life Insurance Co Limited

Taj Air Limited

Infiniti Retail Limited

Tata International Limited

Tata International Singapore PTE Limited

Tata International Vietnam Company Limited

Tata Elxsi Limited

Ewart Investments Limited

Tata Uganda Limited

Tata Industries Limited

Tata Capital Financial Services Limited

Tata Communications Limited

Tata Teleservices Limited

Tata Teleservices Maharashtra Ltd

Super Market Grocery Supplies Pvt Ltd (w.e.f May 27, 2021)

Tata Limited

Tata Realty Infrastructure Limited

Tata Digital Limited

Innovative Retail Concepts Private Limited (w.e.f May 27, 2021)

Tata 1MG Healthcare Solutions Limited (w.e.f June 09, 2021)

#### 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 the Consolidated Financial Statements for the year ended March 31, 2022

### b) Particulars of transactions during the year ended March 31, 2022:

	Rs in Crores	
	2022	2021
<b>Sale of Goods and Services</b>		
- Joint Ventures	24.42	21.99
- Associates	2.99	6.57
- Subsidiaries and Joint Ventures of Promoter	159.92	0.32
<b>Other Operating Income</b>		
- Joint Ventures	19.08	10.26
- Associates	3.60	3.25
<b>Purchase of Goods &amp; Services</b>		
- Joint Ventures	0.60	204.01
- Associates	214.33	224.37
- Subsidiaries and Joint Ventures of Promoter	49.85	32.22
<b>Rent Paid</b>		
- Associates	2.18	2.72
<b>Other Expenses (Net)</b>		
- Joint Ventures	-	0.96
- Associates	6.80	3.01
- Promoter	30.36	27.49
- Subsidiaries and Joint Ventures of Promoter	98.26	79.02
<b>Directors Remuneration *</b>	14.07	13.25
<b>Dividend Paid</b>		
- Promoter	109.58	73.05
- Subsidiaries and Joint Ventures of Promoter	20.68	13.18
<b>Dividend/Interest Received</b>		
- Joint Ventures	10.76	2.73
- Associates	2.15	2.04
- Promoter	1.76	1.76
- Subsidiaries and Joint Ventures of Promoter	4.42	2.90
<b>Reimbursement of Expenditure/(Income)</b>		
- Joint Ventures	(1.82)	(0.26)
- Associates	(3.16)	(3.57)
- Promoter	0.17	0.14
<b>Intercorporate Loan/ Deposits Given</b>		
- Associates	-	3.00
- Subsidiaries and Joint Ventures of Promoter	190.00	70.00
<b>Deposit redeemed</b>		
- Subsidiaries and Joint Ventures of Promoter	190.00	-
- Associates	3.50	-
<b>Investments Made</b>		
- Joint Ventures	86.00	112.32
- Associates	150.00	-
<b>Investments Purchase</b>		
- Subsidiaries and Joint Ventures of Promoter	488.34	-
<b>Contribution to Funds - Employee Benefit Plans</b>	34.50	43.74

\* 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.

## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

## c) Details of material transactions (i.e. exceeding 10% in of total transaction values in respective category) with related party:

	Rs. in Crores	
	2022	2021
<b>Sale of Goods and Services</b>		
- Joint Ventures		
Tata Starbucks Pvt. Ltd.	23.86	14.62
Southern Tea LLC.	-	6.32
- Associates		
Amalgamated Plantations Pvt Limited.	2.55	4.34
- Subsidiaries and Joint Ventures of Promoter		
Supermarket Grocery Supplies Private Limited	58.64	-
Innovative Retail Concepts Private Limited	100.75	-
<b>Other Operating Income</b>		
- Joint Ventures		
Tata Starbucks Pvt. Ltd.	19.08	10.26
- Associates		
Kanan Devan Hills Plantation Company Pvt. Ltd.	3.60	3.25
<b>Purchase of Goods &amp; Services</b>		
- Joint Ventures		
Southern Tea LLC.	-	201.11
- Associates		
Amalgamated Plantations Pvt Ltd.	128.97	128.65
Kanan Devan Hills Plantation Company Pvt. Ltd.	85.36	95.72
<b>Rent Paid</b>		
- Associates		
Amalgamated Plantations Pvt Ltd.	1.38	1.58
Kanan Devan Hills Plantation Company Pvt. Ltd.	0.80	1.14
<b>Other Expenses (Net)</b>		
- Promoter - Tata Sons Private Limited	30.36	27.49
- Subsidiaries and Joint Ventures of Promoter		
Tata Consultancy Services Limited	46.09	40.00
Tata AIG General Insurance Limited	30.71	20.57
<b>Dividend Paid</b>		
- Promoter - Tata Sons Private Limited	109.58	73.05
- Subsidiaries and Joint Ventures of Promoter		
Tata Investment Corporation Limited	17.93	11.95
<b>Dividend/Interest Received</b>		
- Promoter - Tata Sons Private Limited	1.76	1.76
- Subsidiaries and Joint Ventures of Promoter		
Tata Housing Development Company Limited	0.24	2.13



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

	Rs. in Crores	
	<b>2022</b>	<b>2021</b>
<b>- Joint Ventures</b>		
Joekels Tea Packers (Proprietary) Limited	10.76	2.73
<b>- Associates</b>		
Kanan Devan Hills Plantation Company Pvt. Ltd.	2.15	2.04
<b>Reimbursement of Expenditure/(Income)</b>		
<b>- Associates</b>		
Amalgamated Plantations Pvt Ltd.	(1.34)	(1.72)
Kanan Devan Hills Plantations Company Pvt. Ltd.	(1.82)	(1.85)
<b>Intercorporate Loan/ Deposits Given</b>		
<b>- Subsidiaries and Joint Ventures of Promoter</b>		
Infiniti Retail Limited	190.00	-
Tata Housing Development Company Limited	-	30.00
Tata International Limited	-	40.00
<b>Deposit redeemed</b>		
<b>- Subsidiaries and Joint Ventures of Promoter</b>		
Infiniti Retail Limited	120.00	
Tata Housing Development Company Limited	30.00	-
Tata International Limited	40.00	-
<b>Investments Made</b>		
<b>- Joint Ventures</b>		
Southern Tea LLC.	-	14.82
Tata Starbucks Pvt. Ltd.	86.00	97.50
<b>- Associate</b>		
Amalgamated Plantations Pvt Ltd.	150.00	-
<b>Investments Purchase</b>		
<b>- Subsidiaries and Joint Ventures of Promoter</b>		
Tata Realty Infrastructure Limited	47.13	-
Tata Limited	46.21	-
Tata industries Limited	395.00	-
<b>Contribution to Funds - Employee Benefit Plans</b>		
Tata Tea Limited Calcutta Provident Fund	19.83	17.32
Tata Coffee Limited Employees Gratuity Fund	4.24	4.36
Tata Tea Limited Management Staff Gratuity Fund	1.55	11.15
Tata Tea Limited Gratuity Fund	4.76	4.66



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### d) Balance Outstanding as at March 31, 2022

	Rs in Crores	
	2022	2021
<b>Debit</b>		
- Joint Ventures	10.36	5.70
- Associates	11.81	17.45
- Subsidiaries and Joint Ventures of Promoter	104.80	81.25
<b>Credit</b>		
- Joint Ventures	0.64	3.08
- Associates	5.11	1.14
- Promoter	33.30	26.90
- Subsidiaries and Joint Ventures of Promoter	12.87	14.08
- Employee Benefit plans	6.58	13.13

## 40. BUSINESS COMBINATION

### (i) Acquisition of Tata Smartfoodz Limited

The Parent Company acquired 100% equity of Tata Smartfoodz Limited, pursuant to a share purchase agreement dated November 16, 2021 for a cash consideration of Rs 395.00 Crores. The acquisition will add Ready-to-Eat packaged food products in the Group's portfolio and a manufacturing facility which can cater to expansion in the Group's product portfolio.

#### Assets acquired and liabilities assumed are as follows:

	Rs in Crores
Property, Plant & Equipment	250.94
Right of Use Assets	22.00
Other Intangible Assets	1.02
Product Recipe	20.40
Other Operating Assets	70.71
<b>Total Assets</b>	<b>365.07</b>
Operating Liabilities	40.21
Borrowings	24.56
Deferred Tax Liabilities	12.64
<b>Liabilities</b>	<b>77.41</b>
<b>Total Identified Net Assets at Fair Value</b>	<b>287.66</b>
Goodwill	107.34
<b>Fair Value of Consideration</b>	<b>395.00</b>

Goodwill on the above transaction reflects growth opportunities, synergy benefits, contracts, etc. The goodwill and other intangible assets recognised are not depreciable for income tax purposes.

#### Impact of above acquisition on the results

The acquired business contributed revenue of Rs 5.58 Crores and loss before tax of Rs 22.07 Crores. Acquisition related costs amounting to Rs 1.20 Crores are reported under exceptional item in the Statement of Profit and Loss.



