



September 1, 2017

**National Stock Exchange of India Ltd.**  
Exchange Plaza, 5th floor  
Plot No. C/1, G Block  
Bandra Kurla Complex  
Bandra (E)  
Mumbai 400 051  
Scrip Code – TATAGLOBAL

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

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

Dear Sirs,

**Sub: Annual report 2016-17**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 we are attaching a copy of our Annual report for the financial year 2016-17.

The notice convening the 54<sup>th</sup> annual general Meeting is part of the Annual report, an Errata issued in respect of the Notice is also attached.

This is for your records.

Thanking you,

Yours faithfully,  
For **Tata Global Beverages Limited**

  
( V. Madan )  
Vice President & Company Secretary



Encl. : as above

**TATA GLOBAL BEVERAGES LIMITED**

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Corporate Identity Number (CIN) - L15491WB1962PLC031425

E-mail id - investor.relations@tataglobalbeverages.com

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# DIFFERENT



different by product

# BY



different by brand

# INNOVATION



different by purpose



In business as in life, winners stand out by using not just skill, but imagination and action.

Be it individuals, companies, products or processes – it is the differentiated approach and innovation-led thinking that drive success.

# in this report



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# Different by Innovation

At Tata Global Beverages (TGB), we encourage innovative thinking, and our history is replete with examples of how we deploy innovation across our business. We believe that to be successful, it is essential to think beyond the obvious, and this is a key differentiator for us.

In the dynamic and evolving world of consumer preferences, leveraging consumer insights, predicting trends, and aligning offerings to what consumers want lay the base for market success. TGB has a rich legacy of doing this, time and again.

At TGB, we are inculcating an innovation ecosystem that incubates ideas and encourages cutting edge thinking. Our culture and operational mode supports this, enabling each one of our people to participate in the process of shaping our future.

This annual report is a celebration of some of the key innovations from 2016-17, relating not just to products, but also to the way we communicate, and fulfil our social purpose.



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# TGB at a glance



Tata Global Beverages (TGB) is a natural beverages company with brand presence in over 40 countries. As the second largest tea company in the world, with a growing interest in coffee and water, TGB is home to a stable of innovative global and regional brands, including: Tata Tea, Tetley, Himalayan natural mineral water, Tata Gluco+, Good Earth tea, and Eight O'clock coffee.



USA & Canada

- Tetley
- Teapigs
- Tata Tea
- Good Earth
- Eight O'Clock

**2nd**

Largest player in branded tea in the world

**2000+**

SKUs produced across tea, coffee and water



## Financial Highlights 2016-17

**Rs. 6780** Crs.   **Rs. 791** Crs.   **Rs. 6.17**

Consolidated Revenue  
from Operations

EBITDA

Earnings per Share

+2%  
YOY



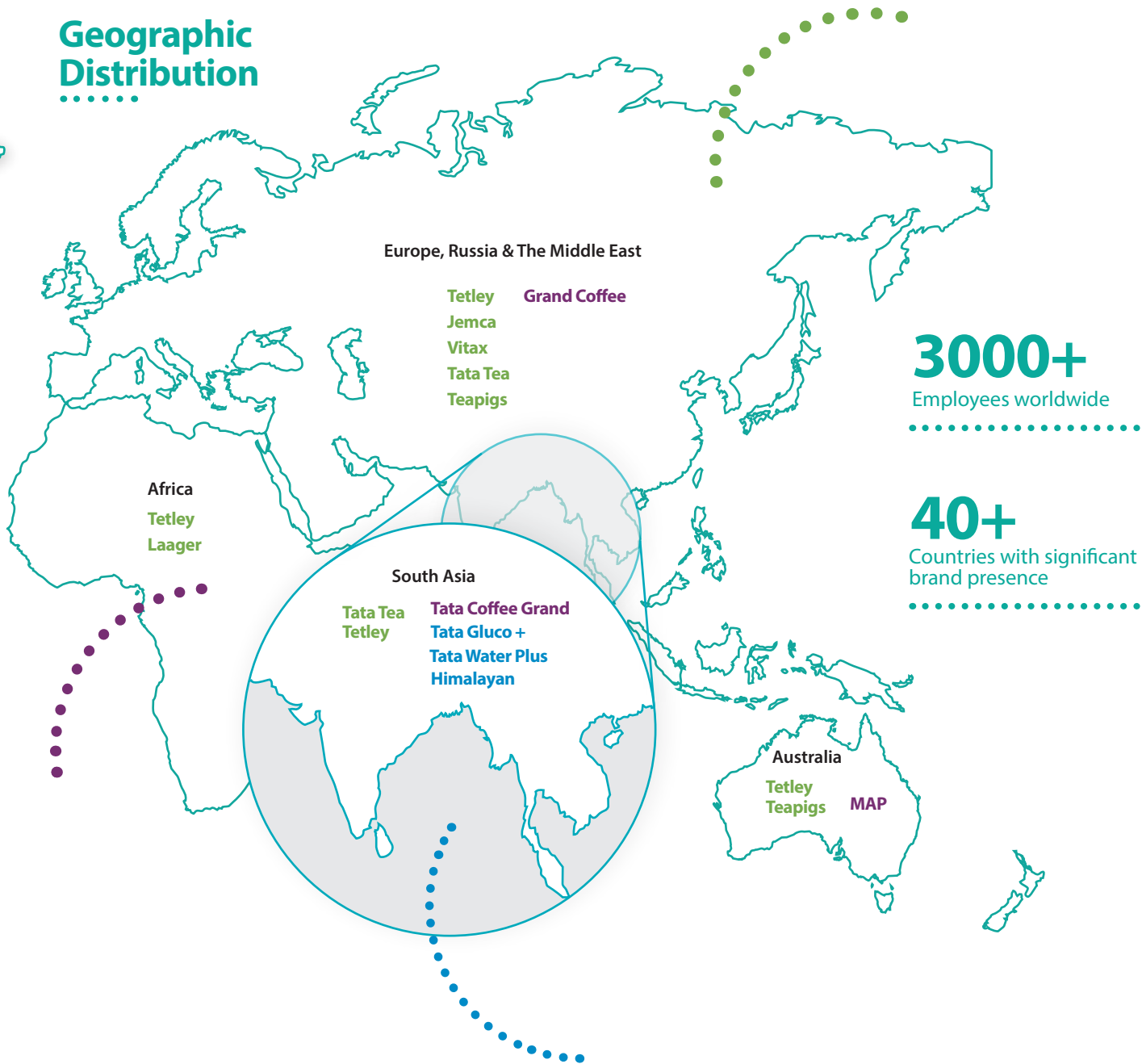
+21%  
YOY



+ >100%  
YOY



## Geographic Distribution



**3000+**  
Employees worldwide

**40+**  
Countries with significant  
brand presence

# Brand Highlights



## Tata Tea

### Tata Tea moves up 26 spots to feature at #38 of the 100 Most Trusted Brands in India

#### Premium

- Tata Tea Premium improved all India volume & value market share and further consolidated its position as the largest tea brand in the country

#### Gold

- Gold Leaf grew almost double the growth rate of the previous year
- Gold Mixture customised for Maharashtra growing well and gaining share from local competitor brands

#### Elaichi Chai

- Most successful launch of the year in India. The brand has achieved significant growth over targeted volume with minimum investment

#### Teaveda

- Launched in November 2016, this unique product combines Ayurvedic ingredients with delicious Assam tea that provides a dose of every day practical Ayurveda

#### Chakra Gold

- Grew faster than competition in key markets of Andhra Pradesh and Tamil Nadu in consumer segment and hot tea shops

#### Kanan Devan

- Kanan Devan gained from key competition leading to all time high market shares for the brand in 2016-17
- 'Photography Escapade 2' campaign trended nationally on Twitter

#### Launch of Jaago Re 2.0 urging people to pre-act instead of reacting to tragedies

#### Gemini

- Continues to be leading brand in Andhra Pradesh/ Telangana state despite intense competition. The brand recorded all time high sales for 2016-17

#### Agni

- Continues to be the volume driver for the Tata Tea portfolio, with gains from local and unbranded players



## Tetley

#### UK

- Tetley grew share across all segments ahead of category
- Tetley continues to grow household penetration ahead of all other tea brands
- It was also an award winning year having won Grocer's New Product of the Year award for Super Fruits, 4 Great Taste awards and Product of the Year 2017 for our Super Black Teas

#### Rest of Europe

- France - Launched Tetley Signature Collection, a premium range of teas

#### US

- Tetley Super Teas voted Product of the Year 2017. Tetley Classic and Tetley Greens win 'Chef's Best Award' for Excellence

#### Canada

- Created a new specialty tea sub-segment and introduced Tetley Ayurvedic Balance teas
- Voted Canada's favourite tea brand by Readers Digest magazine

#### India

- Introduced vitamin-fortified Super Green Teas and set a Guinness World Record for the largest number of people wearing capes at a Zumba concert in Mumbai
- Executed the first large-scale digital only campaign for the brand with the commercial registering over 5 Mn views on Youtube on launch day alone

#### Australia

- Updated packaging for select packs to leverage growing consumer preferences for natural, good for you products

#### Middle East

- The fastest growing tea brand in Gulf Cooperation Countries (GCC) in 2016-17

#### Poland

- Launched Tetley Fruit & Herbal – an innovative line of fruit infusions and herbs

## Other Tea Brands

### Good Earth

- Re-launched with a new identity and a boutique range of premium whole ingredient teas in loose and pyramid tea bag format

### Jemča

- Consumers Choice 2016 award for Jemča Functional Tea – the best in hot beverages category

### Vitax

- Launched Vitax Fruits & Vege – an innovative line of fruit infusions with vegetables

### Teapigs

- Launched new “feel-good” range of teas

### Joekels

- Strong growth in tea brands despite tough market conditions

teapigs.



## Coffee

### Eight O’Clock

- Launched Eight O’Clock Infusions

### MAP

- Grew MAT share of total capsule market and Caffitaly system, ahead of market growth

### Grand Coffee

- Launched a successful National Promo Campaign, using innovative BTL marketing, to improve sales and regain market share in Freeze Dried Coffee in Russia

### Tata Coffee Grand

- Coffee portfolio extended in key markets to Hot Tea Shop blend in Nov’16 and Roast & Ground coffee in Mar’17



## Water

### Tata Water Plus

- Registered good volume growth in 2016-17

### Tata Gluco Plus

- Registered improved volume growth in 2016-17
- Launched two new regional flavours– Jeerai Zip in Karnataka and Panneer (Rose) Surge in Tamil Nadu
- Launched in two new markets - Jammu & Kashmir and Odisha

### Himalayan

- Himalayan Sparkling launched in 3 cities (Delhi, Mumbai & Bengaluru) for online retail and fine-dine
- Himalayan Orchard Pure flavoured waters piloted in Delhi-NCR in 2017 in 3 flavours - Peach, Strawberry & Apple





# Managing Director & CEO's Message

Dear Shareholders,

I am delighted to report that your Company posted strong results last year, recording a 24% growth in operating profit and significant increase in net profits. We continued our focus on bringing out innovative new products, investing in our brands through differentiated marketing, and striving for higher operational efficiencies. Despite the macroeconomic challenges posed by Brexit, increasing competition and slow Eurozone recovery, our key international markets performed well. The India business has shown good performance buoyed by multiple new launches in the year. We weathered the demonetisation storm well, and are well prepared for the GST transition.

We see significant growth opportunities in the tea, coffee, water categories and will be leveraging this through innovation, strengthening our core brands, premiumisation and tapping white space geographies.

The beverage landscape is evolving rapidly and it is critical to innovate consistently, to keep pace with changing consumer preferences and needs. We are building on our rich heritage of innovation – be it path-breaking tea bags to stand out brand communication – to leverage opportunities. Over the past year, we have increased our focus on innovation and strengthening it as a core characteristic. Our annual report theme 'Different by Innovation' reflects this. We have tried to bring to life select examples of innovation across our operations, and also some of our efforts to embed it in our culture through multiple initiatives.

I summarise a few of these initiatives here.

#### **Continued focus on health and wellness**

Health and wellness continues to be a key consumer theme across markets. We have expanded our portfolio of green teas and fruit & herbal teas, in line with this trend. After a successful launch in the UK, Tetley Super Green Tea (fortified with vitamins) was launched in

India. Tata Tea Teaveda and Tetley Balance – two product ranges inspired by Ayurveda and containing herbal ingredients - were launched in India and Canada, respectively. Eight O'Clock coffee in the USA launched a new line called Infusions with a multi-experiential marketing campaign to deliver an enhanced coffee experience.

#### **Premiumising our products**

Premiumisation, has been a part of several of our innovations across markets and categories. Globally, consumers are seeking more indulgent beverage experiences. Celebrating 180 years of tea blending, Tetley Indulgence launched in the UK is a range of black teas in indulgent flavour twists such as cookies & cream, chocolate mint, gingerbread, and spiced apple. In India, TGB collaborated with Starbucks to create a signature innovation, India Spice Majesty Blend especially for the Starbucks Teavana™ portfolio in India. This blend is inspired by India's rich tea legacy and is an invigorating blend of full leaf Assam black tea with a rich spice infusion.

Our premium offering in the water segment - Himalayan natural mineral water - launched a sparkling variant in select channels and also piloted 'Orchard Pure' flavoured water in Delhi-NCR.

Some of the other new launches have already been mentioned as part of the Health and Wellness focus above, such as Tetley Super Teas and Eight O'Clock Infusions.

#### **Establishing thought leadership through campaigns with a social purpose**

The Tata Tea brand launched a powerful new version of its Jaago Re campaign in India - 'Alarm Bajne se Pehle Jaago Re', urging people to stop being reactive, and instead start 'Pre-acting', and prevent tragedies and



We have increased our focus on innovation and strengthening it as a core characteristic.

unfortunate incidents from happening. The campaign, aimed at igniting the spirit of prevention in society, has been extremely well received.

The Tetley brand partnered with Smile Train, the international children's cleft correction charity, to raise awareness and extend support to affected children. This partnership symbolises the brand's philosophy of 'spreading moments of warmth.' To further amplify this, Tetley is running a digital campaign called, 'Tetley Smile Challenge' across the UK, Australia, US and Canada to raise awareness among consumers about Smile Train and to invite their participation.

#### **Growth with sustainability**

Sustainability has always been and will continue to be integral to our business. It is important for us that the tea industry is part of a sustainable growth story which enables better opportunities for all stakeholders across the supply chain. TGB is a leader, for the 5th consecutive year, in CDP's Climate Disclosure Leadership Index in India. We have reduced our carbon footprint by 40 percent over the last 3 years. We have also achieved 100% Rainforest Alliance certification of all Tetley blends in the EMEA and CAA\* regions, and are committed to achieving 100% sustainable sourcing of our other tea brands by 2020. TGB is a founding member of the Ethical Tea

Partnership, a non-commercial partnership of tea companies committed to improving the lives of tea workers and their environment, to create a thriving tea industry that is socially just and environmentally sustainable. We started Project S-PPF (Sustainable Plant Protection Formulation), a few years back in collaboration with other Tata companies. It is an innovative initiative to develop biopesticides for tea crops, based on the principles of Vriksha Ayurveda and is making good progress.

We have built our organisation on sound fundamentals, and continue to focus on opportunities to grow and strengthen our offerings. We are deploying innovative thinking and smart execution to create value for all stakeholders. I would like to take this opportunity to thank our employees and partners for being an integral part of this journey. Our shareholders, too, have been a constant source of support, as have been the governments and other institutions that we engage and interact with.

We remain committed to our strategy and vision, and are confident of the continued support of all our stakeholders and well-wishers.

With warm wishes,

**Ajoy Misra**  
**Managing Director & CEO**

\*EMEA (Europe, Middle East and Africa)  
CAA (Canada, Australia and America)

# Business Model

## WHAT WE DO

## WHAT MAKES US DIFFERENT

### Source

We source high quality tea and coffee from across the world and water from pure and sustainable sources to craft beverages which are distinctive to create magical beverage moments.

**Founder member of Ethical Tea Partnership (ETP)** and promote Farmer Field Schools

**Achieved 100% Rainforest Alliance certification on all Tetley blends in EMEA and CAA in 2016**

**Founder member of Trustea in India**, led by the Tea Board of India, to sustainably transform the Indian tea industry

### Produce

We are committed to quality and our facilities across the world constantly review and upgrade their operating practices. We strive to be energy efficient and environmentally friendly in our packaging and manufacturing facilities.

**Our biggest factory** in Eaglescliffe, UK, sends zero waste to landfill

**Around 50 unique tea blends** are crafted every year

**Himalayan** awarded the highest grade for a water company - international certification by Institut De Fresenius, Germany

### Market

We believe in creating brands that consumers love. We are committed to strengthening and growing our brands, while constantly innovating to deliver enhanced beverage experiences.

**Differentiated marketing campaigns which strengthen our brands and keep them relevant to consumers**

Iconic campaigns such as Tata Tea Jaago Re in India to encourage 'Preactivism' and Tetley Smile Challenge in overseas markets which helps children affected by cleft lip and palate to smile for the first time

### Distribute

We have strong distribution networks to ensure our brands reach consumers and are available widely. Apart from traditional routes to market, we are increasing our focus on modern trade, rural distribution and digital channels.

**Gaon Chalo is an innovative and sustainable rural distribution network model** in 80,000 villages in India

**We have entered new markets like China** using the digital route, in partnership with a large e-commerce channel in China

**Extensive distribution channels** reaching over 19 lakh retail outlets in India, over 28,000 in UK and 5000 in Canada

## PEOPLE ADVANTAGE

**800+**

employees with two decades of experience

**48%**

women in the business

**4000+**

man-days of training deployed

**30+**

nationalities across the business

Our subsidiary, Tata Coffee's plantations are all **UTZ, Rainforest Alliance and SA 8000 certified**

**Sustainable Plant Protection Formulation** (S-PPF) is a research project to develop eco-friendly biopesticides

**Srishti Trust is a development project** in Munnar, Kerala to rehabilitate and empower Munnar's differently-abled

**Member of the UNICEF-ETP partnership** to tackle abuse and trafficking of children in Assam

**A leader, 5th time in a row, in the Climate Disclosure Leadership Index** India 2016 for disclosing our carbon footprint across 65 sites worldwide

**Tata Coffee** creates customised instant coffee blends and soluble coffee mixes as per unique taste profiles

**We market products which leverage key trends across the globe and expand markets for our beverages**

We have fortified teas, functional waters and enhanced coffee in our portfolio, apart from a wide range of black, green, fruit & herbal teas

**Our digital initiatives serve to build a better consumer connect and engagement**

Farmers First Hand (FFH) connects consumers directly with the people who produce their favourite cuppa while our leading social awareness platform Jaago Re has been instrumental in provoking Indians to wake up to socio-cultural issues

## Shareholders

Value creation through strong operational and financial performance

## Customers

We delight with 330 million servings of our brands by delivering good-for-you products and experiences that create a strong connect and drive brand loyalty

## Suppliers

Building collaborative relationships with key strategic suppliers aimed at delivering added joint value

## Employees

Challenging and empowered role profiles with competent rewards and differentiation to ensure a skilled and motivated workforce

## Communities

Working with communities, and considering them key stakeholders in our progress, is what makes our good business better. From small yet significant efforts to large-scale community initiatives, our objective is to ensure a better quality of life for everyone

## COMPETITIVE ADVANTAGE

**150+**

years of rich heritage

**20+**

manufacturing facilities for seamless operations

**40+**

countries worldwide with brand presence

**990+**

years of cumulative tea blending experience spread across five countries

# Performance Highlights (Consolidated)

Our focus is to expand our global footprint by entering new markets, customising our offerings and strengthening our brand portfolio in Tea, Coffee and Water.