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### (ii) Acquisition of TRIL Constructions Limited

The Parent Company acquired control of TRIL Constructions Limited, consequent to a restated shareholder agreement which converted the associate into a subsidiary with effect from November 17, 2021. The total shareholding of the Parent Company, on a fully diluted basis, is 80.46%. Based on the Share Purchase Agreement, the Parent Company has acquired Preference Shares of Rs 47.13 Crores from Tata Reality Infrastructure Limited and additionally infused Rs 24.87 Crores in the preference shares of TRIL Constructions Limited. Total purchase consideration including the carrying value of existing holding is Rs 135.47 Crores.

As per requirement of IND AS 103 – Business Combination, the acquisition has been treated as an asset purchase as the acquired group of assets/liabilities does not constitute a business. The purchase consideration has been allocated to assets and liabilities acquired based on their respective fair values. Consequently, assets and liabilities amounting to Rs 242.73 Crores and Rs 73.87 Crores respectively and non-controlling Interest of Rs 33.39 Crores have been recognised in the Consolidated Financial Statements.

41. i) The Board of Directors of the Parent Company in its meeting held on March 29, 2022, has approved the composite scheme of arrangement (the scheme), amongst the Parent Company and its subsidiaries, Tata Coffee Limited (TCL) and TCPL Beverages & Foods Limited (TBFL), in terms of Section 230-232 and other applicable provisions of Companies Act, 2013.

The Scheme inter alia provides for the demerger of the Plantation Business (as defined in the Scheme) of TCL into TBFL and as consideration, issue equity shares of the Parent Company to all the shareholders of TCL (other than to itself) in accordance with the Share Entitlement Ratio mentioned in the Scheme. This would be followed immediately by the amalgamation of the TCL comprising of the Remaining Business (as defined in the Scheme) with the Parent Company and as consideration, issue equity shares of the Parent Company to all the shareholders of TCL (other than to itself) in accordance with the Share Exchange Ratio mentioned in the Scheme.

The Scheme would become effective after receipt of all requisite approvals as mentioned in the Scheme. Pending receipt of necessary approvals, no effect of the Scheme has been given in the financial results for the year ended March 31, 2022.

- ii) The Board of Directors of the Parent Company in its meeting held on March 29, 2022 has also approved acquisition of additional 10.15% stake in Tata Consumer Products UK Group Limited, an overseas subsidiary, through an issue of equity shares of the Parent Company on a preferential basis, as consideration for the acquisition. Post completion of this acquisition, after requisite approvals, Tata Consumer Products UK Group Limited will become a wholly owned subsidiary of the Parent Company.

## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

### 42. ADDITIONAL REGULATORY INFORMATION

#### i) Financial Ratios

Ratio	Numerator	Denominator	2022	2021	Change
(a) Current Ratio	Current Assets	Current Liabilities	2.25	2.28	-1%
(b) Debt-Equity Ratio	Total Debt (Note 1)	Total Equity	0.09	0.10	14%
(c) Debt service coverage ratio	Earnings available for debt service	Debt Service (Note 2)	2.37	7.14	-67% *
(d) Return on equity ratio	Profit for the year	Average Total Equity	6.36%	6.09%	27bps
(e) Inventory turnover ratio	Revenue from Operations	Average Inventory	5.50	5.86	-6%
(f) Trade receivables turnover ratio	Revenue from Operations	Average Trade Receivable	15.57	13.78	13%
(g) Trade payables turnover ratio	Purchases and Other Services	Average Trade Payables	5.46	7.50	27% **
(h) Net capital turnover ratio	Revenue from Operations	Working Capital	3.14	2.93	7%
(i) Net Profit ratio	Profit for the year	Revenue from Operations	8.17%	8.02%	15bps
(j) Return on capital employed	EBIT (Note 3)	Capital Employed (Note 4)	32.82%	34.68%	(186)bps
(k) Return on investment	Earnings from invested funds	Average invested funds in treasury investments	3.12%	2.97%	15bps

\* Higher repayment of loan in the current year

\*\* Higher efficiency due to working capital optimisation

Note 1: Debt includes lease liability

Note 2: Debt service = Interest and Lease payments + Principal Repayments

Note 3: EBIT = Profit before exceptional items + Finance costs - Interest and Investment income

Note 4: Capital Employed = Net Tangible Assets + Total Debt + Deferred Tax Liabilities

#### ii) Relationship with Struck off Companies

The Group does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, during the current year and in the previous year.



## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

## 43. 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)
	<b>Parent</b>								
	Tata Consumer Products Limited	77.68%	11761.91	94.65%	885.75	48.90%	24.83	92.30%	910.58
	<b>Subsidiaries</b>								
	<b>Indian</b>								
1	Tata Coffee Ltd.	7.69%	1164.48	10.88%	101.84	-1.36%	(0.69)	10.25%	101.15
2	NourishCo Beverages Ltd.	0.43%	64.43	2.78%	26.01	-0.10%	(0.05)	2.63%	25.96
3	Tata Consumer Soufull Private Ltd.	0.08%	11.51	-2.64%	(24.75)	0.69%	0.35	-2.47%	(24.40)
4	Tata Smartfoodz Ltd. (w.e.f. November 16, 2021)	1.75%	264.75	-2.36%	(22.07)	-0.22%	(0.11)	-2.25%	(22.18)
5	TCPL Beverages & Foods Ltd. (w.e.f. February 25, 2022)	0.05%	7.31	-0.02%	(0.24)	-	-	-0.02%	(0.24)
6	TRIL Constructions Ltd. (w.e.f. November 17, 2021)	0.96%	145.82	-0.13%	(1.26)	-	-	-0.13%	(1.26)
7	Tata Tea Holdings Private Ltd.	0.00%	(0.02)	0.00%	(0.00)	-	-	0.00%	(0.00)
	<b>Foreign</b>								
1	Consolidated Coffee Inc. (Consolidated Financials)	6.71%	1016.20	18.34%	171.63	-12.74%	(6.47)	16.74%	165.16
2	Tata Coffee Vietnam Company Ltd.	0.61%	91.64	0.51%	4.77	21.96%	11.15	0.02	15.92
3	Tata Tea Extractions Inc.	2.71%	410.51	3.45%	32.33	-	-	3.28%	32.33
4	Tata Consumer Products Capital Ltd	5.91%	894.76	5.48%	51.24	-	-	5.19%	51.24
5	Tata Consumer Products UK Group Ltd.	39.27%	5946.83	2.33%	21.79	-	-	2.21%	21.79
6	Tata Global Beverages Holdings Ltd.	-	-	-	-	-	-	-	-
7	Tata Global Beverages Services Ltd.	-	-	-	-	-	-	-	-
8	Tata Consumer Products GB Ltd.	16.37%	2479.47	16.22%	151.77	30.88%	15.68	16.97%	167.45
9	Tata Consumer Products Overseas Holdings Ltd.	-0.79%	(119.02)	3.14%	29.39	-	-	2.98%	29.39
10	Tata Global Beverages Overseas Ltd.	0.00%	0.00	0.02	19.62	-	-	0.02	19.62
11	Lyons Tetley Ltd. (Dormant)	0.00%	0.20	-	-	-	-	-	-
12	Drassington Ltd. (Dormant)	-	-	-	-	-	-	-	-
13	Teapigs Ltd.	0.65%	98.18	1.12%	10.51	-	-	1.07%	10.51
14	Teapigs US LLC	-0.05%	(7.93)	-0.01%	(0.12)	-	-	-0.01%	(0.12)
15	Tata Waters LLC	-0.03%	(4.24)	-0.03%	(0.24)	-	-	(0.00)	(0.24)
16	Stansond Ltd. (Dormant)	0.00%	0.05	-	-	-	-	-	-
17	Stansond (Brokers) Ltd. (Dormant)	0.00%	0.31	-	-	-	-	-	-
18	Stansond (Africa) Ltd. (Dormant)	0.14%	21.89	0.18%	1.65	-	-	0.17%	1.65
19	Stansond (Central Africa) Ltd.	0.03%	4.38	0.08%	0.78	-	-	0.08%	0.78
20	Tata Consumer Products Polska sp.zo.o	0.08%	12.04	0.16%	1.48	-	-	0.15%	1.48
21	Tata Consumer Products US Holdings Inc.	-0.87%	(132.34)	-60.83%	(569.25) *	-	-	-57.70%	(569.25)

## NOTES

to the Consolidated Financial Statements for the year ended March 31, 2022

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)
22	Tetley USA Inc.	1.76%	266.56	-0.57%	(5.38)	-	-	-0.55%	(5.38)
23	Good Earth Corporation.	-0.07%	(10.19)	-0.02%	(0.20)	-	-	-0.02%	(0.20)
24	Good Earth Teas Inc.	-0.64%	(97.27)	-1.66%	(15.54)	-	-	-1.58%	(15.54)
25	Tata Consumer Products Canada Inc.	0.08%	12.08	0.84%	7.85	-	-	0.80%	7.85
26	Tata Consumer Products Australia Pty Ltd.	0.18%	27.48	0.37%	3.46	-	-	0.35%	3.46
27	Earth Rules Pty Ltd.	0.00%	0.00	-0.04%	(0.36)	-	-	-0.04%	(0.36)
28	Tata Global Beverages Investments Ltd. (Dormant)	-	-	-	-	-	-	-	-
29	Campestres Holdings Ltd.	-	-	-	-	-	-	-	-
30	Kahutara Holdings Ltd.	-	-	-	-	-	-	-	-
31	Suntyco Holding Ltd.	-	-	-	-	-	-	-	-
32	Onomento Co Ltd.	0.07%	10.49	-0.51%	(4.73)	-	-	-0.48%	(4.73)
	Non-controlling interest in all Subsidiaries	-7.61%	(1151.62)	-8.48%	(79.38)	-	(8.46)	-8.90%	(87.84)
	<b>Associates</b>								
	<b>Indian</b>								
1	Amalgamated Plantations Pvt. Ltd.	0.10%	15.75	-2.86%	(26.72)	3.43%	1.74	-2.53%	(24.98)
2	Kanan Devan Hills Plantations Co. Pvt. Ltd.	0.21%	31.34	0.11%	0.99	1.36%	0.69	0.17%	1.68
3	TRIL Constructions Ltd. (upto November 16, 2021)	-	-	-0.06%	(0.52)	-	-	-0.05%	(0.52)
	<b>Joint Ventures</b>								
	<b>Indian</b>								
1	Tata Starbucks Private Ltd.	1.23%	186.30	-5.07%	(47.42)	-0.69%	(0.35)	-4.84%	(47.77)
	<b>Foreign</b>								
1	Joekels Tea Packers (Proprietary) Ltd.	0.17%	25.58	1.22%	11.39	-	-	1.15%	11.39
2	Tetley ACI (Bangladesh) Ltd.	-0.02%	(2.44)	-0.16%	(1.49)	-	-	-0.15%	(1.49)
3	Tetley Clover (Pvt) Ltd. (under liquidation)	0.00%	0.08	0.00%	-	-	-	0.00%	0.00
	Consolidation eliminations/adjustments	-54.85%	(8305.32)	21.50%	201.20	24.56%	12.47	21.66%	213.67
	<b>TOTAL</b>	<b>100%</b>	<b>15141.94</b>	<b>100%</b>	<b>935.78</b>	<b>100%</b>	<b>50.78</b>	<b>100%</b>	<b>986.56</b>

\* Include non-cash adjustments which are eliminated through 'Consolidation eliminations/adjustments' and has no impact on these consolidated financial statements.

44. 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

## 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 financial year (Refer Note 3)	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding (Refer Note 2)	Average yearly rates for P&L items translation
				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 in Crores	%	Rs
1	Tata Consumer Products UK Group Ltd.	03.09.1999	GBP	99.30	2334.29	3612.51	7029.47	1082.67	5040.23	-	27.21	(4.67)	22.54	-	89.85	101.57
2	Tata Global Beverages Holdings Ltd. (Dormant)	10.03.2000	GBP	99.30	-	-	-	-	-	-	-	-	-	-	100.00	101.57
3	Tata Global Beverages Services Ltd. (Dormant)	10.03.2000	GBP	99.30	-	-	-	-	-	-	-	-	-	-	100.00	101.57
4	Tata Consumer Products GB Ltd.	10.03.2000	GBP	99.30	0.00	2479.51	2993.00	513.49	9.93	1338.74	191.65	(39.30)	152.35	-	100.00	101.57
5	Tata Consumer Products Overseas Holdings Ltd.	10.03.2000	GBP	99.30	-	(119.00)	636.48	755.48	130.44	0.00	28.80	0.51	29.31	-	100.00	101.57
6	Tata Global Beverages Overseas Ltd. (Dormant)	10.03.2000	GBP	99.30	-	0.00	0.00	0.00	-	-	19.80	-	19.80	-	100.00	101.57
7	Lyons Tetley Limited (Dormant)	10.03.2000	GBP	99.30	0.20	0.00	0.20	0.00	-	-	-	-	-	-	100.00	101.57
8	Drassington Ltd. (Dormant)	31.10.2003	GBP	99.30	19.42	(19.42)	-	-	-	-	-	-	-	-	100.00	101.57
9	Teapigs Ltd.	15.04.2005	GBP	99.30	9.93	87.95	139.96	42.08	-	142.63	12.62	(2.38)	10.24	-	100.00	101.57
10	Teapigs US LLC	27.08.2013	USD	75.79	0.00	(7.93)	14.80	22.73	-	27.53	(0.13)	-	(0.13)	-	100.00	74.15
11	Stansand Ltd. (Dormant)	10.03.2000	GBP	99.30	0.05	0.00	0.05	0.00	-	-	-	-	-	-	100.00	101.57
12	Stansand Brokers Ltd. (Dormant)	10.03.2000	GBP	99.30	0.31	0.00	0.31	0.00	-	-	-	-	-	-	100.00	101.57
13	Stansand (Africa) Ltd.	10.03.2000	KES	0.66	0.03	2.181	28.42	6.58	-	113.59	2.49	(0.85)	1.64	-	100.00	0.67
14	Stansand (Central Africa) Ltd.	10.03.2000	MWK	0.09	0.00	3.22	7.09	3.87	-	49.99	1.58	(0.47)	1.11	-	100.00	0.09
15	Tata Consumer Products Polska.sp.zoo	10.03.2000	PLN	18.04	133.25	(120.81)	28.04	15.60	-	45.37	1.54	(0.32)	1.22	-	100.00	18.82
16	Tata Consumer Products US Holdings Inc. (Refer Note 5)	10.03.2000	USD	75.79	507.80	(640.14)	205.39	337.73	198.64	-	(560.34)	-	(560.34)	-	100.00	74.15
17	Tetley USA Inc.	10.03.2000	USD	75.79	1034.53	(767.99)	313.31	46.77	-	115.03	(5.44)	-	(5.44)	-	100.00	74.15
18	Tata Waters LLC	18.08.2016	USD	75.79	-	(4.24)	0.74	4.98	-	0.88	(0.24)	-	(0.24)	-	100.00	74.15
19	Good Earth Corporation	13.10.2005	USD	75.79	-	(10.19)	0.22	10.41	-	-	(0.20)	-	(0.20)	-	100.00	74.15
20	Good Earth Texas Inc.	13.10.2005	USD	75.79	137.10	(234.37)	44.54	141.81	-	51.71	(15.51)	-	(15.51)	-	100.00	74.15
21	Tata Consumer Products Canada Inc.	10.03.2000	CAD	60.44	9.07	2.07	128.40	117.26	-	366.65	10.82	(2.89)	7.93	-	100.00	59.17

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 before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding (Refer Note 2)	Average yearly rates for P&L items translation
					Rs 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 Australia Pty. Ltd.	10.03.2000	AUD	56.68	66.88	(38.23)	65.33	36.68	-	127.13	5.41	(1.87)	3.54	-	100.00	54.79
23	Earth Rules Pty. Ltd.	30.04.2015	AUD	56.68	160.05	(160.05)	0.00	0.00	-	0.00	(0.36)	-	(0.36)	-	100.00	54.79
24	Tata Global Beverages Investment Ltd. (Dormant)	12.09.2006	GBP	99.30	-	-	-	-	-	-	-	-	-	-	100.00	101.57
25	Campestres Holdings Ltd.	03.02.2009	USD	75.79	0.02	(0.02)	-	-	-	0.00	0.00	-	0.00	-	100.00	74.15
26	Kahutara Holdings Ltd.	25.03.2009	USD	75.79	0.15	(0.15)	-	-	-	0.00	0.00	-	0.00	-	100.00	74.15
27	Suntycio Holdings Ltd.	01.09.2009	USD	75.79	0.52	(0.52)	-	-	-	0.00	0.00	-	0.00	-	100.00	74.15
28	Ornomento Co Ltd.	01.09.2009	USD	75.79	0.05	10.10	10.65	0.50	-	0.00	(4.58)	(0.29)	(4.87)	-	100.00	74.15
29	Tata Consumer Products Capital Ltd.	12.09.2006	GBP	99.30	899.80	4.97	1675.15	780.38	1653.36	-	46.70	3.68	50.38	-	100.00	101.57
30	Tata Coffee Ltd.	21.11.1990	INR	1.00	18.68	1145.80	1428.23	263.75	287.82	816.89	121.68	(19.84)	101.84	37.35	57.48	1.00
31	Tata Coffee Vietnam Company Ltd.	28.03.2017	USD	75.79	116.71	(21.42)	537.96	442.67	-	260.72	6.49	-	6.49	-	100.00	74.15
32	Consolidated Coffee Inc.	10.07.2006	USD	75.79	453.97	1.16	456.38	1.25	453.97	-	88.98	-	88.98	-	100.00	74.15
33	Eight O'Clock Holdings Inc.	31.07.2006	USD	75.79	453.97	(0.54)	454.29	0.86	453.97	-	88.98	-	88.98	-	100.00	74.15
34	Eight O'Clock Coffee Company	31.07.2006	USD	75.79	453.97	561.60	1982.73	967.16	-	1294.07	229.21	(57.85)	171.36	-	100.00	74.15
35	Tata Tea Extractions Inc.	29.05.1987	USD	75.79	106.10	304.30	449.27	388.7	330.24	117.46	38.42	(6.23)	32.19	-	100.00	74.15
36	NourishCo Beverages Ltd.	18.05.2020	INR	1.00	213.00	(148.57)	114.17	49.74	-	343.94	21.15	4.86	26.01	-	100.00	1.00
37	Tata Consumer Soufull Private Ltd.	17.02.2021	INR	1.00	0.76	10.75	36.38	24.87	-	34.50	(24.75)	-	(24.75)	-	100.00	1.00
38	TCPL Beverages & Foods Ltd.	16.11.2021	INR	1.00	498.08	(233.30)	318.16	53.38	0.16	11.86	(82.87)	-	(82.87)	-	100.00	1.00
39	TCPL Beverages & Foods Ltd. (Refer Note 6)	25.02.2022	INR	1.00	0.05	7.26	7.55	0.24	-	-	(0.24)	-	(0.24)	-	100.00	1.00
40	TRIL Constructions Ltd. (Refer Note 7)	17.11.2021	INR	1.00	36.15	109.67	218.47	72.66	-	-	(2.76)	-	(2.76)	-	80.46*	1.00
41	Tata Tea Holdings Private Ltd.	19.03.2009	INR	1.00	0.05	(0.07)	0.01	0.03	-	-	(0.00)	-	(0.00)	-	100.00	1.00