## Revenue from Operations (Rs. Crs)



## EBITDA (Rs. Crs)



## Profit Before Tax (Rs. Crs)



## Earnings per share (EPS) (Rs.)

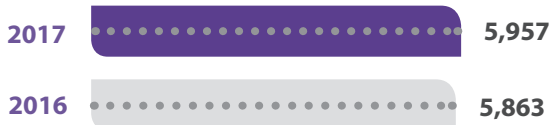


\*Negative earnings arriving out of Ind AS adjustments

## Segmental Revenue

### Branded

(Rs. Crs)



### Non-Branded

(Rs. Crs)



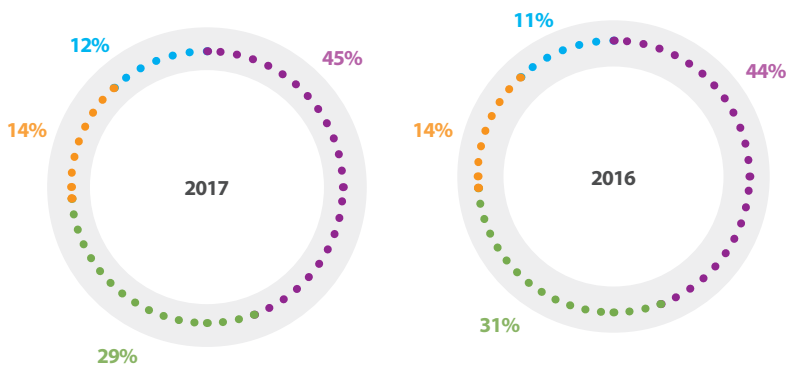
(including intersegment sales)

### Branded Sales by Category



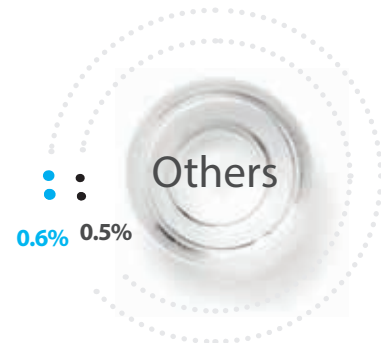
### Brand Wise Sales

(%)



India Tea Brands  
Tetley

Eight'O Clock  
Others & Speciality brands



2017

2016

# Vision, Purpose & Values

## VISION

To be the most admired natural beverages company in the world by making a big and lasting difference in Tea, Coffee and Water.

## PURPOSE

We will focus on creating magical beverage moments for consumers and an eternity of sustainable goodness for our communities.



## VALUES



# Awards & Achievements



Tetley blends across EMEA and CAA achieve 100% Rainforest Alliance certification



Tetley Super Teas success spreads – wins **Product of the Year 2017** in UK and USA



Tetley in UK sweeps up more **Great Taste** awards for the third consecutive year receiving a one-star endorsement, rated as **'Simply Delicious'**

Tata Global Beverages awarded a position on the **Indian Climate Disclosure Leadership Index (CDLI)** for the 5th consecutive year!\*



Super Fruit BOOST Blueberry & Raspberry flavour wins **Grocer's New Product Award 2016** in the tea & infusions category



In India, Tetley Green Tea's Transformation series wins **Gold at Emvies 2016** for **Best Media Innovation** for a campaign not exceeding Rs. 50 Crs in Billing



\*TGB identified as an Indian leader for the quality of climate change related information that it has disclosed to investors and the global marketplace through CDP India, the not-for-profit that drives sustainable economies.



## Deep roots. High aspirations.

TGB's culture is rooted in innovation, be it the pioneering innovation of tea bag formats, or the on-going go-to-market initiatives.

In many globalised markets, beverage cultures are evolving as fusion experiences. Traditional regional brews are being reimaged, and new innovations are incorporating the wisdom of age-old blends. TGB is keen to lead this trend by leveraging innovation across geographies and product categories. To facilitate innovation, TGB has implemented strategic initiatives which focus on encouraging, empowering and actualising innovation.

# ... A CULTURE OF INNOVATION

### INNOVATION TOOLKIT

This Toolkit is a facilitator of the existing processes to support the cross-functional teams structure. It has a 6-fold process flow:

#### 1 IDEATION

Generate new product ideas to fill the New Product Development funnel

#### 2 GLOBAL IDEA SCREENER

Identify the relevant ideas

#### 3 PROJECTS CLASSIFICATION

Finalise the big ticket Global Ideas

#### 4 PROJECTS INCUBATION

Convert idea into specifics for final project brief

#### 5 PROJECT DEVELOPMENT

Develop product, consumer validate, make ready to launch

#### 6 PRODUCT LAUNCH & POST LAUNCH

Launch in market + track launch progress for learning

Co-developed by the regional and global teams, some of the Toolkit's benefits are:

Creates a strong and visible innovation pipeline for all stakeholders

Facilitates successful commercialisation and launch of innovations

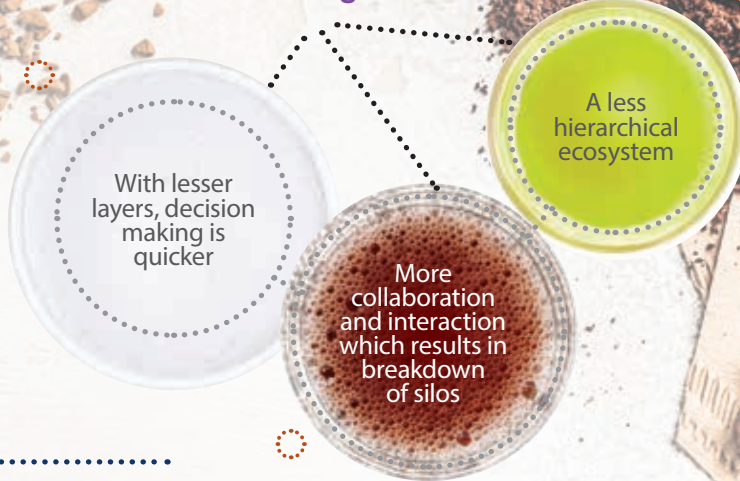
Promotes learning from our launches and applying the insights generated to our business

### CROSS-FUNCTIONAL TEAMS (CFTs)

The beverage landscape is constantly evolving. To keep pace, TGB decided to re-orient its market response strategy to capture growth prospects in this high-opportunity market. The outcome was the formation of global and regional CFTs that lead many of our innovation ideas.

The outcome of some of the CFTs can already be seen on shelves.

### The CFTs leverage several core advantages



### PREMIUMISATION

To stay in step with the fast emerging trend of premiumisation, Tetley joined the premium tea league with Indulgence flavour blends in UK and Signature range in France while in India, Tetley Super Green Tea and Tata Tea Teaveda are positioned for the premium segment.



**ignite**  
think different. new mindset

### IGNITE

Ignite is TGB's central platform for thinking different. Apart from hosting the Company's internal contest to gather ideas to solve existing business challenges, it also serves as a bridge to the innovation agenda of Tata group.

CEO's  
**thinktank**

### CEO'S THINK TANK

This flagship initiative was conceptualised as a company-wide idea incubator harnessing collaborative thinking. Using a contest mechanism, real challenges are thrown open to employees for them to submit actionable solutions.

# Product Innovation



## Consumer – at the heart of product innovation

TGB equates innovation with evolution. In line with this, its product innovations aim to expand the portfolio while delighting consumers in unique ways.

This tradition of creating magical beverage moments through product innovation continues year after year. Be it the garden fresh Tata Tea in an innovative poly pack format (1985), the round tea bag innovation (1989), the guilt-free indulgence offered by Chai Latte (2011), or the nutrient-enhanced Tata Water Plus (2012), TGB's innovations lead to transformative consumer experiences.

During the year, TGB's cross-functional and regional teams created several go-to-market initiatives. In India, we drew on the Tetley Super Teas success in the UK and reimagined this range to suit the Indian consumer, while creating a value-added product launch experience. In the UK and France, premium experiences were delivered through Indulgence and Signature teas while Eight O'Clock disrupted coffee aisles in the US with Infusions offering an enhanced coffee-drinking experience.

The common thread running through all these efforts is building a strong connect with the consumer. The process of translating consumer insights into a marketable product is a complex one, involving interactions between multiple teams in the business. It has many enterprise-wide touch points such as the expert buyers and blenders, R&D, the sales and marketing teams, packaging design, compliance teams etc., who work together to successfully bring an innovation to life.

# Coffee reimaged

In the US, coffee is a commoditised, cluttered category, with little to distinguish one brand from the other. Disruptive innovation, is therefore, critical to brand success in this space.

For TGB, the challenge was to fuel brand growth, enhance relevance, and attract new consumers.

Our research showed that while many food categories such as yogurt, milk, juice and tea were offering functional benefits, coffee was lacking. In fact, 70% of millennial consumers desired some functional benefits from their coffee. Therefore, we decided to introduce a game-changer to the coffee category to deliver an enhanced coffee-drinking experience and offer more reasons to drink coffee!

Eight O'Clock (EOC), with its 150-year legacy of brewing coffee, addressed this aspiration gap with the launch of Infusions. A contemporary blend of 100% Arabica beans and additional ingredients, the EOC range is 'coffee with intention'. The 'Alert' variant combines Guarana with extra caffeine, while the 'Relax' variant is a decaffeinated blend with Chamomile and Lavender cuts.

This first-of-its-kind product in the coffee aisle allowed us to amplify our consumer base, increase coffee usage, and premiumise the coffee drinking experience, while giving coffee lovers a sense of customisation.



## ALERT

Strongest repeat rate of new flavours

## RELAX

Highest % of shoppers new to EOC franchise

# Super Teas for the everyday super human

What if a refreshing brew offered your daily dose of required nutrients in the middle of a busy day? This insight was the genesis of the Tetley Super Teas range which offer the unique value equation of green and fruit & herbal teas plus vitamins in a convenient format. This ground-breaking innovation did away with the need to take vitamin supplements separately.

Tetley Super Green tea was launched in the UK in early 2015, and has met with significant success. It was then extended to include fruit & herbal and everyday black with each variant fortified with different vitamins and minerals catering to different health benefits, ranging from reducing tiredness to supporting a healthy heart.

Inspired by this multi award-winning innovation, the US and Europe markets adapted this range with India next in line and in early 2017, Tetley Super Green teas was introduced to the Indian consumer.



## However, customisation of the UK blend for Indian markets posed several challenges:

- Stability of vitamins in varied and harsh Indian climate zones
- Infusions having flavours familiar to India, to find favour with the Indian palate
- Latest technology to manufacture perfect edible grade blends

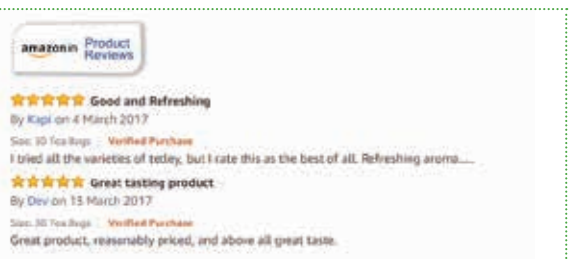
### THE TETLEY SUPER GREEN TEA RANGE

#### Tetley Super Green Tea – Boost:

Lime and mint green tea with Vitamin B6 to help reduce fatigue.

#### Tetley Super Green Tea – Immune:

Citrus and honey flavoured green tea with Vitamin C to help support the immune system.



# A unique record setting launch

The launch event of Tetley Super Green Tea in India was a tribute to the everyday super human who has to keep up with a modern lifestyle that places super human expectations on most people. The tea itself is designed to help replenish energy and vitality, and prepare consumers for a hectic day.

An energetic Zumba performance, led by India's leading Zumba instructor Shwetambari Shetty, was the key draw of the launch. 2000 people from various walks of life wore 'superhero' capes and participated in a high-octane performance. This was recognised by the Guinness World Records® as the world's largest gathering of people wearing capes.

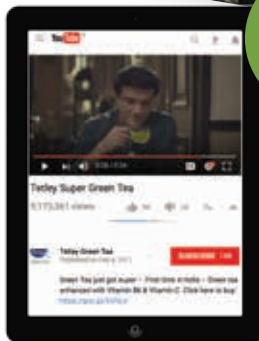
Sourav Ganguly, brand ambassador and one of the most successful captains in India's cricketing history, said, "Tetley Super Green, as the brand name suggests, truly believes that ordinary people are capable of doing super things."



World's largest gathering of people wearing capes recognised by Guinness World Records®



5 Mn views on launch day



Social media buzz during launch



# Innovation inspired by Ayurveda

## Customised to markets

TGB recently added the goodness of Ayurveda to its portfolio by launching Tata Tea Teaveda in India and Tetley Ayurvedic Balance in Canada. Both these blends were customised to their markets of launch with the composition, blend and messaging devised to appeal to consumers. This signified a bespoke approach to product development and innovation.



## Tata Tea Teaveda, India

Black tea is still the mainstay in India and coupled with the rising health trend the Indian consumer is seeking natural wellness in food and beverages with no compromise on taste. Delivering on these fronts is Tata Tea Teaveda, a niche range that blends Ayurvedic ingredients with the finest Assam black tea, giving Indian consumers access to everyday practical Ayurveda. This brand modernises an age-old practice with a young, catchy name and is the first in market to strongly establish the presence of Ayurvedic ingredients through the name 'Teaveda'.

**Tata Tea Teaveda was launched in three variants:**

**Teaveda regular** loose leaf tea with the goodness of Brahmi and Tulsi

**Teaveda Pro energy** in tea bags, has Amla and Vrikshamala (Garcinia) for sustained energy

**Teaveda Pro Woman** in tea bags, has herbs Ashwagandha and Shatavari, which are noted for their rejuvenating and nourishing effect on women's health



# Tetley Ayurvedic Balance, Canada

TGB in Canada had the challenge of making Tetley Ayurvedic Balance teas appeal to mainstream consumers while maintaining the authenticity of Ayurveda. As the brand name indicates, these teas were carefully created with Ayurvedic experts to help consumers find their natural 'balance' or unique combination of 'doshas'- Vata, Pitta, and Kapha. Following consumer research, the brand focussed on the word, 'Balance,' as Canadians resonated with the idea of finding holistic balance in mind, body, and spirit, and 'Ayurvedic' in a smaller font due to low awareness of Ayurveda in Canada. Despite the low awareness levels, 75% of Canadians were interested in learning more about Ayurveda.\*

While blending the Balance range, herbs popular with Canadians, were paired with unique Ayurvedic ingredients. This combination helped consumers familiarise themselves with Ayurvedic ingredients and their benefits.

## 1.6

**Tetley, @ 1.6 value share points, has achieved largest share gain out of all brands in the herbal tea category\*\***

## +19%

**Tetley now outperforms the herbal tea category's growth- Tetley +19% vs Category +6%\*\***

\*Source: Nielsen Bases Snapshot, February 2016

\*\*Source: Nielsen, All Channels, L12Wks ending March 4, 2017

**Tetley Ayurvedic Balance is available in three variants:**



**Poise - Vata:** A centering tea with Cinnamon, Camomile, Orange Peel and Tulsi



**Cool - Pitta:** A cooling tea with Peppermint, Hibiscus, Lemon Balm and Coriander



**Vigour-Kapha:** An uplifting tea with Ginger, Spearmint, Tulsi and Turmeric



# Source water with a dash of sparkle

Consumption habits in India are increasingly globalised, and water is no exception. With an increase in expatriate population, and rising number of 'global Indians', sparkling water as a core category is fast gaining prominence.

Conventionally, the demand for sparkling water in India was met through imported brands. Our natural mineral water brand Himalayan saw an opportunity to leverage its expertise and enter this segment by offering a superior product experience to those who prefer sparkling to still!

With a perfect level of carbonation, Himalayan Sparkling ensures a great profile for gourmet dining. Product packaging and premium positioning are key to this category and the result is a unique frosted glass bottle with hand-drawn snow mountains.

In the first phase of the launch, Himalayan Sparkling is available in exclusive fine-dining and hospitality destinations. So far, consumer feedback has been positive, with instant appreciation for its unique and aspirational Himalayan imagery and taste.



# Quench thirst with a burst of fruit

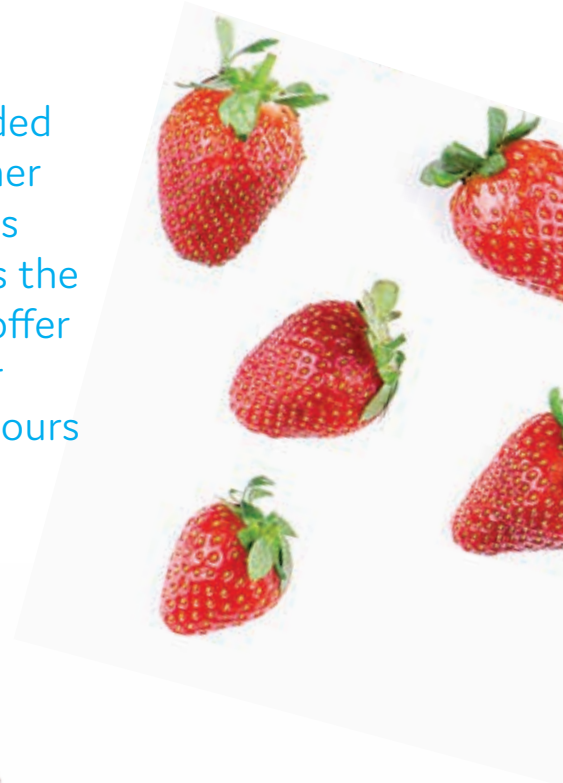
Alternatives to carbonated soft drinks are gaining popularity, and Himalayan Orchard Pure, a range of fruit-flavoured non-carbonated drinks, is right on trend.

Orchard Pure comes in a beautifully crafted 500ml PET bottle, and the visual appeal is further accentuated with natural imagery, to signify the purity of its contents.

This innovative product was launched in Delhi-NCR using print, radio, outdoor and in certain multiplexes across 8 cities supported by counter top merchandising & trial combination.

Initial feedback on product and packaging has been very encouraging. The focus is now on building on this successful launch and ensuring visibility and trials for the brand at more top outlets.

With just 1/3rd of added sweetness versus other packed soft beverages (excluding water), it is the first Indian brand to offer natural mineral water with natural fruit flavours -peach, strawberry and apple.



# Taking the premium route to market



Premiumisation is a global trend that many brands are pursuing ranging from trading up current consumers, appealing to a new audience or targeting an unmet consumer need.

At TGB, we are leveraging this trend with two new ranges - Indulgence and Signature - designed to appeal to new, younger audiences. Indulgence offers new experiences across new occasions, whilst Signature plays on the trend of trading up through a multi-sensorial tea experience.



## Tetley Indulgence, UK

Consumer insights revealed that a third of tea drinkers aged under 35 in the UK preferred more indulgent drinks to tea, however over 41% thought that indulgent drinks were unhealthy to drink often.

Indulgence is a world dominated by coffee but by offering a new indulgent tea with a twist, Tetley has opened up an opportunity to position tea as an indulgent beverage with the added benefit of only 2 calories per cup.

The range comes in 4 delicious flavours inspired by Britain's favourite everyday treats-

- Chocolate Mint
- Cookies and Cream
- Spiced Apple
- Gingerbread

## Tetley Signature, France

The French are increasingly discerning about their tea and young, affluent French tea drinkers understand tea and its nuances, the different blends, green, infusions etc., but they are always looking for more.

To recreate the boutique tea experience at home and showcase Tetley's 180 years of blending passion and expertise, the Signature range was born. This gourmet offering of premium long leaf teas comes in individually enveloped, silky, transparent tea bags.

The super-premium positioned range is available in six flavours:

- Flowery Earl Grey
- Assam
- Green Mint Cucumber
- Green Jasmine
- Green Rose/Cherry
- Rooibos Orange Chai



# Ready-to-drink iced teas with a cool twist

The ready-to-drink (RTD) market is a buoyant sector in the beverage industry. With ~20% growth estimates in many regions, it is a front-of-mind prospect for the industry.

In the early quartile of 2017-18, the Company launched customised RTD product offerings and positioned them as refreshing iced teas in Canada and India.

The product's unique propositions are:

- No artificial colours, flavours or sweeteners
- 100 calories per 473ml bottle
- Caffeine free

## Tetley Herbal Iced Teas, Canada

Tetley Herbal Iced Teas was launched in Canada in 2017. The range offers a distinct experience that combines the freshness of natural fruit flavours with herbal extracts.

These drinks are available in three delicious flavours:

- Hibiscus Pomegranate Berry
- Orange Blossom Peach and Mango
- Lemon and Ginger



## Tata Tea Fruski, India

The RTD tea market in India is very promising. At around Rs. 140 Crs, it is growing annually at 9-10%\*. As de-facto refreshments, they are considered to be the future of beverage consumption in India.

Tata Tea Fruski is a pilot launch in the Indian states of Delhi and Western Uttar Pradesh. Backed by consumer insights, the Company believed that green tea was an ideal base for Fruski.

Fruski's appeal is further enhanced by its availability in two popular flavours – Mango and Orange. Some of its key features include:

- **Vibrant, youthful design**
- **Available in 500ml PET bottles and 180ml single-serve cups, a first for the iced tea category**
- **Price points of Rs.12 per single-serve cup and Rs.35 for 500ml bottle**

With Fruski, TGB turns its focus to bringing Indian youth into the fold by making tea a beverage of choice – one that is refreshing, healthy and affordable. This is a first of its kind combination in the Indian iced tea market positioned to drive green tea consumption with an offering that is innovative and relevant.



At around Rs. 140 Crs, RTD tea market is growing annually at 9-10% in India.



With Fruski, TGB turns its focus to bringing Indian youth into the fold by making tea a beverage of choice – one that is refreshing and affordable.



\*Source: Euromonitor International

# Evoke the splendour of India in a sip!

India Spice Majesty Blend is the signature innovation developed in association with Tata Global Beverages Ltd for Starbucks® Teavana™ in India.

An invigorating blend of full leaf Assam black tea with rich spice infusion of whole cinnamon, cardamom, cloves, pepper, star anise and ginger, a sip of freshly brewed India Spice Majesty Blend brings alive the romance of serene tea plantations and sparks rejuvenation in every corner of the soul. For the discerning Indian customer, India Spice Majesty Blend evokes the splendour of India in every sip.

The launch of Starbucks® Teavana™ brings an entirely modern and reimagined tea experience for Indian customers, who increasingly want new and different tastes and experiences. Starbucks® Teavana™ Handcrafted Beverages, brewed teas and the signature India innovation – India Spice Majesty Blend give customers across India the opportunity to enjoy a range of unique iced and hot tea beverages with bold, layered flavours.



The unique India Spice Majesty blend offers a soothing and premium tea experience that can be enjoyed with or without milk.




## A global philosophy, applied to Indian taste buds

The core challenge in developing the India Spice Majesty blend was to find a premium flavourful Orthodox blend that could be consumed with milk. Traditionally, Orthodox tea flavours are consumed plain black, while this customisation mandated that milk be an integral part of the infusion, to adhere to the Indian tea culture. Also, the Teavana philosophy warranted use of only the long leaf Orthodox teas, which create predominantly black tea experiences.

Another test for the blenders was to arrive at the right mix of spices in the right proportions, so that the infusion would be palatable across India.

# Innovation in Brand Communication

A man with glasses and a woman are smiling and looking at a smartphone together. They are sitting at a table with coffee cups and a coffee maker. The background is a warm, indoor setting with a window.

## A different brand of innovation

TGB is passionate about its brands. Our brands are the primary interface and touch point that consumers have with TGB, and we like to tell their stories well. To do so, we adopt both traditional and out-of-the-box measures that help the brand promise resonate strongly with consumers. In building our go-to-market strategies for individual brands, TGB carefully crafts communication that connects with consumers in unique ways, stays true to the brand's ethos, and is effortlessly engaging.

During the year, TGB implemented imaginative communication strategies that redefined the way brands look at building a connection with consumers. We also leveraged digital channels extensively to amplify these events, and drive consumer engagement globally.

TGB believes that today's beverage culture offers ample scope to grow through innovation in brand communication. We continue to be inspired by our markets but choose to stay ahead of trends, breaking barriers and delighting our consumers. We are also leveraging our products to bring about social change and spark positive conversations. After all, serving up magical beverage moments is about ensuring that at every touch point we produce experiences that reiterate our brand values, create an emotional resonance with consumers and ultimately lead to brand loyalty.



# Narrating the brand's story through our consumers' lens

Tata Tea Kanan Devan added 6 new photos to the album The Photography Escapade 2 — with Ganesan Theyyangad and 33 others. Published by South Maxus (P) Ltd. 12 October 2016.

Here's how TATATEA Kanan Devan gave 10 ace Indian photographers an experience of a lifetime at the Kanan Devan Hills in Munnar

1,454,347 Photo Uploads  
65,529 New Likes, Comments, & Shares

The campaign achieved the **highest buzz** among tea brands in India during the activity phase!

The campaign received **58 lakh** unique reach and achieved **80%** of reach in the core target group



To communicate the distinctiveness of Tata Tea Kanan Devan which is the unique taste of freshness from Kanan Devan hills and to make the brand more contemporary, TGB leveraged the popular trend of photography to engage with younger consumers. The outcome was the unique Kanan Devan Photography Escapade, which took the most promising young photographers to the picturesque Munnar town, home of the Kanan Devan hills.

The initiative, launched in 2014, was a high visibility event among the youth, especially on social media.

The second season of this Photography Escapade, held in August 2016, brought in newer elements to amplify the enthusiasm. Modern technology was used to aid creativity and the 360 degree beauty of the hills was captured by a drone. Another exciting aspect to the initiative was, featuring the winning image as a limited edition pack. For the first time in India, an image sourced from a consumer found its way to an actual product pack!



**800** unique entries across platforms with **over 2500** images

**Over 15,000** engagements on Twitter during the contest

**Over 49 lakh reach** and **4.5 lakh** engagements on Facebook

**Over 3.7 lakh** reach and **75,000** engagements on Instagram

The hashtag **#PhotographyEscapade2** trended on Twitter nationally for over **4 hours!** It garnered over **25.94 million** impressions, reaching over **2.36 million** unique users

# Energy game ON!

Tata Gluco Plus (TGP) is brought to the Indian market through NourishCo Beverages Ltd, our Joint Venture with PepsiCo India. Conceived as an affordable on-the-go re-hydration solution, this glucose based drink provides instant energy in a unique cup format. To strengthen brand proposition, an ingenious video game was developed that seamlessly integrated the brand while encouraging competitive spirit.

**Engages the players in rigorous physical activity, guided by their simulated virtual avatar on screen. After a few minutes of continuous activity, TGP is offered to the tired player to recharge thus building a perfect fit for the brand's proposition of 'Real Instant Energy.'**



14,117  
engagements

# SCORE 100

TGP Energy Dash – energetic real + virtual game based on the the model of ‘Maze Runner’ in video games. Unique innovation of integrating motion sensing and augmented reality technologies, to attract the young audience.

75  
colleges

20  
cities

Rs.10,000  
college-level prize

Rs.10 lakh  
grand prize

1.52  
million  
impressions

# Tetley talks balance with its unique TEA talks

## What?

Tetley TEA Talks is an owned event property conceived on the lines of popular speaker series TED Talks to impart education on Ayurveda and its principle of balancing the three 'doshas' to avoid biological imbalance. The acronym TEA stands for Tetley Education in Ayurveda.



## Why?

The event was part of a larger 'Find Your Balance' campaign to drive awareness and trial of the new Tetley Ayurvedic Balance teas, a line of carefully crafted blends inspired by Ayurveda, a 5000 year old system of knowledge, which believes that balancing mind, body and spirit is essential for holistic well-being. Tetley also set out to educate consumers on the concept of Ayurveda in general since it is relatively new in Canada.



## Who?

Tetley brought in five leading Ayurvedic experts from North America to educate consumers, media and influencers via engaging workshops and discussion on Ayurveda, doshas and how to find balance in your life:

- **Keynote speaker Yogi Cameron**, a former model and now an Ayurvedic guru to the stars
- **Chef Lauren Marshall**, a plant-based Ayurvedic chef
- **Debra Eklove**, an Ayurvedic practitioner and **Nitin Shah M.D. (Ayu)** who helped develop the Tetley Ayurvedic Balance Teas
- **Andrea Olivera**, an Ayurvedic spa owner and leading figure in Ayurvedic beauty and wellness.

## Results:

The event was a great success with over 200 very engaged attendees! The social reach of #TetleyFindYourBalance on event day alone was more than 1.4 million impressions, and the hashtag trended in Canada at the #1 spot

### • TEA Talks digital buzz

#TetleyFindYourBalance  
No. 1 trending topic on  
Twitter in Canada

Over 26,000 views of  
Facebook live video

Over 423,000 views  
of TEA Talks video

Over 12 million  
PR impressions

PR campaign awarded  
a Certificate of Merit  
from the Canadian Public  
Relations Society

# Innovation in Sustainability & Social Purpose

## Making good business better

TGB's social purpose is grounded in its core value of 'Doing Good'. Around the world, this is a way of life for all TGB's entities - to give back to the communities in which we operate – the ethos of the Tata group. For, in the growth and development of its stakeholders, the Company embeds its growth.

An integral part of this philosophy is sustainable growth. Be it the communities, the environment, the society or the organisation itself, TGB believes in creating long-term value creation in an inclusive and equitable manner.

As in everything else, TGB strives for grassroots innovation in its sustainability and social purpose activities. From an innovative project to develop a sustainable solution to pest control in tea crop, to thought leadership campaigns based on social issues, our initiatives span a whole gamut.

Working with communities, and considering them key stakeholders in our progress, is what makes our good business better. From small yet significant efforts to large-scale community initiatives, our objective is to ensure a better quality of life for everyone.



# Spreading warmth one smile at a time

In August 2016, TGB and Tata Trusts partnered with Smile Train, the world's largest cleft charity that provides 100% free cleft lip and palate surgery to children in need. The idea behind this unique initiative, Tetley Smile Challenge, was to involve communities in a manner that drove both engagement and awareness.

This global digital campaign was launched by Tetley in UK, US and Australia with a microsite to collect virtual smiles. People taking the challenge were required to watch three rounds of fun videos and hit pause every time they smiled in the process.



The Tetley Smile Challenge created considerable buzz on social media

Total smiles collected:  
**291,937**





Ba'ana, from Cameroon, after her son Alfred underwent cleft lip surgery, aided by TGB and Smile Train, said "When I saw Alfred after the surgery, the joy was great. I didn't go to work on the farm for a week and we just enjoyed our happiness. We danced, we bought drinks for everyone."

**"Many people came to the house with gifts and congratulated me for not giving up hope for my son."**

## A cause that changed lives

This initiative has changed many childrens' lives for the better, through corrective surgery, by helping them smile for the first time!



Badhon, from Bangladesh was born with a cleft lip and palate. The defect was so acute that he could not breast-feed. At one stage, he was dying from malnutrition. However, after proper nutrition counselling, Badhon was operated by Smile Train, and the results were transformative. His mother Meghna had this to say, "Our lives have completely changed. Badhon can play with other children, and nobody says bad things to us anymore."

**"I know that he will be accepted at school and have a normal life like other children of his age. This is a great relief to us."**



# Jaago Re urges India to pre-act, not react



Tata Tea is back again with its iconic Jaago Re campaign – Jaago Re 2.0. The new campaign 'Alarm Bajne se Pehle Jaago Re' (Wake up before the alarm rings) urges people to stop reacting after tragedies hit and instead start 'Pre-acting'; to prevent these issues from happening.

The previous editions of Jaago Re focused on various topics ranging from corruption and bribery to voting and women empowerment. Over the years, these campaigns have been instrumental in igniting a social revolution of sorts by provoking an entire generation of Indians to wake up to socio-cultural issues affecting them by questioning people's apathy towards them. The campaigns have helped move the needle. Today, people raise their voices and express outrage on-ground and on social media. But this behaviour is essentially 'Re-activism' which occurs after an incident has happened. With the new campaign Tata Tea is encouraging 'Preactivism', a behaviour of timely activism which

happens before, to prevent unfortunate events.

The campaign will have multiple phases with the initial phase focusing on seeding this new thought and making 'Preactivism' a mainstream conversation. To build credibility for the campaign and generate conversations, a combination of television and digital media has been used. In the subsequent phases, Tata Tea will continue to drive 'Preactivism' through on-ground initiatives and walking-the-talk as a brand that is rallying for change.





## The campaign that set records

**Brand mind**  
measures have improved

**67 million**  
video views (TVC + digital) with a completion rate of 29.8%; significantly higher than benchmark of 17-22%

**1.15 billion**  
impressions achieved across digital platforms at a cost significantly lower than the industry benchmark

**49%**  
record breaking engagement achieved for TVC launch on Twitter; higher than benchmarks of 3-4%

**144 million unique users**  
Digital reach of the campaign at a cost per reach lower than television reach cost

**44 million (30.5%)**  
Organic reach achieved of the 144 million unique users

**39,000**  
conversations across platforms generated by the content reflecting high consumer engagement

Our digital only films for key activities like World Water day achieved phenomenal results - 15 million total reach, 23 million total impressions, 7.5 million total video views



# Boosting last mile distribution with route-to-market innovation

The next phase of growth in India will be led by its villages. Gaon Chalo, TGB's innovative rural distribution network model, has continued to flourish since its inception a few years ago. From its first activation in Uttar Pradesh, the initiative has now touched 450 districts in 19 states, servicing 2,00,000 micro outlets across 80,000 villages.

One of the programme's mainstays is its unique distribution model that surpasses the traditional trade channel in an innovative manner.

## Sustainable distribution model

The Gaon Chalo model is holistically sustainable. Economically, it is self-sustaining. Environmentally, it reduces health and environmental hazards, since it reduces room for spurious and inferior products to proliferate. In the social context, it encourages village entrepreneurship and generates non-farm earnings. Thus, it helps control the problem of urban migration. Finally, following a diligent social agenda, Gaon Chalo actively promotes and supports causes such as child education and affirmative action.





From its first activation in Uttar Pradesh, the initiative has now touched **450 districts** in **19 states**, servicing **2,00,000 micro outlets** across **80,000 villages**.

# Sustainable sourcing for long-term success

The TGB led research Project Sustainable Plant Protection Formulation (S-PPF) is developing bio-pesticides inspired by the principles of Vriksha Ayurveda for managing tea pests. The Indian tea industry loses 15-30% of its crops due to pests, diseases and weeds. So in a unique and fast-track collaborative effort, 20 multidisciplinary scientists from the Tata group have studied the biology and ecology of tea pests in Assam, Kerala and Tamil Nadu, identified alternative practices for their management, and conducted over 20 field trials on Non-Pesticide Management (NPM) of significant tea pests such as tea mosquito bug helopeltis, red spider mites, thrips, blister blight and tea looper caterpillar. The project has also expanded its scope to the development of bio-pesticides for white stem borer and termite pests in coffee.

Vriksha Ayurveda or the science of plant life offers a sustainable and eco-friendly solution to thousands of tea farmers who are affected by severe infestation of pests on their tea crops. After studying the behaviour of tea pests, the team focused on developing a combination of plant extracts that not only acts as a bio-pesticide, but also provides nutritional supplements to the plants.

The development of bio-pesticides for Red Spider Mites, which cause considerable damage in tea crops, shows high efficacy for moderate infestations of Red Spider Mites. The project team has filed for a patent with Central Insecticide Board (CIB) for regulatory approval.

The Project S-PPF team.....



Winner in Leading Edge  
Technology at Tata  
Innovista 2016

Vriksha Ayurveda or the science of plant life offers a sustainable and eco-friendly solution to thousands of tea farmers who are affected by severe infestation of pests on their tea crops.



# Agents of innovation

At Tata Global Beverages, we believe in blending an optimal mix of work and fun to create an environment that is both challenging and rewarding.

We recognise that our business performance is a reflection of our internal synergies. TGB is committed to building an agile and responsive organisation that continuously challenges status quo. Across the world, we experiment, innovate and collaborate to deliver the best to our consumers while striving to provide an approachable and caring work environment, that helps our people deliver on their potential.

With a simplified global management system, unique culture and focussed 'talent' strategy, we are making TGB 'the place to be'.

## Perfect Cup Awards

**Celebrating success and recognising wins is essential to building a high performance culture.**

Celebrating success and recognising wins is essential to building a high performance culture. In 2014, we established Brewing Brilliance, TGB's global rewards and recognition programme. The highest, most coveted honour on the Brewing Brilliance platform is the 'Perfect Cup,' crafted to recognise individuals and teams, who have made a significant contribution to our growth story, through outstanding business leadership and innovation, in line with our Core Values.

## S.E.E.D

**Our ambitious mid-term plan and growth agenda makes it imperative to focus on building overall organisation capabilities.**

Leveraging the new Tata leadership practice, a global development initiative named S.E.E.D was introduced. An abbreviation of Seek, Evolve, Excel and Develop, S.E.E.D is tailored for our mid-level managers. The key focus is to enhance personal growth by sharing insights about individual strengths and development opportunities. The process culminates in a discussion with an external consultant and a personalised feedback report to help create customised learning and development plans.





There are multiple initiatives undertaken to strengthen the work environment and foster excellence.

## Cross Functional Teams

**As we continue to transform our business to stay in-step with the external environment, we learn more about the best ways to achieve our vision of becoming the 'most admired natural beverages company'.**

To facilitate this growth and quick action, a key initiative in place is cross functional teams (CFTs). These teams operate as a network of change agents to lead and champion our biggest innovation platforms, that re-examine our ways of working. The teams work across multiple regions simultaneously. CFTs promote greater agility and ownership due to their lean structure in addition to a spirit of collaboration and breaking down silos across geographies.

## Tata Innovista

**Tata Innovista is the annual group-level recognition programme that showcases the best innovations every year within the Tata group.**

It was started over a decade ago to encourage and build confidence amongst Tata managers to take up innovative projects. At TGB, we whole-heartedly encourage participation in this event and are proud of the several winners we have had over the years across many categories. This spirit of innovation and enthusiasm is also reflected in our internal contest, CEO's Think Tank, which invites solutions from TGB employees to some of the real challenges our business faces.

## Wellbeing Revitalized@TGB

**Corporate professionals thrive in a demanding atmosphere .**

This often leads to reduced focus on a key aspect of life – wellbeing. While we leverage the health and wellness trend in the marketplace through products like Tetley and Tata Tea Teaveda, we also bring the same focus to our workplace with the 'Wellbeing Revitalized@TGB' initiative. This wellness platform gives employees in India the access to health experts and personalised services like diet plans, tracking calories, health challenges, a library of articles, counsellors and more.

## Work-O-Joylics

**Driving employee engagement is a key agenda in TGB and efforts were ramped up last year with the launch of Work-O-Joylics in India.**

Work-O-Joylics is a handpicked cross functional team brought together with one objective – make TGB 'the place to be' through activities that bring cheer and camaraderie to the workplace.

With multiple locations to cover and a multitude of schedules to manage, the team of Work-O-Joylics are challenged to think out of the box and plan events that liven up the workplace.

**People drive the innovation culture at TGB. We are committed to ensuring a conducive atmosphere and providing the necessary platforms for this culture to thrive, in order that we may continue to serve consumers better and build a sustainable business.**



# Board of Directors



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## 1. Mr. N Chandrasekaran

### CHAIRMAN

Mr. N. Chandrasekaran is the Chairman of Tata Sons, the holding company and the promoter of more than 100 Tata operating companies. He joined the board of Tata Sons in October 2016 and was appointed Chairman in January 2017.

An alumnus of the Regional Engineering College (now NIT) Trichy, Mr. Chandrasekaran chairs the boards of several group operating companies, including Tata Steel, Tata Motors, Tata Power, and Tata Consultancy Services (TCS) — of which he was Chief Executive from 2009-17. Under his leadership, TCS consolidated its position as the largest private sector employer in India and the country's most valuable company.

Mr. Chandrasekaran was also appointed as a Director on the Board of the Reserve Bank of India, in 2016. He is an active member of India's bilateral business forums and has served as the Chairman of Nasscom.

## 2. Mr. Harish Bhat

### NON EXECUTIVE

Harish Bhat is Brand Custodian, Tata Sons and Director of TGBL and Tata Coffee Ltd. He joined Tata group in 1987, as an officer in the Tata Administrative Service. He is also a Director on the Boards of several other Tata Companies, including Titan Company Ltd., Tata Starbucks Pvt. Ltd., Infiniti Retail Ltd. etc.

Some of his stints during his 30 year career include Managing Director of TGBL, COO of Titan Company's Watches and Jewellery business, and also in the telecom business of Tata group. He has played a key role in several strategic moves like the successful acquisition of Tetley.

He is an alumnus of BITS Pilani and Indian Institute of Management, Ahmedabad, graduating with a Gold Medal for scholastic excellence in 1987. Harish is also a Chevening Scholar. He was a member of the Consumer Insights Panel of the Economic Development Board, Government of Singapore and represented Tata group on the Executive Committee of the World Federation of Advertisers.