Note:

- 1 Statutory year ends for all subsidiaries are 31.03.2022.
- 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 annual financial statements prepared under local GAAP.
- 5 Profit before tax include non-cash adjustments which are eliminated at the Group level and has no impact on the consolidated financial statements.
- 6 TCPL Beverages & Foods Ltd. is yet to commence operations.
- 7 TRIL Constructions Ltd. converted to subsidiary w.e.f November 17, 2021.



**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.	Tata Starbucks Private Ltd.
		Associate	Associate	Associate	Joint Venture	Joint Venture	Joint Venture	Joint Venture
<b>1</b>	<b>Latest audited Balance Sheet Date</b>	31.03.2022	31.03.2022	31.03.2022	28.02.2019	30.06.2021	31.03.2022	31.03.2022
<b>2</b>	<b>Date of acquisition/ incorporation</b>	17.04.2009	06.07.2005	17.11.2021	25.07.2003	17.11.2002	04.10.2006	03.01.2012
<b>3</b>	<b>Shares of Associate /Joint Ventures held by the company on the year-end Equity Shares</b>							
i)	Number	61024400	3976563		44000000	3250000	62	472300000
ii)	Amount of Investment in Associates/Joint Venture (Rs. in Crores)	82.08 #	12.33		30.98	27.36	25.95	472.30
iii)	Extent of Holdings	41.03%	28.52%		50%	50%	51.70%	50%
	<b>Preference Shares</b>							
i)	Number	217000000			3000000			
ii)	Amount of Investment in Associates/Joint Venture (Rs. in Crores)	205.73 @			2.59			
<b>4</b>	<b>Description of how there is significant influence</b>	Shareholding	Shareholding		Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement
<b>5</b>	<b>Reason why the associate/joint venture is not consolidated</b>	Not Applicable	Not Applicable		Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>6</b>	<b>Networth attributable to Shareholding as per latest audited Balance Sheet (Rs in Crores)</b>	15.75	31.34		0.07	(1.39)	25.72	186.30
<b>7</b>	<b>Profit / (Loss) for the year*</b>							
i)	Considered in Consolidated** (Rs in Crores)	(26.71)	0.77	(0.52)	-	(1.49)	11.38	(47.42)
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 31.03.2022, for consolidation purposes.

\*\* Represents Group's share of profit/(loss)

# measured as per Ind AS

@ redeemable preference shares, measured as per Ind AS

^ Under liquidation

\$ TRIL Constructions Ltd. converted to subsidiary w.e.f November 17,2021.

For and on behalf of the Board

**N. Chandrasekaran**  
Chairman  
(DIN 00121863)

**K P Krishnan**  
Director  
(DIN 01099097)

**Sunil D'Souza**  
Managing Director & CEO  
(DIN 07194259)

**L. Krishna Kumar**  
Executive Director  
(DIN 00423616)

**John Jacob**  
Chief Financial Officer  
Mumbai, May 4, 2022

**Neelabja Chakrabarty**  
Company Secretary

## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Fifty-Ninth Annual General Meeting of Tata Consumer Products Limited will be held on **Monday, June 27, 2022, at 10:30 a.m. IST** through Video Conferencing or Other Audio-Visual Means, 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, 2022, 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 and its subsidiaries for the financial year ended March 31, 2022, together with the Report of the Auditors thereon.

**3. Declaration of Dividend**

To declare a dividend of ₹ 6.05 per equity share of the face value of ₹ 1 each (605%), of the Company for the financial year ended March 31, 2022.

**4. Appointment of Mr. P. B. Balaji (DIN 02762983) as Director, liable to retire by rotation**

To appoint a Director in place of Mr. P. B. Balaji (DIN 02762983) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment.

**5. Re-appointment of Statutory Auditors for the second term of 5 years**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Audit Committee and the Board of Directors, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm

Registration No. 117366W/W-100018), be and are hereby re-appointed as the Statutory Auditors of the Company, for the second term of 5 years i.e. from the conclusion of this 59<sup>th</sup> Annual General Meeting until the conclusion of 64<sup>th</sup> Annual General Meeting to be held in the year 2027 at a remuneration upto ₹ 3,06,00,000/- (Rupees Three Crores and Six Lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses, for the financial year ended March 31, 2023, and the Board of Directors be and is hereby further authorized to finalize the terms and conditions of re-appointment, including remuneration of the Statutory Auditor for the remaining period, based on the recommendation of the Audit Committee.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”

### SPECIAL BUSINESS:

**6. Ratification of Cost Auditor's Remuneration FY 2022-23**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the remuneration of ₹ 4,40,000/- (Rupees Four lakhs Forty Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses, payable to M/s Shome & Banerjee, Cost Accountants (Firm Registration Number 000001), who are re-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, 2023.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”



## Notice of the Annual General Meeting

**7. Re-Appointment of Mr. Siraj Chaudhry (DIN 00161853) as an Independent Director of the Company for the second term of 5 years**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 (**“the Act”**) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (**“Listing Regulations”**) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the re-appointment of Mr. Siraj Chaudhry (DIN 00161853), who has submitted a declaration confirming that he meets the criteria of independence as provided Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and who is eligible for re-appointment as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, for the second term of five years commencing from July 3, 2022 upto July 2, 2027, be and is hereby approved.

**RESOLVED FURTHER THAT** pursuant to the provisions of sections 149, 197, and other applicable provisions of the Act and the Rules made thereunder, Mr. Siraj Chaudhry shall be entitled to receive the remuneration/ fees/ commission as permitted to be received in a capacity of Non-Executive, Independent Director under the Act and Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”

**8. Appointment of Mr. David Crean (DIN 09584874) as a Non-Executive, Independent Director of the Company**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** Mr. David Crean (DIN 09584874), who was appointed as an Additional Director of the Company with effect from May 4, 2022, by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office as such up to this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (**“the Act”**) and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of Mr. David Crean (DIN 09584874), who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations and who is eligible for appointment, as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from May 4, 2022, up to May 3, 2027, be and is hereby approved.

**RESOLVED FURTHER THAT** pursuant to the provisions of sections 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Mr. David Crean shall be entitled to receive the remuneration/ fees/ commission as permitted to be received in a capacity Non-Executive, Independent Director under the Act and Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time.



## Notice of the Annual General Meeting

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”

**9. Maintaining the Registers and Indexes of Members and copies of Annual Returns at the Registered Office of the Company and/or the Registrar and Transfer Agent of the Company**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of all earlier resolutions passed by the Members in this regard and pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 2013 (**‘the Act’**) and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval of the Members be and is hereby accorded to keep and maintained the registers and other records as required to be maintained by the Company as per Section 88 of the Act and copies of annual returns filed under Section 92 of the Act, together with the copies of certificates and other documents required to be annexed thereto or any other documents as may be required thereunder, at the Registered office of the Company and/or at the office of the TSR Consultants Private Limited (formerly known as TSR Darashaw Consultants Private Limited), Registrar and Transfer Agent of the Company, or such other place where the office of the Registrar and Transfer Agent of the Company is situated from time to time.”

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorized to take all such actions and to do all such acts, deeds, matters, and things as may be considered necessary, desirable, and expedient for giving effect to this resolution.”