Harish is a prolific writer who contributes regularly to various national publications. He is also the author of two books titled 'Tata Log' and 'The Curious Marketer'.

**3. Mr. V. Leeladhar**INDEPENDENT DIRECTOR  
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V. Leeladhar has long experience in the banking industry having served as the Executive Director of Bank of Maharashtra, Chairman and Managing Director of Vijaya Bank and Chairman and Managing Director of Union Bank of India. He has also served as Deputy Governor of the Reserve Bank of India for over four years and was a member of the Securities & Exchange Board of India. Leeladhar is also on the Boards of Tata Coffee Ltd., Tata Cleantech Capital Ltd., Airtel Payments Bank Ltd., TRIL Constructions Ltd. and Axis Mutual Fund Trustee Ltd.

**4. Mrs. Mallika Srinivasan**INDEPENDENT DIRECTOR  
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Mallika Srinivasan is Chairman & CEO of Tractors and Farm Equipment Ltd., a flagship company of the Amalgamations Group. She has been at the helm of affairs of industry bodies and trade associations such as Tractor Manufacturers Association, Madras Management Association, Madras Chamber of Commerce & Industry and Southern Regional Council of CII. She is also a Director of five other Indian companies. Mallika is a recipient of several business awards and has been recognised by Business Today for seven consecutive years as one of the 25 most powerful women in Indian business. She was awarded the Padma Shri by the President of India in 2014. She is a member on the Executive Board of Indian School of Business, Hyderabad and also on the Board of Tata Steel Ltd and AGCO Corporation, USA.

**5. Mrs. Ranjana Kumar**INDEPENDENT DIRECTOR  
.....

Ranjana Kumar retired as Vigilance Commissioner of Central Vigilance Commission, Government of India. She was also Member, Governing Council, National Innovation Foundation, Ahmedabad. Her other significant positions include Chairperson & Managing Director of Indian Bank, Chairperson of National Bank for Agriculture and Rural Development (NABARD), Chairperson of the Advisory Board on Bank Commercial and Financial Frauds, Executive Director, holding concurrent charge as Chairman and Managing Director of Canara Bank and CEO of the US operations of Bank of India based in New York. She is on the Board of Britannia Industries Ltd., Vyome Biosciences Ltd., Rainbow Hospitals Pvt. Ltd. and more. She is also on the Board of Governors of Indian Institute of Management, Kashipur and on the committee of Tirupati Tirumala Devasthanam.

**6. Mr. S. Santhanakrishnan**NON EXECUTIVE NON INDEPENDENT  
.....

S. Santhanakrishnan, FCA is a partner of PKF Sridhar & Santhanam, Chartered Accountants. He has more than 32 years' experience in Finance, Accounts including IFRS, Strategy & Planning, Global Assurance, Corporate Laws and Consulting. He was a member of the Central Council of the Institute of Chartered Accountants of India (ICAI). He is actively involved in numerous industry oriented initiatives of the Reserve Bank of India and the Ministry of Corporate Affairs. He is on the Board of other Tata companies and IDBI Federal Life Insurance Co. Ltd., and ICICI Home Finance Co. Ltd.

**7. Mrs. Ireena Vittal**INDEPENDENT DIRECTOR  
.....

Ireena Vittal, a former partner with McKinsey & Co., has helped government and public institutions design and implement solutions core to India's development, such as inclusive urban development and sustainable rural growth. Ireena was a founding member of the economic-development practice and the global emerging-markets practice at McKinsey & Co. After 25 years in the corporate world, she currently works in the urban and agriculture space and is also an Independent Director on the board of Titan Company, Indian Hotels, Godrej Consumer, Tata Industries, Compass Group PLC, Wipro, Cipla and on the global advisory board of IDEO.org, a non-profit organisation dedicated to applying human-centered design to alleviate poverty. Prior to McKinsey, Ireena worked with Nestle and MaxTouch (now Vodafone). She graduated in electronics and has a MBA from Indian Institute of Management, Calcutta.

**8. Mr. Siraj Chaudhry**INDEPENDENT DIRECTOR  
.....

Mr. Siraj Chaudhry is the Chairman of Cargill India. Under his leadership, the Company has successfully built its consumer and institutional businesses, with an enviable brand portfolio. He is also on the Board of Tata Coffee Ltd. as an Independent Director. A thought leader in the space of Agriculture and Food, he is consulted by the Central and State governments for his views in these fields.

Mr. Chaudhry holds an MBA from the Indian Institute of Foreign Trade (IIFT) and is a graduate of SRCC, University of Delhi. He presides and chairs several well-renowned bodies such as the Food Industry Skill Council (under NSDC), the Agriculture and Food committee (of USIBC) in India etc. in addition to several NGOs. He is also engaged with the World Economic Forum (WEF).

**9. Mr. Ajoy Misra**MANAGING DIRECTOR AND CEO  
.....

In a career spanning 37 years, Ajoy Misra worked for 30 years in various departments of Taj Hotels from sales and marketing to operations after he joined in 1980 through the Tata Administrative Services. He progressed to General Manager of Taj President in Mumbai and then was in Sri Lanka as Area Director – Sri Lanka and Maldives and General Manager of Taj Samudra Hotel in Colombo. He was last the Senior Vice President, Global Sales and Marketing, for Taj Hotels Resorts and Palaces.

Ajoy is a Civil Engineer from BITS, Pilani and has an MBA from the Faculty of Management Studies, Delhi University, followed by completing the Advanced Management Program at Harvard Business School, Boston.

He was appointed as Executive Director and Deputy CEO of TGB and subsequently elevated to Managing Director and CEO from 1st April, 2014. He is also on the Board of Directors of various Tata group companies.

**10. Mr. L. Krishnakumar**EXECUTIVE DIRECTOR & GROUP CHIEF FINANCIAL OFFICER  
.....

L. Krishnakumar joined Tata group in 2000 in the hotels business as Vice President, Finance. He took over as Head of Finance for Tata Tea in India in 2004 and is currently the Executive Director and Group CFO. He supervises the Finance, Governance and IT functions and oversees Global Buying & Blending and Supply Chain. He is also a Director on the board of NourishCo Beverages Ltd. and several of TGB's overseas subsidiaries.

Krishnakumar graduated from Loyola College in Madras and obtained professional qualifications in Chartered Accountancy, Cost Accountancy and Company Secretarial with a diploma in systems analysis. He has worked with A F Ferguson and Co., and Larsen and Toubro Ltd. where he was General Manager, Finance.

# Executive Office



**1. Mr. Ajoy Misra**

MANAGING DIRECTOR &amp; CEO

Ajoy Misra has been with Tata group for over 30 years. Before TGB he held several leadership roles at the Taj Group of Hotels, including Head of Global Marketing & Sales, Area Director of Sri Lanka and Maldives and General Manager of various regions and properties of Taj. Ajoy is a Civil Engineering graduate from BITS Pilani with an MBA from Faculty of Management Studies, Delhi University. He has also completed the Advanced Management Program from Harvard Business School.

**4. Mr. K. S. Srinivasan**GLOBAL CHIEF HUMAN  
RESOURCES OFFICER

K. S. Srinivasan joined TGB as Chief Human Resources Officer in 2013, and has been with the Tata group for 25 years. He has over 30 years of global experience in HR. Prior to TGB, Srinivasan led the HR function, including Learning & Development, for the Americas and Europe for the Taj Group of Hotels, based out of New York. His core expertise lies in managing and integrating organisation culture, performance management, organisational change initiatives, reward and compensation management, industrial relations, and employee engagement.

**7. Mr. Sushant Dash**

REGIONAL PRESIDENT, INDIA

Sushant Dash joined TGB in 2000, and has successfully handled various strategic and operational roles for the organisation. Some of his previous roles include Marketing Head for India, Team Leader of a Venture Team based in UK, and Senior Director – Marketing and Business Development for Tata Starbucks. In his most recent role, he was the Global Brand Director of TGB. Previously, he worked at ORG Marg in Consumer and Market Research. Sushant holds a post graduate degree from Mudra Institute of Communication, Ahmedabad (MICA) and is a graduate in Economics from Ravenshaw University, Cuttack.

**2. Mr. L. Krishnakumar**EXECUTIVE DIRECTOR & GROUP CHIEF  
FINANCIAL OFFICER

L. Krishnakumar joined Tata group in 2000 as Vice President, Finance, in the Hotels business, and was promoted in 2004 as Head of Finance for Tata Tea, India. He is currently the Group Chief Financial Officer, and supervises the finance, governance and IT functions. A graduate from Loyola College, Chennai, Krishnakumar is qualified in Chartered Accountancy, Cost Accountancy and Company Secretarial with a Diploma in Systems Analysis. He subsequently worked with A. F. Ferguson and Company and Larsen and Toubro Limited (L&T), in various areas. Before joining Tata group, he was General Manager, Finance in L&T.

**5. Mr. Stephen Rice**REGIONAL PRESIDENT,  
CANADA, AMERICA AND AUSTRALIA (CAA)

Stephen Rice is the Regional President for the CAA region. Previously, he worked for Coca-Cola, first as Financial Analyst and then as Product Manager. He subsequently joined Cadbury Beverages, Canada, as Product Manager, moving up as Business Manager for a number of brands within Cadbury, including allied brands — Welch's and Motts — and was then appointed as District Sales Manager. He joined Tetley in 1999 as Marketing Manager and grew to become Vice President, Marketing, in 2004. He was appointed Regional President in 2010. Stephen holds an Honours BComm degree, majoring in Marketing.

**8. Mr. Vikram Grover**

PRESIDENT, WATER VERTICAL

Vikram Grover is Head of TGB's water business, responsible for product development of functional waters and building a global footprint for the water business. He is based in Mumbai and also has overall responsibility for the company's tea business in Bangladesh. Vikram joined TGB as Marketing Head for South Asia in 2010, and played a key role in achieving several milestones for the company's branded tea business in India. Previously, he worked with Unilever holding significant roles such as Global Strategy and Archetypes Director for Beverages and Country Head for Beverages in India. Vikram has an MBA in Marketing from Indian Institute of Management, Kolkata, and is an engineering graduate from Punjab Engineering College, Chandigarh.

**3. Mr. Adil Ahmad**

GLOBAL CHIEF MARKETING OFFICER

Adil Ahmad joined TGB in 2015 as Chief Marketing Officer. In his role as brand custodian, he aligns our efforts and drives synergies across markets to develop a strong portfolio of global brands by focusing on overall health, profitability and premiumisation of brands. He is also responsible for innovation and developing new growth opportunities for our global brands and businesses across regions. Prior to this, Adil spent 20 years with Reckitt Benckiser, holding leadership positions across UK, India, Middle East and East Asia, in both strategic and operational roles. He graduated from St. Stephens College, Delhi and holds an MBA from Case Western University, Cleveland, Ohio, USA.

**6. Mr. Nigel Holland**REGIONAL PRESIDENT, EUROPE,  
MIDDLE EAST AND AFRICA (EMEA)

Nigel Holland joined the Management team in 2011 and is responsible for the EMEA region. He is also Executive Director and Chairman of Joekels Tea Packers Limited, South Africa and President of the UK Tea & Infusions Association (UKTIA). With an MBA in Economics, Nigel joined the Tetley Group in 1998 as Marketing Controller, having previously worked in various consumer marketing positions for a number of leading FMCG brands. A year later, he progressed to Marketing Director and then Commercial Director for UK in 2002, which extended to Western Europe and Australia. In 2008, Nigel became Regional President for UK and Africa, and eventually for Europe and Middle East as well.

**9. Mr. Sanjiv Sarin**MANAGING DIRECTOR & CEO,  
TATA COFFEE LIMITED

Sanjiv Sarin is Managing Director & CEO of Tata Coffee Limited. He was previously TGB's Regional President - South Asia since 2010 where he significantly strengthened the Company's position in the Indian branded tea market. Sanjiv has 40 years of experience including 16 years at Cadbury Schweppes in the Philippines, Egypt, India and the UK, his last assignment being Country Director of Cadbury Philippines before he moved to Tata Coffee Limited as Executive Director – Business Development. Sanjiv graduated from Asian Institute of Management, Manila, Philippines, with a distinction, and has a Masters in Economics from Bombay University, where he graduated with a gold medal.

# 10 Year Financial Highlights

Rs. in Crs

	Ind AS		Previous GAAP								
	2017	2016	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>STANDALONE FINANCIALS</b>											
Total Income	3160	3098	3190	3040	2868	2439	2129	1924	1837	1525	1263
EBITDA	363	359	342	317	284	239	232	147	191	153	176
Operating Profits (EBIT)	339	336	319	297	268	222	220	135	179	142	166
Profit before Tax	386	317	661	349	585	321	370	230	495	229	386
Tax	110	90	97	60	139	62	67	50	104	70	73
Profit after Tax	276	226	564	289	447	259	303	181	391	159	313
Dividend payout @	168	164	164	162	147	154	154	142	143	125	253
Equity Capital	63	63	63	62	62	62	62	62	62	62	62
Share Suspense Account	-	-	-	1	-	-	-	-	-	-	-
Reserves & Surplus	3721	3374	2833	2439	2511	2256	2148	1995	2016	1737	1742
Shareholders' Funds	3785	3437	2896	2502	2573	2318	2210	2056	2078	1799	1804
Borrowings ^	32	435	378	477	457	509	367	505	500	755	758
Capital Employed	3817	3872	3274	2979	3030	2827	2577	2561	2578	2554	2562
Net Block	226	209	209	205	162	150	143	126	111	104	98
Contribution to Exchequer	109	172	172	118	141	96	87	72	120	80	83
Payments relating to Employees	188	169	187	162	136	120	101	95	95	92	72
No. of Employees	2555	2552	2552	2549	2466	2489	2218	2373	2419	2422	2510
Book value per Share (Rs.) *	59.62 +	54.11 +	45.54 +	39.29 +	41.26 +	37.13 +	35.39 +	32.90 +	332.47	287.43	288.19
Earnings per Share (Rs.)	4.37 +	3.59 +	8.93 +	4.58 +	7.23 +	4.18 +	4.89 +	2.92 +	63.30	25.72	50.79**
Dividend per Share (Rs.)	2.25 +	2.25 +	2.25 +	2.25 +	2.25 +	2.15 +	2.15 +	2.00 +	20.00	17.50	35.00&
Total Debt to Equity *	0.01	0.13	0.13	0.19	0.18	0.22	0.17	0.25	0.24	0.42	0.43
<b>CONSOLIDATED FINANCIALS</b>											
Total Income	6863	6719	8181	8063	7819	7437	6735	6100	5855	4907	4376
EBITDA	791	654	675	775	752	768	623	608	722	646	709
Operating Profits (EBIT)	665	538	532	642	623	663	527	509	619	547	617
Profit before Tax	662	170	545	500	707	637	574	494	641	1256	2059
Net Profit after Minority Interest	389	(6)	326	248	481	373	356	254	390	701	1543
Book value per Share (Rs.) *	98.93 +	98.64 +	89.96 +	86.38 +	93.90 +	77.08 +	73.15 +	63.37 +	596.35	580.94	557.34
Basic Earnings per Share (Rs.)	6.17 +	(0.09) +	5.16 +	3.93 +	7.77 +	6.03 +	5.76 +	4.11 +	63.11	113.28	250.41**
Total Debt to Equity *	0.11	0.19	0.18	0.21	0.21	0.25	0.16	0.21	0.38	0.53	0.59

@ Includes Tax on Dividend

^ Includes current maturities of long term debts

\* Computation excludes Revaluation Reserves

+ Computation based on revised face value of shares

\*\* On the average Share capital for the year/period

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

&amp; Includes one time special dividend of Rs. 20 per share

# Notice

Notice is hereby given that the Fifty Fourth Annual General Meeting of the Members of Tata Global Beverages Limited will be held at the Taj Bengal, 34-B Belvedere Road, Alipore, Kolkata – 700 027, on Friday, 18<sup>th</sup> August, 2017 at 10.30 a.m. to transact the following businesses:

## Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2017, together with the reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2017, together with the report of the Auditors thereon.
3. To declare a dividend.
4. To appoint a Director in place of Mr. Harish Bhat (DIN 00478198), who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. S. Santhanakrishnan (DIN 00032049), who retires by rotation and, being eligible, offers himself for reappointment.

## 6. Appointment of Auditors

To consider and if thought fit to pass, with or without modification(s), 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, and other applicable rules, if any, Deloitte Haskins & Sells LLP., Chartered Accountants (Firm Registration No. 117366W/W-100018), be and are hereby appointed as the Auditors of the Company, in place of Lovelock & Lewes (Firm Registration No. 301056E), Chartered Accountants, whose term ends at the conclusion of the forthcoming Annual General Meeting of the Company, at such remuneration plus service tax, out-of-pocket expenses, travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors based on the recommendation of the Audit Committee.

RESOLVED FURTHER THAT Deloitte Haskins & Sells LLP., Chartered Accountants, will hold office as the Statutory Auditors of the Company, for a period of 5 years that will begin from the conclusion of the 54<sup>th</sup> Annual General Meeting until the conclusion of the 59<sup>th</sup> Annual General Meeting to be held in the year 2022, subject to the condition that their appointment as the Statutory Auditors shall be placed for ratification at every Annual General Meeting, if so required, under the Companies Act 2013, as amended from time to time.”

## Special Business

### 7. Appointment of Mr. N. Chandrasekaran as a Director of the Company

To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. N. Chandrasekaran, (DIN: 00121863) who was appointed by the Board of Directors as an additional director of the Company with effect from 3<sup>rd</sup> July 2017, and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 161 (1) of the Companies Act, 2013 (“the Act”) but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and he is hereby appointed a director of the Company liable to retire by rotation.”

### 8. Appointment of Mr. Siraj Azmat Chaudhry as a Director and as Independent Director of the Company

To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that Mr. Siraj Azmat Chaudhry, (DIN: 00161853) who was appointed by the Board of Directors as an additional director of the Company with effect from 3<sup>rd</sup> July, 2017, and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 161 (1) of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of director of the Company, be and is hereby appointed 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 and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Siraj Azmat Chaudhry, a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 18<sup>th</sup> August 2017 upto 17<sup>th</sup> August 2022.

### 9. Remuneration of Cost Auditors

To consider and if thought fit to pass, with or without modification(s), 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), Shome & Banarjee, Cost Accountants, (Firm Registration Number 000001), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2018, be paid a remuneration of Rs. 3,25,000 plus service tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. **Revision in terms of remuneration of Mr. Ajoy Misra, Managing Director of the Company**

To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification of the resolution passed by the members at the Annual General Meeting of the Company held on 26<sup>th</sup> August, 2014, for the appointment of Mr. Ajoy Misra, Managing Director of the Company and the terms of remuneration payable to him and pursuant to Sections 196, 197 and other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, the Company hereby approves the revision in the salary scale applicable to Mr. Ajoy Misra, with effect from 1<sup>st</sup> April, 2017 as per details given in the explanatory statement forming part of this Notice.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and is hereby authorised to fix Mr. Ajoy Misra's salary within the salary scale approved, increasing thereby, proportionately, all benefits related to the quantum of salary.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

11. **Revision in terms of remuneration of Mr. L KrishnaKumar, Executive Director of the Company**

To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification of the resolution passed by the members at the Annual General Meeting of the Company held on 15<sup>th</sup> July, 2013, for the appointment of

Mr. L KrishnaKumar, Executive Director of the Company and the terms of remuneration payable to him and pursuant to Sections 196, 197 and other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, the Company hereby approves the revision in the salary scale applicable to Mr. L KrishnaKumar, with effect from 1<sup>st</sup> April, 2017 as per details given in the explanatory statement forming part of this Notice.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and is hereby authorised to fix Mr. L KrishnaKumar's salary within the salary scale approved, increasing thereby, proportionately, all benefits related to the quantum of salary.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

12. **Issue of Non-Convertible Debentures on private placement basis**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the Special Resolution passed by the members at the Annual General Meeting held on 24<sup>th</sup> August, 2016 and pursuant to the provisions of Sections 23, 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014, including any statutory modification, amendment, substitution or re-enactment thereof, for the time being in force and pursuant to SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and other applicable Regulations / Guidelines and subject to the relevant provisions of the Memorandum and Articles of Association of the Company, approval of the members of the Company is hereby accorded to the Board of Directors of the Company, (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) to issue / offer / invite for subscription / to allot Secured / Unsecured Redeemable Non-Convertible Debentures ("NCDs") including but not limited to bonds and / or other debt securities (hereinafter collectively referred as "Securities"), on private placement basis, listed or unlisted, in one or more tranches, during the period of one year from the date of passing of this special resolution, to eligible person(s), upto a limit of Rs. 450 Crores (Rupees Four Hundred and Fifty Crores), within the overall borrowing limits of the Company as approved by the members of the Company from time to time.

RESOLVED FURTHER THAT the Board is hereby authorised to determine the terms of the issue including providing security over any of the Company's assets, the class of investors to whom such Securities are to be issued, timing of the issue, total amount to be raised by issuance of Securities, the number of Securities, tranches, issue price, tenor, interest rate, premium / discount, redemption terms, appointment of trustee(s), security, listing etc., and to do all such acts, deeds, filings, matters and execute all such deeds, documents, instruments and writings as may be required, with powers on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard, as the Board may, in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any director(s) and / or officer(s) of the Company, as it may in its absolute discretion deem necessary."

#### Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 6 to 12 are annexed hereto. Information under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) relating to Directors proposed to be appointed / reappointed is provided in the Annexure to this Notice.
2. **A member of the Company entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than forty eight hours before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions/ authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Transfer Books of the Company will be closed from Tuesday, 8<sup>th</sup> August, 2017 to Friday, 18<sup>th</sup> August, 2017 both days inclusive.
4. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
5. If the Final Dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on or after Monday, 21<sup>st</sup> August, 2017 as under:
  - i) To all the beneficial owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the beginning of the business hours on Tuesday, 8<sup>th</sup> August, 2017.
  - ii) To all the members in respect of shares held in physical form after giving effect to all valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Monday, 7<sup>th</sup> August, 2017.
6. Shareholders holding shares in physical form are requested to advise any change of address, email address, bank details immediately to the Company's Registrar and Share Transfer Agents, TSR Darashaw Limited (TSRD). Shareholders holding shares in electronic form must advise their respective depository participants about any change in address, email address and bank details and not to the Company or the Registrars.

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form are requested to submit their PAN details to TSRDL.
7. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or TSRDL for assistance in this regard.
8. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or TSRDL, 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 returned to such members after making requisite changes thereon.
9. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. For the safety and interest of the shareholders, it is important that bank account details are correctly provided to the depository participants.
10. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per register of members of the Company will be entitled to vote.



11. Shareholders are requested to immediately notify their bank particulars giving the name of the bank and the branch, 9 digits MICR number, 11 digit IFS Code, the nature of account and their Core Banking Solutions account number (CBS A/c No.) to the Company's Registrar and Share Transfer Agent, TSR Darashaw Limited (TSRDL), in respect of shares held in physical form and to their Depository Participant in case of shares held in electronic form.
12. As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com) (under 'Investors Section'). Members holding shares in physical form may submit the same to TSRDL. Members holding shares in electronic form may submit the same to their respective depository participant.
13. Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund (IEPF):

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the IEPF, maintained by the Central Government. Accordingly, during 2017-18, the Company would be transferring unclaimed dividend amount for the financial year ended 31<sup>st</sup> March, 2010 on or before 23<sup>rd</sup> September, 2017 to the IEPF.

Members who have not encashed the dividend warrant(s) from the financial year ended 31<sup>st</sup> March 2010 onwards may forward their claims to the Company's Registrar and Share Transfer Agents before they are due to be transferred to the IEPF, details of which are given in Para 11 of the Corporate Governance Report. It may be noted that once the unclaimed dividend is transferred to the IEPF, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amounts which were lying with the Company upto the year ended on 31<sup>st</sup> March 2009 have been transferred to the IEPF. The details of the unclaimed dividend so transferred are available on the Company's website, [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com) and in the website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).

Further in accordance with Section 124(6) of the Companies Act, 2013 read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid

for seven consecutive years or more are required to be transferred to the demat Account of the IEPF Authority. The Company has already sent notices to all such members in this regard and has published a newspaper advertisement and have also uploaded the list of such shareholders on its website [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com).

Accordingly the Company is required to transfer all unclaimed shares to the demat account of the IEPF Authority in accordance with the IEPF Rules after the due date of 31<sup>st</sup> May, 2017 without any further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to the IEPF.

The shares and unclaimed dividend transferred to the IEPF can however be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Member/Claimant is required to make an online application to the IEPF Authority in Form IEPF -5 (available on [iepf.gov.in](http://iepf.gov.in)) along with requisite fees as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

14. In accordance with the Companies Act, 2013 read with the relevant Rules, the Notice of the AGM along with the Annual Report for 2016-17 are sent by electronic mode to those members whose e-mail addresses are registered with the Company / Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
15. We request shareholders to update their email address with their Depository Participants/TSRDL to enable the Company to send communications electronically.
16. Shareholders may note that the bank details registered against their account in physical form will not be applicable to their electronic account and vice versa. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the depository participant of the shareholders.

It is in the interest of shareholders to register their bank details against their account and avail of facility being extended by the Company of receiving the credit of dividend directly to their bank account through electronic means. The facility is available at all bank branches who have registered themselves as participating banks with National Payment Corporation of India and have joined the Core Banking System.

Shareholders may please note that under instructions from the Securities and Exchange Board of India, furnishing of bank particulars by the shareholders has become mandatory.

17. The route map showing directions to reach the venue of the fifty fourth AGM is annexed.

18. Voting through electronic means

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to provide members holding shares either in physical form or in dematerialised form, the facility to exercise their right to vote on the resolutions set forth in the Notice by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL). The members may cast their votes using an electronic voting system from a place other than the venue of the AGM ("remote e-voting").

The instructions for e-voting are as under:

A. Members whose email IDs are registered with the Company/Depository Participants will receive an email from NSDL informing them of their User ID and password. On receiving the email, members will need to go through the following process:

- (i) Open the email and open PDF file viz: "TGBL e-Voting. pdf" using your Client ID or Folio No. as password. The said PDF file contains your user ID and password /PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
- (iii) Click on Shareholder – Login
- (iv) Please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
- (v) The password change menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. On first login, the system will prompt you to change your password and update your contact details like mobile number, email id etc in the user profile of the folio, which may be used for sending future communications. You will also need to enter a secret question and answer of your choice to retrieve your password in case you forget it. Note the new password. It is

strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (vi) You need to login again with the new credentials. Home page of e-voting will open.
- (vii) If you are already registered with NSDL for e-voting, then you can use your existing user ID and password and cast your vote.
- (viii) Once the e-voting Home page opens, Click on e-Voting > Active Voting Cycles.
- (ix) Select "EVEN" (E-Voting event number) of Tata Global Beverages Limited which is 106500. Now you are ready for e-voting as Cast Vote page opens.
- (x) Cast your vote by selecting appropriate option "For" or "Against" and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm or "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.
- (xi) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xii) You may similarly vote in respect of all other resolutions forming part of the Notice of the Annual General Meeting. During the voting period, members can login any number of times till they have voted on all the resolutions. If you wish to log out after voting on a few resolutions and continue voting for the balance resolutions later, you may click on "RESET" for those resolutions for which you have not yet cast the vote.
- (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to [asimsecy@gmail.com](mailto:asimsecy@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

B. For members whose email IDs are not registered with the Company/Depository Participants, the following instructions may please be followed:

- (i) The initial User ID and password is provided in the enclosed attendance slip along with EVEN (E Voting Event Number).
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xi) in A. above, to cast vote.
- C. Members who are already registered with NSDL for e-voting can use their existing user Id and password for casting their votes.
- II. 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 Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- III. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, which is 11<sup>th</sup> August, 2017. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- IV. The e-voting period commences on 14<sup>th</sup> August, 2017 at 9.00 am and ends on 17<sup>th</sup> August, 2017 at 5.00 pm. During this period, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, i.e., 11<sup>th</sup> August, 2017, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently or cast vote again.
- V. The facility to vote at the AGM will be provided by any electronic means/ Poll paper to the shareholders who will be attending the AGM and have not cast their vote through remote e-voting.
- VI. Dr. Asim Kumar Chattopadhyay, Practicing Company Secretary (Membership No. FCS 2303 & CP No. 880) has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as voting through Poll at the AGM in a fair and transparent manner.
- VII. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the Meeting and thereafter will unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company.  
The Scrutinizer will collate the votes cast at the Meeting and the votes downloaded from the e-voting system and make a consolidated Scrutinizer's Report of total votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.
- VIII. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login id and password by sending a request to [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 forget your password, you can reset your password by using "forget User details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- IX. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE") and Calcutta Stock Exchange ("CSE"), where the shares of the Company are listed.

By Order of the Board

**V. Madan**

Vice President & Company Secretary

Registered Office:  
1, Bishop Lefroy Road,  
Kolkata – 700 020  
CIN - L15491WB1962PLC031425  
E-mail id: [investor.relations@tgbl.com](mailto:investor.relations@tgbl.com)  
Website address: [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com)

Mumbai  
06<sup>th</sup> July 2017

## Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 (“the Act”)

**As required by Section 102 of the Companies Act, 2013 (“the Act”), the following explanatory statement sets out all material facts relating to the businesses mentioned under Item Nos. 6 to 12 of the accompanying Notice**

### Item No. 6

#### Appointment of Auditors

This explanatory statement is provided though strictly not required as per Section 102 of the Companies Act, 2013.

Lovelock & Lewes, Chartered Accountants, Firm Registration No. 301056E, were appointed as Auditors at the Fifty First Annual General Meeting (AGM) of the Company held on 26<sup>th</sup> August, 2014 for a term of 3 years to hold office till the conclusion of the Fifty Fourth AGM.

In terms of the provisions of the Companies Act, 2013, read with Rules made thereunder, no listed Company shall appoint an audit firm as Auditor for more than two consecutive terms of five years each and an audit firm which has completed its term shall not be eligible for reappointment as auditor in the same company. In view of the above, the term of Lovelock & Lewes as Auditors will come to an end at the conclusion of the 54<sup>th</sup> AGM.

The Board of Directors, based on the recommendation of the Audit Committee, have proposed the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, Firm Registration No.117366W/W-100018 as the Statutory Auditors of the Company in place of Lovelock & Lewes, to hold office from the conclusion of the ensuing AGM till the conclusion of the 59<sup>th</sup> AGM, subject to ratification of their appointment at every AGM, if so required under the Act. Deloitte Haskins & Sells LLP have consented to act as Auditors if appointed and have also confirmed that their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board commends the Ordinary Resolution at Item No. 6 for approval by the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

### Item No. 7

#### Appointment of Mr. N. Chandrasekaran as Director

The Board had appointed Mr. N. Chandrasekaran as additional director with effect from 3<sup>rd</sup> July, 2017. The Board also appointed Mr Chandrasekaran as Chairman of the Board consequent to the stepping down as Chairman by Mr. Harish Bhat.

Mr. N. Chandrasekaran is Chairman of the board of Tata Sons, the holding company and promoter of more than 100 Tata operating companies with aggregate annual revenues of more than US\$100 billion. He joined the board of Tata Sons in October 2016 and was appointed Chairman in January 2017. He also chairs the boards

of several group operating companies, including Tata Steel, Tata Motors, Tata Power, Indian Hotels and Tata Consultancy Services (TCS) — of which he was chief executive from 2009-17.

Mr. Chandrasekaran’s appointment as Chairman of TCS followed a 30-year business career at TCS, which he joined from University. He rose through the ranks at TCS to become CEO and managing director of the leading global IT solution and consulting firm. Under his leadership, TCS generated total revenues of US\$16.5 billion in 2015-16 and consolidated its position as the largest private sector employer in India and the country’s most valuable company.

In addition to his professional career at Tata, Mr. Chandrasekaran was also appointed as a director on the board of India’s central bank, the Reserve Bank of India, in 2016. He has also served as the chairperson of the Information and Communication Technology Industry Governors at the World Economic Forum, Davos, in 2015-16.

Mr. Chandrasekaran is an active member of India’s bilateral business forums including USA, UK, Australia and Japan. He served as the chairman of Nasscom, the apex trade body for IT services firms in India in 2012-13. His business leadership has been recognised by several corporate and community organisations and he has received numerous awards.

Mr. Chandrasekaran has been awarded several honorary doctorates by leading Indian and international universities. He attended the Regional Engineering College, Trichy, Tamil Nadu, where he completed a master’s degree in computer applications before joining TCS in 1987. He is also an avid photographer and a passionate long-distance marathon runner. In April 2017 he ran the London Marathon, thereafter completing the World Marathon Majors. The World Marathon Majors include the marathons in New York, Boston, Chicago, Berlin, Tokyo and London.

In terms of the provisions of Section 161 (1) of the Act, Mr. Chandrasekaran will hold office up to the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160(1) of the Act proposing the candidature of Mr. Chandrasekaran for the office of Director of the Company.

Keeping in view the experience and expertise of Mr. Chandrasekaran, the Board considers it desirable that the Company should receive the benefit of his valuable experience and advice and accordingly commends the resolution at Item No. 7 for approval by the members.

Mr. Chandrasekaran is interested and concerned in the Resolution mentioned at Item No. 7 of the Notice. Other than Mr. Chandrasekaran, no other director, key managerial personnel or their respective relatives are concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 7 of the Notice.

**Item No. 8****Appointment of Mr. Siraj Azmat Chaudhry as a Director and as Independent Director**

The Board of Directors of the Company had appointed Mr. Siraj Chaudhry as an Additional Independent Director of the Company with effect from 3<sup>rd</sup> July, 2017. Mr. Siraj Chaudhry is Chairman of Cargill India. His tenure at Cargill spans nearly 23 years, and includes handling the leadership role in India, as well as a global commodity trading role in Geneva. Under his leadership since 2007, Cargill India has successfully built both consumer FMCG businesses in India, and Institutional businesses, backed by world class manufacturing facilities, a robust sales & distribution network, and an enviable brand portfolio.

Mr. Siraj Chaudhry holds an MBA from the Indian Institute of Foreign Trade (IIFT) and is a graduate of SRCC, University of Delhi. He chairs the National Committee on Food Processing at FICCI. He is also the Chairman of the National Alliance for Edible Oil Fortification, a joint initiative by CII and GAIN to address malnutrition through food fortification. Mr. Chaudhry is also a director on the Board of Tata Coffee Limited.

In terms of the provisions of Section 161 (1) of the Act, Mr. Chaudhry will hold office up to the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160(1) of the Act proposing the candidature of Mr. Chaudhry for the office of Director of the Company.

As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. Chaudhry has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mr. Chaudhry as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as an Independent Director upto 17<sup>th</sup> August, 2022. In the opinion of the Board, Mr. Siraj Chaudhry fulfills the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Sections 161(1) and 149 read with Schedule IV of the Act, the appointment of Mr. Chaudhry as Director and Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Mr. Chaudhry shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company.

Mr. Siraj Chaudhry is interested and concerned in the Resolution mentioned at Item No. 8 of the Notice. Other than Mr. Chaudhry, no other Director, key managerial personnel or their respective relatives are concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 8 of the Notice.

**Item No. 9****Remuneration of Cost Auditors**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Shome & Banarjee as the Cost Auditors to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2018.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors, for the financial year ending March 31, 2018.

The Board commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

**Item No. 10****Revision in terms of remuneration of Mr. Ajoy Misra, Managing Director of the Company**

The members at the Annual General Meeting of the Company held on 26<sup>th</sup> August, 2014, had approved the appointment of Mr. Ajoy Misra as Managing Director of the Company and the terms of remuneration payable to him for a period of five years from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2019.

The members had, inter alia, approved a basic salary of upto a maximum of Rs. 7,00,000 per month payable to Mr. Misra with authority to the Board to fix the salary within the maximum limits prescribed under the Act. The Board, at their meeting on 15<sup>th</sup> May, 2017, based on the recommendation of the Nomination and Remuneration Committee, revised the basic salary of Mr. Ajoy Misra to Rs.7,51,895 per month with effect from 1<sup>st</sup> April, 2017. Taking into consideration his present salary and future revisions, if any, the Board of Directors at their meeting on 15<sup>th</sup> May, 2017 also decided to revise the salary scale applicable to Mr. Ajoy Misra from the existing maximum of Rs.7,00,000 per month to a maximum of Rs.10,00,000 per month effective 1<sup>st</sup> April, 2017, subject to the consent of the members. Approval of the members is being sought for the increase in the salary scale as above in respect of Mr. Ajoy Misra.

All other terms and conditions relating to Mr. Misra's appointment and remuneration as approved earlier by the members remain unchanged.

Details of remuneration paid to Mr. Ajoy Misra during 2016-17 have been disclosed in the annexure to the Board's Report and in the Corporate Governance Report.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution except Mr. Ajoy Misra to whom the resolution relates, mentioned at Item No. 10 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the members.

#### Item No. 11

##### **Revision in terms of remuneration of Mr. L KrishnaKumar, Executive Director of the Company**

The members at the Annual General Meeting of the Company held on 15<sup>th</sup> July, 2013, had approved the appointment of Mr. L KrishnaKumar as Executive Director of the Company and the terms of remuneration payable to him for a period of five years from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2018.

The members had, inter alia, approved a basic salary of upto a maximum of Rs. 6,00,000 per month payable to Mr. KrishnaKumar with authority to the Board to fix the salary within the maximum limits prescribed under the Act. The Board, at their meeting on 15<sup>th</sup> May, 2017, based on the recommendation of the Nomination and Remuneration Committee, revised the basic salary of Mr. L KrishnaKumar to Rs.6,26,788 per month with effect from 1<sup>st</sup> April, 2017. Taking into consideration his present salary and future revisions, if any, the Board of Directors at their meeting on 15<sup>th</sup> May, 2017 also decided to revise the salary scale applicable to Mr. L KrishnaKumar from the existing maximum of Rs.6,00,000 per month to a maximum of Rs.9,00,000 per month effective 1<sup>st</sup> April 2017, subject to the consent of the members. Approval of the members is being sought for the increase in the salary scale as above in respect of Mr. L KrishnaKumar.

All other terms and conditions relating to Mr. KrishnaKumar's appointment and remuneration as approved earlier by the members remain unchanged.

Details of remuneration paid to Mr. L KrishnaKumar during 2016-17 have been disclosed in the annexure to the Board's Report and in the Corporate Governance Report.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution except Mr. L KrishnaKumar to whom the resolution relates, mentioned at Item No. 11 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 11 of the Notice for approval by the members.

#### Item No. 12

##### **Issue of Non-Convertible Debentures on private placement basis**

As per the provisions of Section 42 of the Companies Act, 2013 ("Act"), including any statutory modifications or re-enactments thereof for the time being in force, read with the Companies

(Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, a company offering or making an invitation to subscribe to Non-Convertible Debentures ("NCD") on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution, which can be obtained once a year for all the offers and invitations for such NCDs during the year.

The Company at the Annual General Meeting held on 24<sup>th</sup> August, 2016, had passed a special resolution authorising the Company to issue Non-Convertible debentures on private placement basis for upto Rs. 350 crores which could be issued within one year from the said date. However as there was no specific requirement to raise funds, the Company did not issue any NCDs pursuant to such approval. The said approval will expire on 23<sup>rd</sup> August, 2017. As the Company anticipates that it may require funds to augment the long-term resources of the Company for its business and as the current approval would expire on 23<sup>rd</sup> August 2017, approval of the Members is being sought by way of a Special Resolution under Section 42 and other applicable provisions, if any, of the Act read with the Rules made thereunder, to enable the Company to offer or invite subscriptions for NCDs, including but not limited to bonds and / or other debt securities, on private placement basis, in one or more tranches, during the period of one year from the date of this special resolution, upto an amount not exceeding Rs. 450 Crores, within the overall borrowing limits of the Company, as approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price, listing, redemption terms, security etc. of the NCDs / other debt securities.

The proposed borrowings, along with the existing borrowings of the Company, would not exceed the aggregate outstanding borrowings of the Company approved by the Members from time to time.

The Board commends the Special Resolution at Item No. 12 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 12 of the Notice.