### NOTES

1. The Ministry of Corporate Affairs (“MCA”) vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/ 2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, No.02/2021 dated January 13, 2021, 19/2021 dated December 8, 2021, and No. 21/2021 dated December 14, 2021, (collectively referred to as “**MCA Circulars**”) has permitted the holding of the annual general meeting through Video Conferencing (“**VC**”) or through other audio-visual means (“**OAVM**”),

without the physical presence of the Members at a common venue.

In compliance with the provisions of the Companies Act, 2013 (**“the Act”**), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**) and MCA Circulars, the 59<sup>th</sup> Annual General Meeting (**“Meeting”** or **“AGM”**) of the Company is being held through VC / OAVM on Monday, June 27, 2022 at 10:30 a.m. (IST). The proceedings of AGM deemed to be conducted at the Registered Office of the Company situated at 1, Bishop Lefroy Road, Kolkata – 700 020.

2. **PURSUANT TO THE PROVISIONS OF THE ACT, 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, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**

3. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility. Corporate Members/ Institutional Investors (i.e. other than individuals, HUF's, NRI's, etc.) who are intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC or OAVM or to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at [asimsecy@gmail.com](mailto:asimsecy@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). latest by Sunday, June 26, 2022 (upto 5:00 p.m). Corporate Members/ Institutional shareholders (i.e. other than individuals, HUF's, NRI's etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on “Upload Board Resolution/Authority Letter” displayed under “e-Voting” tab in their login.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.



## Notice of the Annual General Meeting

5. As per the provisions of Clause 3.A.II. of the General Circular No. 20/ 2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 6 to 9 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.
6. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 6 to 9 of the Notice along with a statement of setting out material facts concerning the business under Item No. 5 of the Notice is annexed hereto. The relevant details, pursuant to Regulations 36(3) of the Listing Regulations and Secretarial Standards -2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at the AGM are provided as an annexure to the Notice. Requisite declarations have been received from Director/s for seeking appointment/re-appointment.
7. **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.** Pursuant to Regulation 44(6) of Listing Regulations, the Company is also providing live webcast of proceedings of the AGM. The Members will be able to view the proceedings on National Securities Depository Limited's ('NSDL') e-Voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors etc. who are allowed to attend the AGM, without restriction on account of first come first served basis.
8. The Notice convening the AGM has been uploaded on the website of the Company at [www.tataconsumer.com](http://www.tataconsumer.com) and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited at [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and <https://www.cse-india.com> respectively. The AGM Notice is also available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
9. **Book Closure and Dividend:**  
 The Register of Members and the Share Transfer Books of the Company will be closed from **Saturday, June 11, 2022, to Friday, June 17, 2022**, (both days inclusive) for the purpose of this AGM and for determining the entitlement of members to final dividend for the financial year ended March 31, 2022, if approved at the AGM.  
 The dividend of ₹ 6.05 per equity share of ₹ 1 each (605%), if declared at the AGM, will be paid subject to deduction of tax at source ('TDS') on or after June 29, 2022, and before July 27, 2022, as under:
  - (a) To all the Beneficial Owners as at the end of the day on Friday, June 10, 2022, as per the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
  - (b) To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as of the close of business hours on Friday, June 10, 2022.  
 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.
10. According 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 the 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, and Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company by sending documents by **Wednesday, June 8, 2022 (upto 7:00 pm), to enable the Company to determine the appropriate TDS / withholding tax rate applicable.** For the detailed process, please visit the website of the Company <https://www.tataconsumer.com/investors/investor-information/letters-sent-to-shareholders> and also refer our email sent to members on May 13, 2022.

## Notice of the Annual General Meeting

11. Further, to receive the dividend on time, 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 the following documents to our RTA - TSR Consultants Private Limited, latest by **June 8, 2022**:

- a) **Form No. ISR-1** duly filled and signed by the holders stating their name, folio number, complete address with pincode, and following details relating to the bank account in which the dividend is to be received:
  - i) Name of Bank and Bank Branch;
  - ii) Bank Account Number & Type allotted by your bank after implementation of Core Banking Solutions; and
  - iii) 11-digit IFSC Code.
  - iv) 9 digit MICR Code.
- b) Original copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- c) Self-attested copy of the PAN Card; and
- d) Self-attested 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/addition/deletion in such bank details. Accordingly, the Members holding shares in Demat form are requested to update their Electronic Bank Mandate with their respective DPs.

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applied to the dividend paid on shares held in electronic form.

12. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized

form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialised mode. The requests for effecting transfer/transmission/transposition of securities shall not be processed unless the securities are held in the dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Transfer Agent, TSR Consultants Private Limited ("**Registrar**" or "**RTA**" or "**TSR**") at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) for assistance in this regard. Members may also refer to Frequently Asked Questions ("FAQs") on the TSR's website <https://www.tcplindia.co.in/faq.html>.

13. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends for 7 consecutive years are also liable to be transferred to the Demat account of the IEPF Authority. **In view of this, Members/Claimants are requested to claim their unpaid/unclaimed dividends from FY 2014-15 till date, on or before September 5, 2022.** The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 as available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to the corporate governance report which is a part of this Annual Report, and the investor page on the Company's website [www.tataconsumer.com](http://www.tataconsumer.com).

14. Members are requested to intimate changes, if any, about their name, postal address, e-mail address, telephone/mobile numbers, PAN, power of attorney registration, Bank Mandate details, etc., to their Depository Participant ("**DP**") in case the shares are held in electronic form and to the Registrar in case the shares are held in physical form, in prescribed **Form No. ISR-1**, quoting their folio number and enclosing the self-attested supporting document. Further, Members may note that SEBI has mandated the submission of PAN by every participant in the securities market.



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15. As per the provisions of Section 72 of the Act, the facility for making a nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nominations are requested to register the same by submitting **Form No.SH13**. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in **Form SH-14**. Members who are either not desiring to register Nomination or would want to opt out, are requested to fill and submit **Form No. ISR-3**. The said forms can be downloaded from the RTA's website at <https://www.tcplindia.co.in/client-downloads.html>. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the RTA in case the shares are held in physical form, quoting their folio no.
16. The format of the Register of Members prescribed by the MCA 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 dividends, etc. **Form No. ISR-1** for capturing additional details is available on the Company's website. Members holding shares in physical form are requested to submit the filled-in **Form No. ISR-1** to the RTA in physical mode. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or RTA.
17. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, 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. The consolidation will be processed in demat form.
18. During the AGM, Members may access the electronic copy of the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at [AGM2022@tataconsumer.com](mailto:AGM2022@tataconsumer.com), latest by **Saturday, June 25, 2022 (upto 3:00 p.m)**.
19. 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.
20. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.
21. **Process for those shareholders whose e-mail ids are not registered with the Depositories/the Company for procuring user id and passwords and registration of e-mail ids for e-voting for the resolutions set out in this Notice:**
  - (i) **Registration of email addresses with TSR:**

The Company has made special arrangements with TSR and NSDL for the registration of e-mail addresses of those Members (holding shares either in electronic or physical form) who wish to receive this Notice electronically and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company/ DPs are required to provide the same to TSR **on or before 5:00 p.m. IST on Monday, June 20, 2022.**

The process to be followed for registration of e-mail address is as follows:

    - (a) Visit the link: [https://tcpl.linkintime.co.in/EmailReg/Email\\_Register.html](https://tcpl.linkintime.co.in/EmailReg/Email_Register.html)
    - (b) Select the Name of the Company from the dropdown: **Tata Consumer Products Limited**
    - (c) Enter the DP ID & Client ID / Physical Folio Number, Name of the Member and PAN details. Members holding shares in physical form need to additionally enter one of the share certificate(s) number .

## Notice of the Annual General Meeting

- (d) Enter Mobile No and email id and click on Continue button.
- (e) System will send OTP on Mobile and Email Id.
- (f) Upload self-attested copy of PAN card and Address proof viz Aadhar Card, passport or front and back side of share certificate in case of Physical folio.
- (g) Enter the OTP received on Mobile and Email Address.
- (h) The system will then confirm the e-mail address for receiving this AGM Notice.

After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Annual Report for FY 2021-22 along with the e-Voting user ID and password. In case of any queries, Members may write to [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- (ii) **Registration of e-mail address permanently with Company/DP:** Members are requested to register the same with their concerned DPs, in respect of electronic holding and with RTA, in respect of physical holding, by submitting the **Form No. ISR-1** duly filled and signed by the holders. Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs/TSR to enable servicing of notices/documents/Annual Reports and other communications electronically to their e-mail address in the future.

22. **Alternatively, Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-Voting by providing Demat account number / Folio number, and scanned copy of the share certificate (front and back) or client master, or copy of Consolidated Account statement, along with PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card).**

The individual Shareholders, holding securities in Demat mode, are requested to follow steps mentioned below in **Para 32 under Step 1 (A) i.e "Login method for remote e-Voting and joining the virtual meeting for Individual shareholders holding securities in Demat mode"**.

In terms of the SEBI circular dated December 9, 2020, on the e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their Demat account to access the e-Voting facility.

23. According to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), and the MCA Circulars, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using a remote e-voting system as well as e-voting during the AGM will be provided by NSDL.
24. Members of the Company holding shares either in physical form or in electronic form as of the cut-off date of **Monday, June 20, 2022, may cast their vote by remote e-Voting. The remote e-voting period commences on Thursday, June 23, 2022, at 9:00 a.m. (IST) and ends on Sunday, June 26, 2022, 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. The voting rights of the Members (for voting through remote e-Voting before the AGM and e-Voting during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as of the **cut-off date of Monday, June 20, 2022.** Subject to receipt of the requisite number of votes, the Resolutions passed by remote e-voting are deemed to have been passed as if they have been passed at the AGM i.e. **Monday, June 27, 2022.** The Notice of the AGM indicating the instructions for the remote e-voting process can be downloaded from the NSDL's website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or the Company's website [www.tataconsumer.com](http://www.tataconsumer.com).
25. Members will be provided with the facility for voting through an 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





## Notice of the Annual General Meeting

of the AGM. 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 on such resolutions for which the member has already cast the vote through remote e-Voting.

26. 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 i.e. **Monday, June 20, 2022**, shall be entitled to avail of the facility of remote e-voting before the AGM as well as e-Voting during the AGM. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after the dispatch of this Notice and holding shares as on the cut-off date, i.e. **Monday, June 20, 2022**, may obtain the User ID and password by sending a request along with the requisite documents as mentioned in para 22 above, at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). 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 can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. **1800 1020 990** and **1800 22 44 30**. In the case of Individual Shareholders holding securities in Demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. **Monday, June 20, 2022**, may follow steps mentioned in **Para 32 below under Step 1 (A)** i.e. **“Login method for remote e-Voting and joining the virtual meeting for Individual shareholders holding securities in Demat mode.**
27. 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 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. The e-voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
28. 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 a facility to the Members of the Company to scrutinize the remote e-Voting process before the AGM as well as remote e-Voting during the AGM, fairly and transparently.

29. The Scrutinizer will submit his report to the Chairman or any other person authorized by the Chairman, after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer’s report shall be communicated to the stock exchanges on which the Company’s shares are listed, NSDL, and RTA, and will also be displayed on the Company’s website at [www.tataconsumer.com](http://www.tataconsumer.com).
30. Members are encouraged to submit their questions in advance concerning the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number, and mobile number, to reach the Company’s email address at [AGM2022@tataconsumer.com](mailto:AGM2022@tataconsumer.com) **before 5:00 p.m. (IST) on Friday, June 24, 2022**. Queries that remain unanswered at the AGM will be appropriately responded to by the Company at the earliest, post the conclusion of the AGM.
31. 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 [AGM2022@tataconsumer.com](mailto:AGM2022@tataconsumer.com) **between Monday, June 20, 2022 (9:00 a.m. IST) and Friday, June 24, 2022 (5:00 p.m. IST)**. **Only those Members who have pre-registered themselves as a speaker on the dedicated email id [AGM2022@tataconsumer.com](mailto:AGM2022@tataconsumer.com) will be allowed to express their views/ask questions during the AGM.**

When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good Internet speed.

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.

## Notice of the Annual General Meeting

**32. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING, VOTING DURING THE MEETING, AND JOINING THE ANNUAL GENERAL MEETING ARE AS UNDER:**

The remote e-voting period begins on Thursday, June 23, 2022, at 9:00 a.m. (IST) and ends on Sunday, June 26, 2022, at 5:00 p.m. (IST) The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners **as on the record date (cut-off date) i.e. Monday, June 20, 2022**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as of the cut-off date, being Monday, June 20, 2022.

**How to vote electronically using the NSDL e-Voting system?**

The way to vote electronically on the NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**STEP 1: ACCESS TO NSDL E-VOTING SYSTEM****(A) Login method for e-Voting and joining the virtual meeting for Individual shareholders holding securities in Demat mode**

In terms of the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in <b>Demat mode with NSDL</b> .	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

NSDL Mobile App is available on





## Notice of the Annual General Meeting

Type of shareholders	Login Method
Individual Shareholders holding securities in <b>Demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in <b>Demat mode</b> ) <b>login through their Depository participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:**

Login type	Helpdesk details
Individual Shareholders holding securities in <b>Demat mode with NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in <b>Demat mode with CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**(B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:**

**How to Log-in to NSDL e-Voting website?**

- 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.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP 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 eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

## Notice of the Annual General Meeting

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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 folio number is 001*** and EVEN is <b>119940</b> then user ID is 119940001***

5. Password details for shareholders other than Individual shareholders 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

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](http://www.evoting.nsdl.com).
- b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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.



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### STEP 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “**EVEN 119940**” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

- a) Institutional shareholders/Corporate Members (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](mailto:asimsecy@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) , latest by Sunday, June 26, 2022 (upto 5:00 p.m.). Institutional shareholders/Corporate Members (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “**Upload Board Resolution / Authority Letter**” displayed under “**e-Voting**” tab in their login.
- b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login 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](http://www.evoting.nsdl.com) to reset the password.
- c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Asst. Vice President, NSDL and /or Ms. Pallavi Mhatre, Senior Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

#### 33. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. 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.
3. 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.
4. 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.



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### 34. 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/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under **“Join General meeting”** menu against company name. You are requested to click on VC/OAVM link placed under “Join General Meeting” menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. 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.
- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further, Speakers will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective networks. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**By Order of the Board of Directors**

Mumbai  
May 4, 2022

**Neelabja Chakrabarty**  
Company Secretary  
(Membership No: ACS 16075)

**Registered Office:**

1, Bishop Lefroy Road, Kolkata – 700 020  
CIN - L15491WB1962PLC031425  
E-mail id: [investor.relations@tataconsumer.com](mailto:investor.relations@tataconsumer.com)  
Website address: [www.tataconsumer.com](http://www.tataconsumer.com)



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### EXPLANATORY STATEMENT FOR RESOLUTION NOS. 5 TO 9 OF THE NOTICE

**The statement sets out all material facts concerning ordinary business mentioned under resolution no. 5, of the accompanying Notice.**

#### **Resolution no. 5: Ordinary Resolution**

##### **Re-appointment of Statutory Auditors for the second term of 5 years**

The Members of the Company at the 54<sup>th</sup> Annual General Meeting ('AGM') held on August 18, 2017, had approved the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No.117366W/W-100018) ("**Deloitte**"), as the Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of the 54<sup>th</sup> AGM until the conclusion of the 59<sup>th</sup> AGM. Accordingly, Deloitte would be completing its first term of five years at the conclusion of this 59<sup>th</sup> AGM.

In accordance with the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014, the Company can appoint or reappoint an audit firm as Statutory Auditors for not more than two terms of five consecutive years. Deloitte is eligible for reappointment for a further period of five years.

The Board of Directors, at its meeting held on May 4, 2022, based on the recommendation of the Audit Committee, approved the re-appointment of Deloitte for the second term of five years to hold office from the conclusion of the 59<sup>th</sup> AGM till the conclusion of the 64<sup>th</sup> AGM to be held in the year 2027, at a remuneration upto ₹ 3.06 Crores plus applicable taxes and reimbursement of out-of-pocket expenses for the financial year ended March 31, 2023 and proposed the same for approval of the members. Besides the audit services, the Company would also obtain certifications which are to be mandatorily received from the statutory auditors under various regulations. The Board of Directors and the Audit Committee shall approve the revision in the remuneration of the statutory auditors, for the balance part of the tenure, based on the performance review and any additional efforts on account of changes in regulations or management processes, business acquisitions, internal restructurings or other considerations.

Deloitte has, in the past five years, demonstrated all round capabilities in executing group-wide audits. Deloitte has confirmed that they remain independent, as required by the relevant ethical /independence requirements as enunciated in the Act and the Code of Ethics issued by the ICAI, that are relevant to their audit of the standalone and consolidated financial statements under the provisions of the Act and the Rules made thereunder. They are not under a relationship that would be thought to influence their independence as auditors of the Company/Group.

Deloitte had deployed a strong audit team of senior audit professionals for Tata Consumer Products Group over the last audit term. During their audit term, the Company was involved in multiple complex activities including several acquisitions and mergers of the consumer products business of Tata Chemical Limited and several changes in the management processes and implementation of SAP HANA. Overall, Deloitte has a strong global presence, relevant experience with the listed companies of similar size or scale, single global audit approach (with more than 99% of the Tata Consumer Products groups business being currently audited by Deloitte/Deloitte affiliates worldwide) and sector specialist experience.

Deloitte has consented to their appointment and confirmed that their appointment if made, would be in accordance with Section 139 read with Section 141 of the Act. Deloitte has also confirmed that they have subjected themselves to the peer-review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board of ICAI'. Deloitte has also furnished a declaration confirming its independence in terms of section 141 of the Act and declared that it has not taken up any prohibited non-audit assignments for the Company.