By Order of the Board

**V. Madan**

Vice President & Company Secretary

Registered Office:

1, Bishop Lefroy Road, Kolkata – 700 020

CIN - L15491WB1962PLC031425

E-mail id: investor.relations@tgb.com

Website address: www.tataglobalbeverages.com

Mumbai

06<sup>th</sup> July 2017

# Annexure to Notice

## Particulars of Directors seeking appointment / reappointment

Particulars	Mr. N. Chandrasekaran	Mr. Harish Bhat	Mr. S. Santhanakrishnan	Mr. Siraj Chaudhry	Azmat
Date of Birth	June 2, 1963	November 8, 1962	November 1, 1950	January 8, 1967	
Date of Appointment	July 3, 2017	April 1, 2014	May 28, 2013	July 3, 2017	
Qualifications	BSc. Applied Science, MCA	B.E. (Hons)- BITS Pilani, PGDM (IIM Ahmedabad)	BSc., BL, FCA	Post Graduate – Indian Institute of Foreign Trade	
Expertise in specific functional areas	Wide experience in information technology	Overall business management including functional expertise in Sales, Marketing, and Corporate Management	Wide experience in Finance, Accounts including IFRS, Strategy and Planning, Global Assurance and Corporate Laws	28 years of experience in the agri business/ commodity trading	
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	<ul style="list-style-type: none"> <li>Tata Sons Limited#</li> <li>Tata Consultancy Services Limited*</li> <li>Tata Steel Limited*</li> <li>Tata Motors Limited*</li> <li>The Indian Hotels Company Limited*</li> <li>The Tata Power Company Limited*</li> </ul>	<ul style="list-style-type: none"> <li>Tata Coffee Limited*</li> <li>Infiniti Retail Limited</li> <li>Trent Limited</li> <li>Tata Unistore Limited</li> <li>Titan Company Limited</li> <li>Tata AIA Life Insurance Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Tata Coffee Limited</li> <li>IDBI Federal Life Insurance Company Limited</li> <li>ICICI Home Finance Company Limited</li> <li>Tata Realty and Infrastructure Limited</li> <li>Tata Housing Development Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Tata Coffee Limited</li> </ul>	
Memberships / Chairmanships of committees of other companies (includes only Audit Committee and Stakeholder Relationship Committee)	NIL	<ul style="list-style-type: none"> <li>Tata Coffee Limited               <ul style="list-style-type: none"> <li>Stakeholder Relationship Committee - Member</li> </ul> </li> <li>Titan Company Limited               <ul style="list-style-type: none"> <li>Audit Committee - Member</li> <li>Stakeholder Relationship Committee - Member</li> </ul> </li> <li>Trent Limited               <ul style="list-style-type: none"> <li>Stakeholder Relationship Committee - Chairman</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Tata Global Beverages Limited               <ul style="list-style-type: none"> <li>Audit Committee - Member</li> <li>Stakeholder Relationship Committee - Member</li> </ul> </li> <li>Tata Coffee Limited               <ul style="list-style-type: none"> <li>Audit Committee - Chairman</li> <li>Stakeholder Relationship Committee - Chairman</li> </ul> </li> <li>Tata Housing Development Company Limited               <ul style="list-style-type: none"> <li>Audit Committee - Chairman</li> </ul> </li> <li>IDBI Federal Life Insurance Company Limited               <ul style="list-style-type: none"> <li>Audit Committee - Chairman</li> </ul> </li> <li>ICICI Home Finance Company Limited               <ul style="list-style-type: none"> <li>Stakeholder Relationship Committee - Member</li> </ul> </li> <li>Tata Realty and Infrastructure Limited               <ul style="list-style-type: none"> <li>Audit Committee - Member</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Tata Coffee Limited               <ul style="list-style-type: none"> <li>Audit Committee - Member</li> </ul> </li> </ul>	
Number of shares held in the Company	NIL	NIL	NIL	NIL	NIL
Inter-se relationship with other Directors and Key Managerial Personnel	NIL	NIL	NIL	NIL	NIL

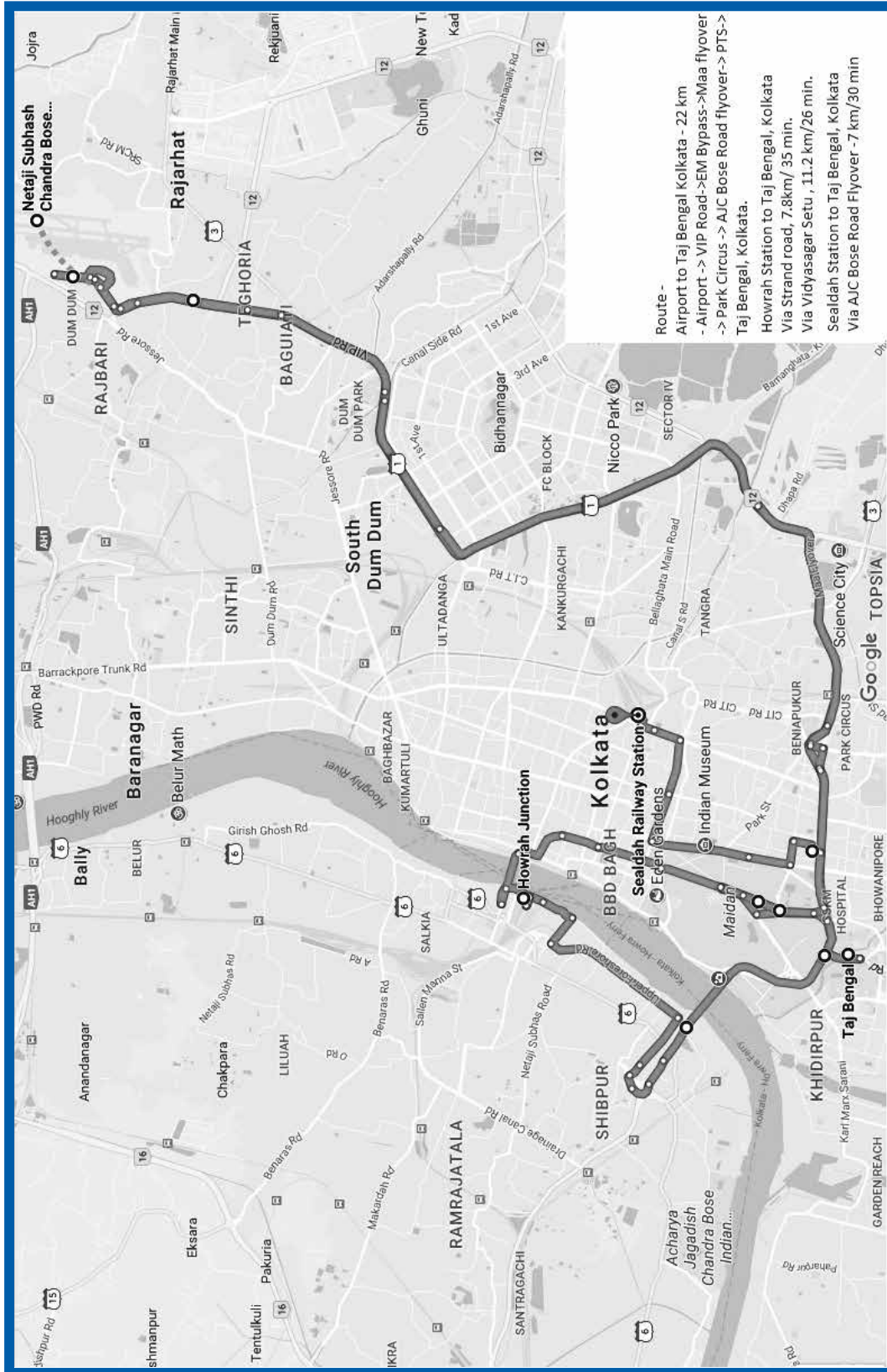
# Executive Chairman

\* Chairman of the Board

For other details such as number of meetings of the board attended and amount of sitting fees drawn during 2016-17, in respect of Mr. Harish Bhat and Mr. S. Santhanakrishnan, please refer to the Corporate Governance Report. The same is not applicable in case of Mr. N Chandrasekaran and Mr. Siraj Chaudhry as they were appointed in 2017-18.

# Route Map to the AGM Venue

Venue: Taj Bengal, 34-B Belvedere Road, Alipore, Kolkata – 700 027



Land Mark: Near Alipur Zoological Garden (Calcutta Zoo) and National Library



# Board's Report

To the Members of Tata Global Beverages Limited

Your Directors are pleased to submit their fifty fourth report together with the audited financial statements of the Company for the year ended March 31, 2017.

Your Company has adopted Indian Accounting Standards (Ind AS) from April 1, 2016 as notified under Section 133 of the Companies Act, 2013 read along with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. Accordingly the previous year's financials have been re-casted to confirm with the requirements of Ind AS.

## Financial Results

Rs. in Crores

Particulars	Consolidated		Standalone	
	2016-17	2015-16	2016-17	2015-16
Revenue from Operations	6,780	6,637	3,064	2,987
Profit from Operations before Other Income, Finance Costs, Depreciation and Exceptional Items	791	654	363	359
Less : Depreciation	(126)	(116)	(24)	(23)
Profit from Operations before Other Income, Finance Costs and Exceptional Items	665	538	339	336
Add: Other Income (Standalone results include intra-group dividends which are eliminated on consolidation)	83	82	96	112
Less : Finance Costs	(91)	(117)	(49)	(68)
Profit before exceptional items and taxes	657	503	386	380
Exceptional items (net)	5	(333)	-	(63)
Profit before tax	662	170	386	317
Provision for tax	(198)	(200)	(110)	(90)
Profit after tax	464	(30)	276	227
Share of net profit/(loss) in Associates and Joint Ventures	(9)	(7)	-	-
Profit for the year	455	(37)	276	227
Attributable to:				
Owners of the parent	390	(5)	276	227
Non-Controlling Interest	65	(32)	-	-
<b>Retained Earnings - Opening Balance</b>	<b>4,102</b>	<b>4,059</b>	<b>1,406</b>	<b>1,079</b>
Add: Profit for the year	390	(5)	276	227
Add: Transfer from Debenture Redemption Reserves	81	-	81	-
Add: Realised gains on Equity Shares carried at fair value through OCI	-	328	-	328
Add: Adjustments with Other Equity	3	(47)	(18)	(8)
<b>Amount appropriated during the year:</b>				
Dividend including dividend tax paid during 2016-17	(167)	(166)	(168)	(164)
Transfer to General Reserves	(13)	(67)	-	(56)
<b>Retained Earnings - Closing Balance</b>	<b>4,396</b>	<b>4,102</b>	<b>1,577</b>	<b>1,406</b>

## State of Company's Affairs

### Consolidated Performance

The consolidated revenue at prior year exchange rate grew by 3% aided by improvements in both branded and non branded businesses. Improved performances were recorded in the branded business mainly in EMEA and India with a strong performance by the non branded business. Profit before exceptional items and taxes reflected an improvement of 31% mainly due to higher sales, lower commodity costs, good cost management and lower interest costs. Profit for the year at Rs. 455 crores is significantly higher than

the prior year mainly due to better operational performance and lower exceptional items. In the current year, exceptional items mainly include fair value gain determined as per Ind AS 103 – business combination arising out of conversion of an overseas joint venture to a subsidiary pursuant to amendments in the operating agreement, which have been largely offset by expenditure incurred on business reorganisation and impairment. The exceptional items in the previous year largely reflected non cash impairment losses

relating to certain businesses in Europe and US. In the year under review, the Group decided to divest its stake in a joint venture in China and to restructure certain operations relating to its business in Eastern Europe.

In the prior year, under Indian GAAP exceptional items included profit on sale of certain non core investments amounting to Rs. 328 crores, which is reported directly under Retained Earnings under Ind AS, which explains the loss for the previous year in the consolidated financial results.

### **Standalone Performance**

The standalone revenue from operations for the year ended March 31, 2017 at Rs. 3,064 crores was higher than the prior year. Sales of most major national brands as well as across regional brands grew despite the effect of demonetisation, which impacted sales during the months of November and December 2016. Reported sales growth was lower due to price decreases taken in major brands as commodity cost benefits were passed on to customers. Profit before tax at Rs. 386 crores reflected a good increase of 22% over prior year mainly due to lower interest costs and lower impact of exceptional expenditure. Exceptional expenditure in the prior year mainly reflected provisions relating to the China extraction business. Profit after tax also reflects a robust increase of 22% compared to prior year.

In the prior year, under Indian GAAP exceptional items included profit on sale of certain non core investments amounting to Rs. 328 crores, which is reported directly under Retained Earnings under Ind AS.

The Company has decided to divest its stake in its joint venture in China, Zhejiang Tata Tea Extraction Company Limited and we are in the process of getting necessary approvals in China.

### **Dividend**

Your Directors are pleased to recommend for the approval of the shareholders a higher dividend of Rs. 2.35 per share on the equity share capital of the Company for the year ended March 31, 2017. The total outgo on account of dividend inclusive of taxes, for 2016-17 is Rs. 179 crores which represents a pay-out of 65% of the Company's standalone profits.

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the dividend distribution policy duly approved by the Board has been put up on the website of the Company and can be accessed at the link: [www.tataglobalbeverages.com/investors/governance/policies](http://www.tataglobalbeverages.com/investors/governance/policies).

### **Transfer to Reserves**

The Board of Directors approved to transfer 10% of the profit of 2016-17 to the General Reserves, amounting to Rs. 27.60 crores in 2017-18.

### **Share Capital**

The paid up Equity Share Capital as at March 31, 2017 was Rs. 63.11 crores comprising of 63,11,29,729 equity shares of Re. 1 each. During the year under review, your Company has not issued any shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2017, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

### **Review of Subsidiaries, Associates and Joint Venture Companies**

Pursuant to Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company and its subsidiaries, associates and joint ventures, prepared in accordance with the relevant Accounting Standard specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, form part of this Annual Report. Pursuant to the provisions of said section, a statement containing the salient features of the financial statements of the Company's subsidiaries, associates and joint ventures in Form AOC-1 is given in this Annual Report. Further, pursuant to the provisions of Section 136 of the Companies Act, 2013, the standalone and consolidated financial statements of the Company, along with relevant documents and separate accounts in respect of subsidiaries are available on the website of the Company [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com).

The details of material changes in the nature of the business of some of the subsidiaries (including associates and joint ventures) during 2016-17 are given in the Management Discussion and Analysis (MD&A) attached. The impact of such changes as applicable has been adequately disclosed in the financial statements.

Your Company has adopted a policy for determining material subsidiaries in terms of Regulation 16(1)(c) of the Listing Regulations. The policy as approved may be accessed on the Company's website at the link: [www.tataglobalbeverages.com/investors/governance/policies](http://www.tataglobalbeverages.com/investors/governance/policies).

### **Performance highlights of key operating subsidiaries, associates and joint ventures**

#### **Subsidiaries**

Tata Global Beverages Group Ltd, UK substantially reflects the financial performance of the Tetley business and other international brands. Revenue was higher than prior year by 6% at prior year exchange rates. The growth is reflective of the improved sales in most major markets in which it operates and due to the accounting of an entity as a subsidiary in view of changes in the operating agreement. The operating profit also reflects improvement driven by improved sales, effective cost management and favourable

commodity costs. Profit before tax was significantly better than the prior year because of exceptional income in the current year. In the current year, exceptional items mainly relate to fair value gain determined as per Ind AS 103 – business combination arising out of conversion of an overseas joint venture to a subsidiary. The company has in principle approved restructure of certain operations relating to its business in Eastern Europe.

Tata Coffee Limited recorded a strong performance aided by a 10% improvement in sales and a 71% improvement in operating profit mainly aided by improved performances by instant coffee and plantation operations. The Board of Directors of the company has recommended a dividend of Rs. 1.75 per share which includes a special dividend of Rs. 0.25 per share to commemorate the completion of 25 years since acquisition of controlling interest in Tata Coffee Limited by your Company. The company is also setting up a state of the art greenfield freeze dried coffee plant in Vietnam to further its growth agenda in the premium instant coffee segment and strengthen its global footprint.

Eight O' Clock Coffee had a strong performance driven by improved operating profits due to lower coffee commodity costs and good control over expenditure.

Tata Tea Extractions Inc.'s revenue and profit from operations grew by 9% and 34% respectively reflecting the improved realisations, favourable sales mix and reduction in cost.

### Associates

Amalgamated Plantations Private Limited (APPL), India, recorded higher revenues of 9% aided by higher production but the business was adversely impacted by lower realisations. Although better quality teas commanded an improved auction pricing, the normal teas were selling in the auction at prices lower than the levels in the prior year.

Kanan Devan Hills Plantation Company Private Limited (KDHP), India, recorded an improved operating performance driven by higher productivity and better price realisation. Turnover increased by 18% and the company made profits for the year under review.

Estate Management Services Private Limited (EMSPL), Sri Lanka, reported increase in consolidated revenue and significant increase in profit after tax due to good growth in palm oil business supported by improvements in tea business.

### Joint Ventures

NourishCo Beverages Limited, India, our joint venture with PepsiCo, which has brands like Himalayan, Tata Water Plus and Tata Gluco Plus in its sales portfolio reported higher volume driven sales and lower operating losses compared to the previous year.

Tata Starbucks Private Limited, India reported an increase in its revenues attributable to improved in-store performance, cost and productivity initiatives coupled with the benefit of additional stores opened during 2016-17. Various in-store initiatives had been launched in the current year which encouraged customer engagement and created new occasions for the customers to visit the stores. The company also reported a lower operating loss in the year under review.

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

The following are the changes in subsidiaries, associates and joint ventures during 2016-17:

- Tata Waters LLC and Tata Coffee Vietnam Company Limited became subsidiaries of your Company;
- Empirical Group LLC which was a joint venture has been converted into a subsidiary;
- TRIL Constructions Limited ceased to be a subsidiary and became an associate of your Company within the meaning of the Companies Act, 2013;

There were no other changes during 2016-17.

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

### Human Resources and Industrial Relations

Results of the employee engagement survey conducted during 2016-17 have shown improvement over earlier years. Key themes were identified and action plans created at all levels to improve upon each theme. The HR function had also launched various initiatives to re-energise the organisation and to bring in a high performance culture. High performers were recognised across all geographies and customized programs were developed for capability building across all levels to meet the current and future business challenges.

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

### Corporate Governance and MD&A

A detailed report on Corporate Governance is separately attached together with a report on Management Discussion and Analysis (MD&A). The MD&A forms an integral part of this report and also covers the consolidated operations reflecting the global nature of our business.

### Vigil Mechanism / Whistle Blower Policy

The Company's vigil mechanism allows the Directors and employees to report their concerns about unethical behaviour,

actual or suspected fraud or violation of the code of conduct /business ethics. The vigil mechanism provides for adequate safeguards against victimisation of the Director(s) and employee(s) who avail this mechanism. All Directors and employees have access to the Chairman of the Audit Committee.

### Internal Financial Controls

The Company has adequate systems for Internal Financial Controls which includes operational controls and internal financial controls over financial reporting. These are detailed in the Management Discussion and Analysis Report.

### Governance Guidelines

The Company's governance guidelines on Board effectiveness cover aspects relating to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, term of Directors, retirement age and committees of the Board. The guidelines also cover key aspects relating to nomination, appointment, induction and development of Directors, Directors remuneration, oversight on subsidiary performances, code of conduct, Board effectiveness reviews and various mandates of Board committees.

### Selection and Procedure for Nomination and Appointment of Directors

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

The NRC makes recommendations to the Board in regard to appointment of new Directors. The role of the NRC encompasses conducting a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The NRC is also responsible for reviewing the profiles of potential candidates vis-à-vis the required competencies, undertake a reference and due diligence and meeting of potential candidates prior to making recommendations of their nomination to the Board. The appointee is also briefed about the specific requirements for the position including expert knowledge expected at the time of appointment.

### Criteria for determining qualifications, positive attributes and independence of a Director

In terms of the provisions of Section 178(3) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the NRC has formulated the criteria for determining qualifications, positive

attributes and independence of Directors, the key features of which are as follows:

- Qualifications – The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- Positive Attributes - Apart from the duties of Directors as prescribed in the Companies Act, 2013, 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 Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

### Annual Evaluation of the Board, its Committees and Individual Directors

As required under the Companies Act, 2013 and the Listing Regulations, the Board of Directors conducts an annual evaluation of its own performance, Board committees and individual Directors. While making such evaluation, inputs from all the Directors are taken on the basis of criteria such as Board composition, structure, Board processes and their effectiveness, information given to the Board etc. Various aspects such as committee composition, structure, effectiveness of committee meetings etc. are considered while evaluating the performance of the Board committees after seeking inputs from the committee members.