Based on the recommendation made by the Audit Committee, after assessing the performance of Deloitte and considering the experience and expertise of Deloitte, the Board recommends the re-appointment of Deloitte as Statutory Auditors for the second term of 5 years, as set out in the Resolution no. 5, for approval of the Members as an Ordinary Resolution.

None of the Director, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

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**As required by Section 102 of the Act, the following explanatory statement sets out all material facts relating to the special businesses mentioned under resolutions Nos. 6 to 9 of the accompanying Notice.**

### **Resolution no. 6: Ordinary Resolution**

#### **Ratification of Cost Auditor's Remuneration FY 2022-23**

As per the provisions of Section 148 of the Companies Act, 2013 ('the Act') read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to have an audit of its cost records conducted by a cost accountant in practice for products covered under the Companies (Cost Records and Audit) Rules, 2014. The Board, based on the recommendation of the Audit Committee, has approved the re-appointment 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, 2023, at a remuneration of ₹ 4.40 Lacs plus applicable taxes and reimbursement of reasonable out-of-pocket expenses.

In accordance with Section 148(3) 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, the consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors, for the financial year ending March 31, 2023.

The Board commends ratification of remuneration of Cost Auditors, as set out in Resolution no. 6 of the Notice for approval by the Members as an Ordinary Resolution.

None of the Director, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

### **Resolution no. 7: Special Resolution**

#### **Re-appointment of Mr. Siraj Chaudhry (DIN 00161853) as an Independent Director of the Company for a second term of 5 years**

Mr. Siraj Chaudhry, was appointed as an Independent Director at the 54<sup>th</sup> Annual General Meeting held on August 18, 2017, for a period of 5 years with effect from July 3, 2017, till July 2, 2022, and he is eligible for re-appointment for the second term of 5 years that is from July 3, 2022, till July 2, 2027.

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors at its meeting held on May 4, 2022, recommended the re-appointment of Mr. Siraj Chaudhry, for the term of second term five years i.e. from July 3, 2022 till July 2, 2027, subject to the approval of the Members.

The profile and specific areas of expertise of Mr. Chaudhry are provided as Annexure to this Notice.

Mr. Chaudhry has given his declaration to the Board that he continues to meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 ('the Act') and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and is not restrained from acting as a Director under any order passed by the Securities and Exchange Board of India or any such authority and is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent for such re-appointment. In the opinion of the Board, Mr. Chaudhry is a person of integrity, possesses the relevant expertise/experience, and fulfills the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and he is independent of the management. In terms of Regulation 25(8) of Listing Regulations, Mr. Chaudhry has confirmed that he is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

Given his experience, the Board considers it desirable and in the interest of the Company to continue Mr. Chaudhry on the Board of the Company and accordingly the Board recommends the re-appointment of Mr. Chaudhry as an Independent Director for a second term of 5 years, as proposed in the Resolution no. 7 for approval by the Members as a Special Resolution.

Except for Mr. Siraj Chaudhry and/or his relatives, no other Directors, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Disclosures, as required under Regulation 36 of the Listing Regulations and Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed to this Notice.



## Notice of the Annual General Meeting

The terms and condition of appointment of the Independent Directors are uploaded on the website of the Company <https://www.tataconsumer.com/corporate-governance/compliances-and-filings> and is available for inspection.

### Resolution no. 8: Special Resolution

#### Appointment of Mr. David Crean (DIN 09584874) as a Non-Executive, Independent Director of the Company

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors at its meeting held on May 4, 2022, appointed Mr. David Crean as an Additional Director of the Company and also as an Independent Director, not liable to retire by rotation, for a term of five years i.e. from May 4, 2022, up to May 3, 2027 subject to the approval of the Members. According to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act'), Mr. Crean shall hold office as Additional Director up to the date of this Annual General Meeting and is eligible to be appointed as a Director.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Director. The profile and specific areas of expertise of Mr. Crean are provided as Annexure to this Notice. Mr. Crean has given his declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and is not restrained from acting as a Director under any order passed by the Securities and Exchange Board of India or any such authority and is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent to act as a Director. In the opinion of the Board, Mr. Crean is a person of integrity, possesses the relevant expertise/experience, and fulfills the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and he is independent of the management. In terms of Regulation 25(8) of Listing Regulations, Mr. Crean has confirmed that he is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

Given his experience, the Board considers it desirable and in the interest of the Company to have Mr. Crean on the Board of the Company and accordingly the Board recommends the appointment of Mr. Crean as an Independent Director as proposed in the Resolution no. 8 for approval by the Members as a Special Resolution.

Except for Mr. David Crean and/or his relatives, no other Directors, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Disclosures, as required under Regulation 36 of the Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed to this Notice.

The terms and condition of appointment of the Independent Directors are uploaded on the website of the Company <https://www.tataconsumer.com/corporate-governance/compliances-and-filings> and is available for inspection.

### Resolution no. 9: Special Resolution

#### Maintaining the Registers and Indexes of Members and copies of Annual Returns at the Registered Office of the Company and/or of the Registrar and Transfer Agent of the Company

As required under the provisions of Section 94 of the Companies Act, 2013 ('the Act'), certain documents such as the Registers and Indexes of Members, Debenture holders & any other security holders and certain other registers, certificates, records, returns etc., are required to be kept at the registered office of the Company. However, such registers, records, returns etc., can also be kept at any other place in India in which more than one-tenth of the total members entered in the register of members reside, if approved by a Special Resolution passed at a general meeting of the Company.

Owing to the shifting of the registered office of the TSR Consultants Private Limited, (formerly known as TSR Darashaw Consultants Private Limited) Registrar and Transfer Agent of the Company ('RTA'), it has shifted its operations from the 6-10, Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011 to C-101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai -400 083, and thus the records of the Company maintained by them have been shifted to RTA's new premises.

Given the operational convenience, the approval of the Members is sought by a Special Resolution to enable the Company to keep and maintain the registers, returns and other records as required under Section 88 of the Act, copies of Annual Returns as filed/to be filed under Section 92 of the Act, and other documents at the Registered Office of the Company, and/or of the Registrar and Transfer Agent of the Company or such other place

## Notice of the Annual General Meeting

where the office of the Registrar and Transfer Agent of the Company is situated from time to time. **The present place of keeping such records is TSR Consultants Private Limited, C-101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083.**

The time for inspection of documents, by shareholders or such persons as are entitled to such inspection, will be between 11:00 a.m. to 1:00 p.m. on any working day of RTA or by writing to the Company at [investor.relations@tataconsumer.com](mailto:investor.relations@tataconsumer.com) except when the Registers and Books are closed under the provisions of the Act or the Articles of Association of the Company.

The Board recommends the Resolution no. 9 of the Notice for approval by the Members as a Special Resolution.

None of the Director, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

**By Order of the Board of Directors**

**Neelabja Chakrabarty**

Company Secretary

(Membership No: ACS 16075)

Mumbai

May 4, 2022

**Registered Office:**

1, Bishop Lefroy Road, Kolkata – 700 020

CIN - L15491WB1962PLC031425

E-mail id: [investor.relations@tataconsumer.com](mailto:investor.relations@tataconsumer.com)

Website address: [www.tataconsumer.com](http://www.tataconsumer.com)





## Notice of the Annual General Meeting

## ANNEXURE TO THE NOTICE

## Details of Directors seeking Appointment/Re-appointment at the Fifty-Ninth Annual General Meeting

Name of Director	Mr. P. B. Balaji	Mr. Siraj Chaudhry	Mr. David Crean
Director Identification Number (DIN)	02762983	00161853	09584874
Designation/ category of the Director	Non-Executive (Non-Independent) Director	Non-Executive, Independent Director	Non-Executive, Independent Director
Age	52 Years	55 Years	61 Years
Date of the first appointment on the Board	August 8, 2020	July 3, 2017	May 4, 2022
Qualifications	Mr. Balaji is a graduate of the Indian Institute of Technology, Chennai, and has a post-graduate management degree from the Indian Institute of Management, Kolkata.	Mr. Chaudhry holds an MBA from the Indian Institute of Foreign Trade (IIFT) and is a graduate of SRCC, University of Delhi	Mr. Crean graduated with a BA (Hons) Degree in Applied Biology in 1982 from Liverpool Polytechnic
Brief Profile, Experience, and Expertise in specific functional areas	<p>Mr. Balaji is the group chief financial officer of Tata Motors Limited since November 2017. In his role as the CFO of Tata Motors, he is a part of the executive committee of Tata Motors and is responsible for the Tata Motors financial performance and helps Tata Motors Limited make the right choices to seize the future while driving profitable and sustainable growth. He is also on the boards of Jaguar LandRover, Tata Motors Finance Group, Tata Technologies.</p> <p>Mr. Balaji is a global finance professional with almost three decades of experience in the corporate sector spanning the FMCG and Automotive industries. He started his career with Unilever in 1995 and worked in different corporate finance roles across Asian markets, Switzerland, UK, and India. He joins Tata Motors after his last assignment with Hindustan Unilever, a \$6 billion enterprise, where he headed the finance function as chief financial officer.</p>	<p>Mr. Chaudhry has worked extensively with industry, the social sector, and the Government on transformational and numerous nation-building projects. He has over 34 years of experience in building, turning around, acquiring, and divesting businesses. In his current role as Managing Director &amp; CEO of NCML, he is leading the organization into greater diversification and expanding the company footprint across the country as a trusted and preferred Agri Supply chain and solutions company. Mr. Chaudhry was the Chairman of Cargill India, the Indian arm of Cargill Inc., where he led the building and expansion of Cargill's Food Business in India. He was instrumental in transforming a traditional B2B business into an FMCG company of repute. He also serves as an Independent Director on the boards of Tata Coffee Ltd, Dhanuka Agritech, and Jubilant Ingrevia Ltd, and Carrier Aircon besides being on the advisory board of ABInbev and a member of the Food and Agri Advisory group at British International Investment (earlier CDC Group plc.) He has, in the past, been an Independent Director on the Board of IndusInd Bank and has served as the Co-chair of the National Committee for Agriculture at FICCI.</p>	<p>Mr. Crean was the Vice President of Corporate R&amp;D &amp; Chief Science Officer at Mars Incorporated, Virginia, USA. He held global roles across all Mars business segments contributing to science strategy, delivery, research practices, policies, innovation, and quality and food safety standards. He has held a variety of senior leadership positions at Mars, including that of Chief Science Officer from 2018 onwards. His earlier roles also included European Food R&amp;D Director at MasterFoods (Mars Food) Europe in the Netherlands, where he was jointly responsible for turning around Mars' European food business into a highly profitable enterprise. He also held the role of R&amp;D Director at Mars Poland. He was a key player in commissioning three new factories in Poland, launching 70+ Mars products, developing local supply chains, and establishing a local Polish team. He has over three decades of experience in technology and Research &amp; Development.</p> <p>He was a member of the board of the Partnership for Aflatoxin Control in Africa and a panelist at events organized by the UN and WHO on World Food Security and Food Safety.</p>

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Name of Director	Mr. P. B. Balaji	Mr. Siraj Chaudhry	Mr. David Crean
		<p>He is a member of CDC Group's Food &amp; Agriculture Advisory Council. He has been past Chair of the National Committee on Food Processing at FICCI and the National Alliance for Edible Oil Fortification, a joint initiative by CII and GAIN to address malnutrition through food fortification.</p> <p>He has received numerous awards and recognitions, including Pride of Uttar Pradesh by Lucknow Management Association and Pioneer for Edible Oil Fortification by FSSAI.</p>	
<p>Directorships held in other companies including listed companies (^) and excluding foreign companies as of the date of this Notice.</p>	<ol style="list-style-type: none"> <li>1) Tata Passenger Electric Mobility Limited</li> <li>2) Tata Motors Finance Limited</li> <li>3) Tata Motors Finance Solutions Limited</li> <li>4) TMF Holdings Limited</li> <li>5) Tata Technologies Limited</li> <li>6) Tata Motors Passenger Vehicles Limited</li> </ol>	<ol style="list-style-type: none"> <li>1) Tata Coffee Limited^</li> <li>2) Dhanuka Agritech Limited^</li> <li>3) Jubilant Ingrevia Limited^</li> <li>4) National Commodities Management Services Limited</li> <li>5) NCML Agribusiness Consultants Private Limited</li> <li>6) NCML Mktyard Private Limited</li> <li>7) Arboreal Bioinnovations Private Limited</li> <li>8) Bikaji Foods International Limited</li> <li>9) Carrier Airconditioning &amp; Refrigeration Limited</li> </ol>	<p>Nil</p>
<p>Name of listed entities from which the person has resigned in the past three years</p>	<p>Nil</p>	<p>Indusind Bank Limited (ceased w.e.f. September 23, 2019)</p>	<p>Nil</p>



## Notice of the Annual General Meeting

Name of Director	Mr. P. B. Balaji	Mr. Siraj Chaudhry	Mr. David Crean
Memberships / Chairmanships of committees of other companies including listed companies (A) and excluding foreign companies as of the date of this Notice	<p><b>Member of Audit Committee of:</b></p> <ol style="list-style-type: none"> <li>1) Tata Motors Finance Limited</li> <li>2) Tata Motors Finance Solutions Limited</li> <li>3) Tata Technologies Limited</li> <li>4) TMF Holdings Limited</li> </ol> <p><b>Member of Stakeholders Relationship Committee and of:</b></p> <p>Tata Motors Finance Solutions Limited</p> <p><b>Member of Nomination and Remuneration Committee of:</b></p> <ol style="list-style-type: none"> <li>1) Tata Motors Finance Limited</li> <li>2) Tata Motors Finance Solutions Limited</li> <li>3) TMF Holdings Limited</li> </ol> <p><b>Member of Risk Management Committee of:</b></p> <ol style="list-style-type: none"> <li>1) Tata Motors Finance Limited</li> <li>2) Tata Motors Finance Solutions Limited</li> <li>3) TMF Holdings Limited</li> </ol> <p><b>Chairman of Corporate Social Responsibility Committee of:</b></p> <p>Tata Technologies Limited</p> <p><b>Member of Corporate Social Responsibility Committee of:</b></p> <p>Tata Motors Finance Solutions Limited</p> <p><b>Member of Asset Liability Management Committee of:</b></p> <ol style="list-style-type: none"> <li>1) Tata Motors Finance Limited</li> <li>2) Tata Motors Finance Solutions Limited</li> <li>3) TMF Holdings Limited</li> </ol> <p><b>Member of IT Strategy Committee of:</b></p> <ol style="list-style-type: none"> <li>1) Tata Motors Finance Limited</li> <li>2) Tata Motors Finance Solutions Limited</li> <li>3) TMF Holdings Limited</li> </ol>	<p><b>Member of Audit Committee of:</b></p> <ol style="list-style-type: none"> <li>1) Tata Coffee Limited^</li> <li>2) Jubilant Ingrevia Limited^</li> </ol> <p><b>Member of Risk Management Committee of:</b></p> <ol style="list-style-type: none"> <li>1) Tata Coffee Limited^</li> <li>2) Jubilant Ingrevia Limited^</li> </ol> <p><b>Chairman of Nomination and Remuneration Committee of:</b></p> <p>Tata Coffee Limited^</p>	Nil
Relationship with other Directors, Managers, and other Key Managerial Personnel of the Company	Nil	Nil	Nil
Shareholding in the Company including shareholding as a beneficial owner	285 equity shares held in his name	Nil	Nil

## Notice of the Annual General Meeting

Name of Director	Mr. P. B. Balaji	Mr. Siraj Chaudhry	Mr. David Crean
Terms and Conditions of appointment / re-appointment	Re-appointment as a Non-Executive, Non-Independent Director	Re-appointment as a Non-Executive, Independent Director. For the detailed terms and conditions of appointment of an Independent Director, please refer Company's website: <a href="https://www.tataconsumer.com/corporate-governance/compliances-and-filings">https://www.tataconsumer.com/corporate-governance/compliances-and-filings</a>	
Details of Remuneration sought to be paid	He shall be paid a fee for attending meetings of the Board or Committees thereof and reimbursement of expenses for participating in the Board and other meetings	They shall be paid remuneration in the capacity of Non-Executive, Independent Director, by way of fee for attending meetings of the Board or Committees thereof, reimbursement of expenses for participating in the Board and other meetings, and profit related commission within the limits stipulated under Section 197 of the Companies Act, 2013, as may be decided by the Board from time to time.	
In the case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	NA	The role and capabilities as required in the case of an independent director are well defined in the Policy on Nomination, Appointment, and Removal of Directors. Further, the Board has a defined list of core skills/expertise/competencies, in the context of its business and sector for it to function effectively.  The Nomination and Remuneration Committee of the Board has evaluated the profile of Mr. Chaudhry and Mr. Crean and concluded that Mr. Chaudhry and Mr. Crean possess the relevant skill and capabilities to discharge the role of Independent Directors.	

**Note:** ^Companies, whose equity shares are listed on a recognized stock exchange in India

For other details such as the number of meetings of the Board attended during FY 2021-22, remuneration last drawn in FY 2021-22 by Mr. P. B. Balaji and Mr. Siraj Chaudhry, please refer to the corporate governance report which is a part of this Integrated Annual Report. Mr. David Crean has been appointed w.e.f. May 4, 2022, and was not a Director of the Company in FY 2021-22, and thus information relating to FY 2021-22 is not applicable, hence not stated.

The profile of the Directors is available on the Company's website at <https://www.tataconsumer.com/about/leadership>







**TATA CONSUMER PRODUCTS LIMITED**

1, Bishop Lefroy Road, Kolkata 700020  
[www.tataconsumer.com](http://www.tataconsumer.com)