The performances of the individual Directors are reviewed by the Board on the basis of criteria such as contribution at meetings, their preparedness on the issues to be discussed etc. Additionally, the performance of the Chairman of the Board is also evaluated on key aspects of his role.

### Remuneration Policy

Pursuant to the provisions of Section 178(3) of the Companies Act, 2013, and Regulation 19 of the Listing Regulations, the NRC has formulated a policy relating to the remuneration for the Directors, key managerial personnel and other employees. The philosophy for remuneration is based on the commitment of fostering a culture of leadership with trust. While formulating this policy, the NRC has considered the factors laid down in Section 178(4) of the Companies Act, 2013, which are as under:

- That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;

- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The key principles governing the Remuneration Policy are as follows:

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

In accordance with the policy, the Managing Director, Executive Director, KMPs and employees are paid basic salary, fixed salary, benefits, perquisites, allowances and annual incentive remuneration / performance linked bonus subject to achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. The performance linked bonus would be 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. The overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company including considering the challenges faced by the Company and its future growth imperatives. The remuneration should also be reflective of the size of the Company, complexity of the business and the Company's capacity to pay the remuneration.

The Company pays a sitting fee of Rs. 30,000 per meeting per Director for attending meetings of the Board, Audit, Nomination and Remuneration and Executive Committees. For meetings of all other committees of the Board, a sitting fee of Rs. 20,000 per meeting per Director is paid. Within the ceiling of 1% of net profits of the Company, computed under the applicable provisions of the Companies Act, 2013, the

Non-Executive Directors including Independent Directors are also paid a commission, the amount whereof is recommended by the NRC and determined by the Board. The basis of determining the specific amount of commission payable to a Non-Executive Director is related to his attendance at meetings, role and responsibility as Chairman or member of the Board / Committees and overall contribution as well as time spent on operational matters other than at the meetings. The shareholders of the Company had approved payment of commission to the Non-Executive Directors at the Annual General Meeting held on August 26, 2014, which is valid up to the financial year ended March 31, 2019. No Stock option has been granted to the Non-Executive Directors.

#### **Familiarisation programme for Independent Directors**

The details for familiarisation of the Independent Directors are put up on the website of the Company. As required under Regulation 46(2)(i) of the Listing Regulations, the details of familiarisation programmes conducted during 2016-17 is also put on the Company's website and the same can be accessed at the link [www.tataglobalbeverages.com/company/leadership/Board-of-Directors](http://www.tataglobalbeverages.com/company/leadership/Board-of-Directors).

#### **Number of meetings of the Board**

The Board of Directors had held nine meetings during 2016-17. For further details, please refer to the Corporate Governance Report, which forms part of this Annual Report.

#### **Audit Committee**

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report which forms part of this Annual Report.

#### **Significant and material orders passed by the Regulators or Courts**

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

#### **Corporate Social Responsibility (CSR) and Sustainability initiatives**

In compliance with Section 135 of Companies Act, 2013, the Company has undertaken CSR activities, projects and programs, excluding activities undertaken in pursuance of its normal course of business. The report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in Annexure 1 forming part of this Report. The CSR Policy may be accessed on the Company's website at the link [www.tataglobalbeverages.com/investors/governance/policies](http://www.tataglobalbeverages.com/investors/governance/policies).

During the year under review, the Company spent Rs. 7.79 crores (2.94% of the average qualifying net profits of last three financial years) on CSR activities on projects qualifying as per Section 135 of the Companies Act, 2013 duly approved by the CSR Committee. In addition to the projects specified as CSR activities under section 135 of Companies Act 2013, the Company has also carried out several other sustainability / responsible business initiatives and projects on a global scale.

The Natural Beverages Policy of the Company is the apex sustainability policy that defines the aspiration to be the consumer's first choice in sustainable beverage production and consumption. The sustainability pillars of the Company are Sustainable Sourcing, Climate Change, Water Management, Waste Management and Community Development. The Company encourages its suppliers to use ecological and sustainable agricultural practices in tea production and has used 100% sustainably sourced tea for the Tetley brand in EMEA and CAA regions this year. The Company is also co-funding "Trustea" – the India sustainable tea program that aims to sustainably transform Indian tea, and has certified 370 million kgs of tea by December 2016, reaching over 400 tea estates and 350,000 workers. Tata Global Beverages was awarded "Tata Innovista 2016" award for Sustainable Plant Protection Formulation (S-PPF), to develop a portfolio of bio-pesticides and package of practices with 5 other Tata companies.

The Company is ranked in the 'A-list' of Climate Disclosure Leadership Index (CDLI India 2016) that measures the carbon footprint of all its beverage production units globally. It has a four pronged climate change strategy focused on sustainable agriculture for climate change adaptation, sustainable forestry for climate change mitigation, energy efficiency and renewable energy. The Company recognises that the right to water is an international human right and supports the right to water for everyone "to sufficient, safe, acceptable, physically accessible and affordable water for personal and domestic uses." The Company has initiated 'Project Jalodari' for rain water harvesting or recharge in all Indian tea packeting centres. The Company is committed to optimize consumer packaging, make efficient use of resources and reduce environmental impact without compromising product quality and safety. The Eaglescliffe factory in UK is a zero waste to landfill unit, and the goal is to replicate this in all beverage production units in the near future.

The Company respects and adheres to the Tata Group's philosophy of giving back to the community, and acknowledges the role played by communities in the growth of its business. Tata Global Beverages focuses on women empowerment, skill development, education and health & nutrition for the development of the communities it operates in. Tata Global Beverages and Tata Trusts have contributed \$1 million to Smile Train, an international children's charity, for providing cleft repair surgery and comprehensive cleft care to 4000 children this year. Tata Global Beverages is co-funding a program by UNICEF (a United Nations Agency) and Ethical Tea Partnership

(ETP) for promoting child rights and child protection in tea gardens of Assam, and has reached 29,000 adolescent girls and 28,000 community members till the year under review. The Company provides affordable healthcare to 100,000 community members every year through High Range Hospital (formerly General Hospital), Munnar (Kerala) and The Referral Hospital and Research Centre (RHRC), Chubwa (Assam). It also collaborates with various Tata companies in activities and programs for volunteering and affirmative actions.

### Particulars of employees

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

Pursuant to Section 197 (14) of the Companies Act, 2013 the details of remuneration received by the Managing Director and the Executive Director from the Company's subsidiary company during 2016-17 are also given in Annexure 2 attached to this report.

### Particulars of loans, guarantees and investments by the Company

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

### Risk Management

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 an elaborate Risk Charter and Risk policy defining risk management governance model, risk assessment and prioritization process. The Risk Management Committee reviews and monitors the key risks and their mitigation measures periodically and provides an oversight to the Board on Company's risks outlined in the risk registers. The Audit Committee has additional oversight in the area of financial risks and controls.

### Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

### Deposits from public

The Company has not accepted any deposits from the public during the year under review. No amount on account of principal or interest on deposits from public was outstanding as on March 31, 2017.

### Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Dr. Asim Kumar Chattopadhyay, Company Secretary in Practice, to carry out the Secretarial Audit of the Company. The Report of the Secretarial Audit for 2016-17 is attached herewith as Annexure 4. There are no qualifications in the said report.

### Extract of Annual Return

As provided under Section 92(3) of the Companies Act, 2013, the extract of annual return in Form MGT-9 is given in Annexure 5 which forms part of this report.

### Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm:

- (i) That in the preparation of the accounts for the financial year ended March 31, 2017, the applicable accounting standards have been followed and that there are no material departures;
- (ii) That the Directors 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) That the Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That they have prepared the accounts for the financial year ended March 31, 2017 on a 'going concern basis';
- (v) That the Directors have laid down internal financial controls for the Company which are adequate and are operating effectively;
- (vi) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

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 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 2016-17.

### Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. There are no material significant related party transactions made by the Company during the year that would have required shareholder approval under Regulation 23(4) of the Listing Regulations. All related party transactions are reported to the audit committee. Prior approval of the audit committee is obtained on a yearly basis for the transactions which are planned and / or repetitive in nature and omnibus approvals are taken as per the policy laid down for unforeseen transactions. The disclosure under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable. The policy on Related Party Transactions as approved by the Board is available on the Company's website and may be accessed at the link [www.tataglobalbeverages.com/investors/governance/policies](http://www.tataglobalbeverages.com/investors/governance/policies).

The details of the transactions with related parties during 2016-17 are provided in the accompanying financial statements.

During the year, 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, as applicable.

### Directors and Key Managerial Personnel (KMP)

The Board had appointed Mr. N. Chandrasekaran as an Additional Director on the Board of the Company with effect from 3<sup>rd</sup> July, 2017. Mr. N. Chandrasekaran is Chairman of the Board of Tata Sons, promoter of more than 100 Tata operating companies, including your Company, with aggregate annual revenues of more than US\$100 billion. He joined the board of Tata Sons in October 2016 and was appointed Chairman in January 2017. He also chairs the boards of several group operating companies, including Tata Steel, Tata Motors, Tata Power, Indian Hotels and Tata Consultancy Services (TCS) — of which he was chief executive from 2009-17. Under his leadership, TCS generated total revenues of US\$16.5 billion in 2015-16 and consolidated its position as the largest private sector employer in India and the country's most valuable company.

Mr. Harish Bhat had stepped down as Chairman of the Board effective 2<sup>nd</sup> July, 2017. Your Board appointed Mr. N. Chandrasekaran as the Chairman of the Board of the Company with effect from 3<sup>rd</sup> July, 2017 in the place of Mr. Harish Bhat. Your Board places on record its deep appreciation for the excellent contributions made by Mr. Harish Bhat as Chairman of the Board.

The Board had also appointed Mr. Siraj Azmat Chaudhry as an Additional Independent Director on the Board of the Company with effect from 3<sup>rd</sup> July, 2017. Mr. Siraj Chaudhry is Chairman of Cargill India. His tenure at Cargill spans nearly 23 years, and includes handling the leadership role in India, as well as a global commodity trading role in Geneva. Under his leadership since

2007, Cargill India has successfully built both consumer FMCG businesses in India, and Institutional businesses, backed by world class manufacturing facilities, robust sales & distribution network, and an enviable brand portfolio.

Pursuant to Section 161(1) of the Companies Act, 2013, Mr. Chandrasekaran and Mr. Chaudhry will hold office upto the date of the forthcoming Annual General Meeting. The Company has received notices under Section 160(1) of the Act proposing the candidatures of Mr. Chandrasekaran and Mr. Chaudhry for appointment as Directors at the forthcoming AGM.

Mr. Harish Bhat and Mr. S Santhanakrishnan, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Brief particulars and expertise of the Directors seeking appointment / reappointment together with their other directorships and committee memberships have been given in the annexure to the notice of the Annual General Meeting in accordance with the requirements of the Listing Regulations.

The Independent Directors on the Board of the Company, namely, Mrs. Mallika Srinivasan, Mr. V Leeladhar, Mrs. Ranjana Kumar and Mrs. Ireena Vittal were appointed at the Annual General Meeting of the Company held on August 26, 2014. The said Directors have given declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

Mr. Siraj Azmat Chaudhry who was appointed as an Additional Independent Director with effect from 3<sup>rd</sup> July, 2017 has also given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

During the year under review, your Board of Directors had resolved to replace Mr. Cyrus P. Mistry as Chairman of the Board at its meeting held on November 15, 2016 and appointed Mr. Harish Bhat as Chairman of the Board effective 15<sup>th</sup> November, 2016. Mr. Cyrus P Mistry resigned as a Director from the Board of the Company with effect from December 19, 2016.

Mr. Analjit Singh and Mr. Darius Pandole, Independent Directors, resigned from the Board with effect from December 20, 2016.

Apart from the above, no other Director or key managerial personnel were appointed or had retired or resigned during 2016-17.

### **Auditors and Auditors' Report**

The members at the Annual General Meeting held on August 26, 2014, had appointed Lovelock and Lewes, as the Statutory Auditors for three years subject to ratification by the members each year. Accordingly the term of Lovelock and Lewes ends at the conclusion of the forthcoming Annual General Meeting. Your Board recommends the appointment of Deloitte Haskins & Sells, LLP, Chartered Accountants, as the Statutory Auditors of the Company from the conclusion of the fifty fourth Annual General Meeting until the conclusion of the fifty ninth Annual General Meeting of the Company to be held in the year 2022.

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

The Auditors' report on the financial statements for the year 2016-17 does not contain any qualifications, reservations or adverse remarks.

### **Cost Auditors**

Your Board has appointed Shome and Banerjee, of 5A Nurulla Doctor Lane, 2<sup>nd</sup> Floor, Kolkata - 700 017 as Cost Auditors of the Company for conducting cost audit for the financial year 2017-18. The members are requested to ratify the remuneration payable to the Cost Auditors for 2017-18.

### **Disclosure Requirements**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in Annexure 6 attached to this report.

Pursuant to the Listing Regulations, the Report on Corporate Governance along with the certificate from a Practicing Company Secretary regarding compliance of conditions of Corporate Governance, the Business Responsibility Report and the Dividend Distribution Policy are attached and are part of this Annual Report.

### **Appreciation**

The Directors wish to convey their deep appreciation to all the employees of the Company for their sincere and dedicated services as well as their collective contribution to the Company's performance.

On behalf of the Board of Directors

**N. Chandrasekaran**  
Chairman  
(DIN 00121863)

Mumbai  
06<sup>th</sup> July, 2017



# Annexure 1 to Board's Report

## Annual Report on CSR Activities

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

### Natural Beverages Policy

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

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

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

The Corporate Social Responsibility (CSR) Policy of the Company is available at link <http://www.tataglobalbeverages.com/investors/governance/policies>

### Overview of projects implemented during 2016-17 as identified for the purpose of Section 135 of the Companies Act, 2013

#### Education

Srishti is a welfare centre for the differently abled in Munnar, Kerala. Set up in 1991, Srishti comprises of 6 units - DARE, Nisarga (strawberry unit), Athulya (manufactures handmade paper and paper products), The Deli (confectionery unit), The Garden Project (fruits, vegetables and flowers cultivation) and Aranya Naturals (natural dye and special effects project that includes tie and dye, shibori, batik and block printing). Srishti is the umbrella under which Tata Global Beverages is enabling learning and economic opportunities for differently-abled youth, through its training and rehabilitation initiatives in Munnar. To commemorate the 25<sup>th</sup> anniversary of DARE, an International Conference themed 'Recent Trends in Special Education for Young

Persons with Special Needs' was organised in February 2017. TGB supports the welfare centre by sponsoring the operational expenses.

#### Healthcare

Providing affordable healthcare has always been a key community intervention for TGB. The Referral Hospital and Research Centre (RHRC) Chubwa in Assam provides free or subsidised medical facilities to general population and the tea communities. New medical specialities, namely, Orthopaedics, Neurosurgery and Physiotherapy have been introduced at the hospital. The eHub, located at RHRC for the e-Healthcare Project in collaboration with Hewlett Packard, has been completed and e-hub video consultation is on the rise. During 2016-17, the hospital has treated a total of 38,398 patients (OPD & IPD). TGB's CSR contribution to the hospital is accounted for by covering the deficit incurred by the hospital.

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

#### Skill Development

Tata Global Beverages along with Starbucks Corporation, Starbucks Foundation and Tata Sons have signed an MOU to collaborate on a charitable skills development programme through the Tata Community Initiatives Trust (Tata STRIVE). The following are the key components of the areas of collaboration:

- Develop training content for Quick Service Restaurant (QSR) roles.
- Develop QSR-specific curriculum leveraging Tata Starbucks expertise
- Develop an audio-Visual film to promote understanding of QSR industry
- Establish Café Labs at Tata STRIVE Skill Development Centers ("TSSDC") to provide hands-on experiences.
- Provide Retail training at colleges/ Tata STRIVE extension centers/ partner centers.
- Build capacity of TATA Strive to provide QSR training to more youth.

TGB supports Unnati (a Bangalore based NGO) in providing job oriented training for youth from the under privileged communities. Unnati has provided training and placement of 125 youths from the under privileged communities in 2016-17.

### Women Empowerment

The UNICEF-ETP (Ethical Tea Partnership) project aims to promote child rights and reduce their vulnerability to trafficking and abuse in 3 districts of Assam (Dibrugarh, Sivasagar, Tinsukia). The second year of the project has seen the successful implementation at 104 tea gardens, all of which now have active Adolescent Girls' Groups (AGG) and Child Protection Committees (CPC). The coverage achieved till February 2017 includes: 104 Tea Gardens and 600 villages including 736 Total Adolescent Girl's Groups formed in tea gardens with 29,099 girls registered into AGGs and 28,061 community members reached. Partnerships have been established with key governmental bodies at the state and district levels, and work is progressing to create sustainable child protection structures providing prevention and enforcement services. TGB co-funds the cost of the program that includes awareness creation and on-ground implementation of the programme to promote awareness on child rights and prevent human trafficking.

TGB is supporting Concern India Foundation for livelihood opportunities for rural women in 2200 families of 20 villages from Haveri and Ranebennur districts in Karnataka.

### Affirmative Action

TGB has a clear focus and strategic approach towards driving Affirmative Action (AA). This means that the organisation is committed to directly conducting and supporting initiatives for socially and economically

disadvantaged sections in the country at large, and in particular the AA initiatives are specifically focused on the Scheduled Caste and Scheduled Tribe communities in India. The Tata Affirmative Action Programme has defined criteria and the processes are driven through 4Es – Employment, Employability, Entrepreneurship and Education.

### 2. Composition of the CSR Committee

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

The CSR committee of the Board comprises of the following members:

- a. Ranjana Kumar (Mrs.) ( Chairperson)
- b. V. Leeladhar
- c. S Santhanakrishnan
- d. Ajoy Misra
- e. Prof S Parasuraman ( Expert Member)

### 3. Average net profit of the Company for last three financial years: Rs. 265.41 Crores

### 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 5.31 Crores

### 5. Details of CSR spent during the financial year:

- a. Total amount to be spent for the financial year – Rs. 5.31 Crores
- b. Total amount spent during this year – Rs. 7.79 Crores (2.94% of Average net profit)  
Amount unspent, if any - Nil

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

CSR Project or Activity Identified	Relevant Section of Schedule VII in which the project is covered	Project or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise Rs. in Crores	Amount Spent on the projects or program subheads Rs. in Crores	Cumulative Expenditure upto the reporting period Rs. in Crores	Amount Spent: Direct or through Implementing Agency
Skill development training to AA youth	(ii)	Bangalore, Karnataka	0.21	0.32	0.72	Unnati
Skill development training to differently abled	(ii)	Munnar, Kerala	1.74	1.82	4.29	Direct
Affordable Healthcare for all	(i)	Chubwa, Assam	2.55	3.25	8.37	Associate Company
Formation and strengthening of women self-help groups	(iii)	Haveri, Karnataka	0.17	0.08	0.14	Concern India Foundation
Creating awareness on child rights and human trafficking	(iii)	Assam	0.50	0.42	1.10	UNICEF and ETP
Enhancing skills of women in up cycling of laminates	(ii)	Chennai, Tamil Nadu	0.12	0.13	0.37	Exanora
Supporting Cancer affected children	(i)	Kolkata, West Bengal	0.20	0.20	0.62	St Jude's Child Care Centres
Skill Training	(ii)	All India	0.02	0.02	0.02	Direct
Skill development training for QSR industries	(ii)	Chennai, Tamil Nadu	1.55	1.55	1.55	Tata Communities Initiatives Trust
<b>TOTAL</b>			<b>7.06</b>	<b>7.79</b>	<b>17.18</b>	

### Schedule VII

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

### CSR Committee responsibility statement

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

#### Ajoy Misra

Chief Executive Officer and  
Managing Director  
(DIN 00050557)

Mumbai,  
06<sup>th</sup> July 2017

#### Ranjana Kumar

Chairperson, CSR Committee  
(DIN 02930881)

## Annexure 2 to Board's Report

### Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the (Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below in respect of 2016-17:

- 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. Cyrus P Mistry ^	-
Mr. Harish Bhat	3.13
Ms. Mallika Srinivasan	12.31
Mr. Analjit Singh^	-
Mr. V Leeladhar	65.75
Ms. Ranjana Kumar	47.54
Mr. Darius Pandole ^	-
Mr. S Santhanakrishnan	38.99
Ms. Ireena Vittal	28.36

Executive Directors	Ratio to median remuneration*
Mr. Ajoy Misra	283.57
Mr. L KrishnaKumar	242.66

\* Median salary computation is based on a total employee head count of 2555, of which approximately 2000 employees are within collective bargaining process

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

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the Financial year #
Mr. Cyrus P Mistry	@
Mr. Harish Bhat ##	15%
Ms. Mallika Srinivasan	30%
Mr. Analjit Singh	@
Mr. V Leeladhar	32%
Ms. Ranjana Kumar	24%
Mr. Darius Pandole	@

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the Financial year #
Mr. S Santhanakrishnan	64%
Ms. Ireena Vittal	17%
Mr. Ajoy Misra, Chief Executive Officer and Managing Director**	21%
Mr. L KrishnaKumar, Executive Director and Group CFO**	20%
Mr. John Jacob, Chief Financial Officer	13%
Mr. V Madan, Company Secretary	12%

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

## Mr. Harish Bhat draws only sitting fees from the Company.

\*\* Compensation paid from a Subsidiary Company in UK has also been considered for computation of increase.

@ Increase in remuneration is not given as the concerned directors were only for a part of the year.

- c) The percentage increase in median remuneration of employees in the financial year: 9%
- d) The number of permanent employees on the rolls of the Company: 2555
- e) Average percentage increase for other than managerial personnel (excluding unionised staff) works to around 10%. The percentage increase for all employees was 6%. Increase in the managerial remuneration was 20% (including compensation paid from a Subsidiary Company in the UK). Percentage increases for various categories are granted based on market trends and performance criteria.
- f) Affirmation that the remuneration is as per the remuneration policy of the Company:

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

- g) The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of the Board's Report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136

of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

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

Mr. Ajoy Misra, Managing Director, and Mr. L. Krishnakumar, Executive Director, received remuneration of Rs. 39.74 lakhs and Rs. 26.58 lakhs respectively from the Company's overseas subsidiary, Tata Global

Mumbai  
06<sup>th</sup> July, 2017

Beverages (GB) Limited during the year 2016-17. (The remuneration drawn in GBP has been converted into INR at average exchange rate).

On behalf of the Board of Directors

**N. Chandrasekaran**  
Chairman  
(DIN 00121863)

## Annexure 3 to Board's Report

### Particulars of Investment made and Guarantee/Loan given during the year

Particulars of Investment made, Guarantee given and Loan given	Name of the Entity	Amount (Rs. in Crores)	Purpose for which Loan, Guarantee is proposed to be utilised by the recipient
Investments	NourishCo Beverages Limited	16.00	Not Applicable
	Tata Starbucks Private Limited	12.00	
	Zhejiang Tata Tea Extractions Company Limited	74.41	
Guarantee	-	-	-
Inter Corporate Deposits	Kerala Ayurveda Limited <sup>^</sup>	4.25	Cash Management/Trade deposit
	Taj Air Limited <sup>^</sup>	6.50	
	Tata Housing Limited*	25.00	

<sup>^</sup> Renewed during the year

\* Placed and redeemed during the year

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

On behalf of the Board of Directors

Mumbai  
06<sup>th</sup> July, 2017

**N. Chandrasekaran**  
Chairman  
(DIN 00121863)

# Annexure 4 to Board's Report

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2017**

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

To,  
The Members,  
Tata Global Beverages Limited  
1, Bishop Lefroy Road  
Kolkata – 700 020

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 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 Global Beverages Limited for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions as may be applicable to the Company of:

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>(i) The Companies Act, 2013 (the Act) and the rules made thereunder;</li> <li>(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;</li> <li>(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;</li> <li>(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;</li> <li>(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');             <ul style="list-style-type: none"> <li>a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;</li> </ul> </li> </ul>                                                   | <ul style="list-style-type: none"> <li>b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;</li> <li>c. The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;</li> <li>d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;</li> <li>e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;</li> <li>f. The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014: Not applicable during the period under review;</li> <li>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;</li> <li>h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: Not applicable during the period under review; and</li> <li>i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: Not applicable during the period under review.</li> </ul> |
| <ul style="list-style-type: none"> <li>(vi) The Food Safety and Standards Act, 2006 along with Food Safety and Standards Rules 2011;</li> <li>(vii) The Tea Board Guidelines and Orders;</li> <li>(viii) Pollution Control Act, Rules and Notification issued thereof;</li> <li>(ix) Legal Metrology Act, 2009 and Rules made thereunder;</li> <li>(x) The Tea Act, 1953 and Tea Warehouse (Licensing) Order, 1989;</li> <li>(xi) The Factories Act, 1948 and Rules made thereunder;</li> <li>(xii) Shops and Establishment Act, 1953;</li> <li>(xiii) The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Rules made thereunder;</li> <li>(xiv) The Maternity Benefits Act, 1961;</li> <li>(xv) The Minimum Wages Act, 1948;</li> <li>(xvi) The Payment of Bonus Act, 1965;</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

- (xvii) The Payment of Gratuity Act, 1972;
- (xviii) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959;
- (xix) The Payment of wages Act, 1936 and other applicable Industrial and Labour Laws.

**I have also examined** compliance of Secretarial Standards on Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and made effective 1<sup>st</sup> July, 2015.

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

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Changes have taken place in the composition of the Board of Directors during the period under review. Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were

sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Video / Teleconferencing facilities are used as and when required to facilitate the Directors at other locations to participate in the meeting.

The dissenting views of the member(s) of the Board of Directors and Committees thereof were captured and minuted whenever arises.

**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.

**Dr. Asim Kumar Chattopadhyay**

Practicing Company Secretary

FCS No. 2303

Certificate of Practice No. 880

Date: 06<sup>th</sup> July, 2017

## Annexure "A"

### (TO THE SECRETARIAL AUDIT REPORT OF TATA GLOBAL BEVERAGES LIMITED FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017)

To,

The Members

Tata Global Beverages Limited

1, Bishop Lefroy Road

Kolkata 700 020

My Report for the financial year ended 31<sup>st</sup> March, 2017 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 Account 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**

Practicing Company Secretary

FCS No. 2303

Certificate of Practice No. 880

Date: 06<sup>th</sup> July, 2017

# Annexure 5 to Board's Report

Form No. MGT-9

Extract of Annual Return

As on the financial year ended on 31<sup>st</sup> March, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS

i)	CIN	L15491WB1962PLC031425
ii)	Registration Date	18 <sup>th</sup> October, 1962
iii)	Name of the Company	Tata Global Beverages Limited
iv)	Category / Sub Category of the Company	Company Limited by Shares/ Indian Non-Government Company
v)	Address of the Registered office and contact details	Tata Global Beverages Limited 1, Bishop Lefroy Road, Kolkata – 700 020 Telephone : 033-22836917 Fax : 033-22833032 Email : investor.relations@tgbl.com
vi)	Whether listed company (Yes / No)	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw Limited 6-10 Haji Moosa Patrawala Ind. Estate 20 Dr. E Moses Road, Mahalaxmi Mumbai – 400 011 Telephone : 022-66568484 Fax : 022-66568494 Website : www.tsrdarashaw.com E-mail : csg-unit@tsrdarashaw.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Processing and blending of tea including manufacture of Instant tea	NIC Code 107921	98.80

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Tata Global Beverages Group Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	89.10	2 (87)
2	Tata Global Beverages Holdings Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
3	Tata Global Beverages Services Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
4	Tata Global Beverages GB Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)



Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
5	Tata Global Beverages Overseas Holdings Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
6	Tata Global Beverages Overseas Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
7	Lyons Tetley Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
8	Drassington Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
9	Teapigs Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
10	Teapigs US LLC 195 Chrystie Street, #602E, New York 10002	N.A.	Subsidiary	100	2 (87)
11	Stansand Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
12	Stansand (Brokers) Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
13	Stansand (Africa) Limited 3 <sup>rd</sup> Floor Tea House, Nyerere Avenue P. O. Box 90683-80100 Mombasa, Kenya	N.A.	Subsidiary	100	2 (87)
14	Stansand (Central Africa) Limited Along Masauko Chipembere Highway-Maselema Area- Limbe, P. O. Box 546, Blantyre, Malawi	N.A.	Subsidiary	100	2 (87)
15	Joekels Tea Packers (Proprietary) Limited Joekels 12 Caversham Road, Pinetown 3610 Kwazulu Natal South Africa	N.A.	Subsidiary	51.70	2 (87)
16	Tata Global Beverages Polska Sp.zo.o. UL Zolny 33 02-815 Warszawa, Poland	N.A.	Subsidiary	100	2 (87)
17	Tata Global Beverages Czech Republic a.s. Znojemska 687 675 31 Jemnice Czech Republic	N.A.	Subsidiary	100	2 (87)
18	Tata Global Beverages US Holdings Inc. 155 Chestnut Ridge Road, Montvale New Jersey 07645	N.A.	Subsidiary	100	2 (87)
19	Tata Waters LLC <sup>#</sup> 155 Chestnut Ridge Road, Montvale, New Jersey 07645	N.A.	Subsidiary	100	2 (87)
20	Tetley USA Inc. 155 Chestnut Ridge Road, Montvale, New Jersey 07645	N.A.	Subsidiary	100	2 (87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
21	Good Earth Corporation 155 Chestnut Ridge Road, Montvale, New Jersey 07645	N.A.	Subsidiary	100	2 (87)
22	Good Earth Teas Inc 155 Chestnut Ridge Road, Montvale, New Jersey 07645	N.A.	Subsidiary	100	2 (87)
23	Empirical Group, LLC 155 Chestnut Ridge Road, Montvale, New Jersey 07645	N.A.	Subsidiary	56	2 (87)
24	Tata Global Beverages Canada Inc. 10 Carlson street, Etobicoke, Ontario M9W6L2, Canada	N.A.	Subsidiary	100	2 (87)
25	Tata Global Beverages Australia Pty. Limited 620 Church Street, Richmond, Victoria, Australia 3121	N.A.	Subsidiary	100	2 (87)
26	Earth Rules Pty. Limited 620 Church Street, Richmond, Victoria, Australia 3121	N.A.	Subsidiary	100	2 (87)
27	Tata Global Beverages Investments Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
28	Campestres Holdings Limited Capital Center, 9 <sup>th</sup> Floor, 2-4 Makarios Avenue, 1065 Nicosia, Cyprus	N.A.	Subsidiary	100	2 (87)
29	Kahutara Holdings Limited Capital Center, 9 <sup>th</sup> Floor, 2-4 Makarios Avenue, 1065 Nicosia, Cyprus	N.A.	Subsidiary	65	2 (87)
30	Suntycy Holding Limited Capital Center, 9 <sup>th</sup> Floor, 2-4 Makarios Avenue, 1065 Nicosia, Cyprus	N.A.	Subsidiary	100	2 (87)
31	Onomento Co. Limited Capital Center, 9 <sup>th</sup> Floor, 2-4 Makarios Avenue, 1065 Nicosia, Cyprus	N.A.	Subsidiary	100	2 (87)
32	Suntys LLC Prospect Mira Street, 69 Building 1, Moscow, 129110, Russian Federation	N.A.	Subsidiary	100	2 (87)
33	Tea Trade LLC Prospect Mira Street, 69 Building 1, Moscow, 129110, Russian Federation	N.A.	Subsidiary	100	2 (87)
34	Tata Global Beverages Capital Limited 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	N.A.	Subsidiary	100	2 (87)
35	Tata Coffee Limited Pollibetta, Kodagu, Karnataka	L01131KA1943PLC000833	Subsidiary	57.48	2 (87)
36	Tata Coffee Vietnam Company Limited # No. 12 VSIP II – A Street 32, Vietnam Singapore Industrial Park II-A, Tan Binh Commune, Bac Tan Uyen Town, Binh Doung Province, Vietnam	N.A.	Subsidiary	-	2 (87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
37	Consolidated Coffee Inc. 155 Chestnut Ridge Road, Montvale, New Jersey 07645	N.A.	Subsidiary	100	2 (87)
38	Eight O'Clock Holdings Inc. 155 Chestnut Ridge Road, Montvale, New Jersey 07645	N.A.	Subsidiary	100	2 (87)
39	Eight O'Clock Coffee Company 155 Chestnut Ridge Road, Montvale, New Jersey 07645	N.A.	Subsidiary	100	2 (87)
40	Tata Tea Extractions Inc 1001 W Dr M L King Jr Blvd Plant City, FL 33563, USA	N.A.	Subsidiary	100	2 (87)
41	Zhejiang Tata Tea Extraction Co. Limited Economic Development Zone, Anji, Zhejiang, China	N.A.	Subsidiary	89.75	2 (87)
42	Tata Tea Holdings Private Limited 4 <sup>th</sup> Floor, New Excelsior Building, Amrit Keshav Nayak Marg, Fort, Mumbai – 400 001	U67190MH2008PTC187767	Subsidiary	100	2 (87)
43	TRIL Constructions Limited Elphinstone Building, 2 <sup>nd</sup> Floor, 10 Veer Nariman Road, Mumbai - 400 001.	U45201MH2007PLC171985	Associate	48.40 <sup>@</sup>	2 (6)
44	Estate Management Services Private Ltd No.60, Dharmapala Mawatha, Colombo 03	N.A.	Associate	31.85	2 (6)
45	Amalgamated Plantations Private Ltd 1, Bishop Lefroy Road, Kolkata – 700 020	U01132WB2007PTC112852	Associate	41.03	2 (6)
46	Kanan Devan Hills Plantations Private Ltd KDHP House, Munnar, Kerala- 685612	U01132KL2005PTC018014	Associate	28.52	2 (6)
47	NourishCo Beverages Limited Level-3, Pioneer Square, Sector- 62, Near Golf Course Extension Road, Gurugram-122101, Haryana.	U15500HR2010PLC041616	Joint Venture	50	2 (6)
48	Tata Starbucks Private Limited 4 <sup>th</sup> Floor, New Excelsior Building, Amrit Keshav Nayak Marg, Fort, Mumbai – 400 001	U74900MH2011PTC222589	Joint Venture	50	2 (6)
49	Tetley ACI (Bangladesh) Limited 245 Tejgaon Industrial Area, Dhaka – 1208	N.A.	Joint Venture	50	2 (6)
50	Southern Tea, LLC 1267 Cobb Industrial Drive, Marietta, Georgia 30066	N.A.	Joint Venture	50	2(6)
51	Tetley Clover (Private) Limited Lakson Square Building No 2, Sarwar Shaheed Road, Karachi	N.A.	Joint Venture	50	2 (6)

% of shares held shown above is by the immediate Holding Company

<sup>@</sup> Includes investments in Preference Shares

<sup>#</sup> Yet to commence operations

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

## (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2016				No. of Shares held at the end of the year i.e. 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individuals/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	217,128,190	0	217,128,190	34.40	217,128,190	0	217,128,190	34.40	0.00
e) Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(1)</b>	<b>217,128,190</b>	<b>0</b>	<b>217,128,190</b>	<b>34.40</b>	<b>217,128,190</b>	<b>0</b>	<b>217,128,190</b>	<b>34.40</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)</b>	<b>217,128,190</b>	<b>0</b>	<b>217,128,190</b>	<b>34.40</b>	<b>217,128,190</b>	<b>0</b>	<b>217,128,190</b>	<b>34.40</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/UTI	42,426,761	134,715	42,561,476	6.74	38,240,517	130,715	38,371,232	6.08	-0.66
b) Banks / Financial Institutions	79,812,436	62,845	79,875,281	12.66	77,482,185	62,845	77,545,030	12.29	-0.37
c) Central Government	353,281	0	353,281	0.06	0	0	0	0.00	-0.06
d) State Government(s)	0	5,850	5,850	0.00	0	5,850	5,850	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	3,936,673	0	3,936,673	0.62	887,238	0	887,238	0.14	-0.48
g) Foreign Institutional Investors	29,581,793	8,260	29,590,053	4.69	5,305,993	8,260	5,314,253	0.84	-3.85
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Portfolio Investors (corporate)	53,899,882	0	53,899,882	8.54	90,170,336	0	90,170,336	14.29	5.75
<b>Sub-total (B)(1)</b>	<b>210,010,826</b>	<b>211,670</b>	<b>210,222,496</b>	<b>33.31</b>	<b>212,086,269</b>	<b>207,670</b>	<b>212,293,939</b>	<b>33.64</b>	<b>0.33</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i. Indian	14,694,821	279,940	14,974,761	2.37	14,984,266	204,765	15,189,031	2.41	0.03
ii. Overseas	975	50,100	51,075	0.01	80,423	50,100	130,523	0.02	0.01
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	127,319,409	14,145,161	141,464,570	22.41	123,493,690	13,412,210	136,905,900	21.69	-0.72
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	9,677,479	601,870	10,279,349	1.63	11,663,696	260,200	11,923,896	1.89	0.26
c) Any Others (specify)									
(i) Trusts	6,734,843	4,630	6,739,473	1.07	7,482,306	4,630	7,486,936	1.19	0.12
(ii) Directors and their relatives	33,500	0	33,500	0.01	0	0	0	0.00	-0.01
(iii) Non-Resident Individuals	6,617,416	132,117	6,749,533	1.07	6,497,835	131,817	6,629,652	1.05	-0.02
(iv) Foreign Portfolio Investors - DR	0	0	0	0.00	20,250	0	20,250	0.00	0.00
(v) Foreign Institutional Investors-DR	67,262	0	67,262	0.01	129,311	0	129,311	0.02	0.01
(vi) Foreign Nationals- DR	500	0	500	0.00	500	0	500	0.00	0.00
<b>Sub-Total(B)(2)</b>	<b>165,146,205</b>	<b>15,213,818</b>	<b>180,360,023</b>	<b>28.58</b>	<b>164,352,277</b>	<b>14,063,722</b>	<b>178,415,999</b>	<b>28.27</b>	<b>-0.31</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>375,157,031</b>	<b>15,425,488</b>	<b>390,582,519</b>	<b>61.89</b>	<b>376,438,546</b>	<b>14,271,392</b>	<b>390,709,938</b>	<b>61.91</b>	<b>0.02</b>
<b>C. Shares held by Custodians for GDRs and ADRs</b>	23,419,020	0	23,419,020	3.71	23,291,601	0	23,291,601	3.69	-0.02
<b>Grand Total (A)+(B)+(C)</b>	<b>615,704,241</b>	<b>15,425,488</b>	<b>631,129,729</b>	<b>100.00</b>	<b>616,858,337</b>	<b>14,271,392</b>	<b>631,129,729</b>	<b>100.00</b>	<b>0.00</b>

## ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2016			Shareholding at the end of the year i.e. 31.03.2017			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Tata Sons Limited	14,28,54,570	22.63	1.86	14,28,54,570	22.63	1.86	0.00
2	Tata Chemicals Limited	4,31,75,140	6.84	0.00	4,31,75,140	6.84	0.00	0.00
3	Tata Investment Corporation Limited	2,69,45,000	4.27	0.00	2,69,45,000	4.27	0.00	0.00
4	Ewart Investments Limited	34,16,360	0.54	0.00	34,16,360	0.54	0.00	0.00
5	Tata Industries Limited	7,31,120	0.12	0.00	7,31,120	0.12	0.00	0.00
6	Titan Company Limited	6,000	0.00	0.00	6,000	0.00	0.00	0.00
	<b>Total</b>	<b>21,71,28,190</b>	<b>34.40</b>	<b>1.86</b>	<b>21,71,28,190</b>	<b>34.40</b>	<b>1.86</b>	<b>0.00</b>

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

Sl. No	Name of Shareholder	Shareholding at the beginning of the year as on 01.04.2016		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	21,71,28,190	34.40	21,71,28,190	34.40
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity, etc):	No movement during the Financial year 2016-2017			
	At the End of the year	21,71,28,190	34.40	21,71,28,190	34.40

## iv. Shareholding Pattern of top ten Shareholders

(other than Directors, Promoters and holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding		Date	Reason	Increase / Decrease in shareholding	% of total shares of the Company	Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year (01.04.2016/ end of year (31.03.2017)	% of total shares of the Company					No. of shares	% of total shares of the Company
1	Life Insurance Corporation of India	54,416,998	8.62	01-Apr-16					
	LIC of India Child Fortune Plus Growth Fund			08-Apr-16	Transfer	600,000	0.10	55,016,998	8.72
	LIC of India Profit Plus Balanced Fund			15-Apr-16	Transfer	700,000	0.11	55,716,998	8.83
	LIC of India Money Plus Growth Fund			24-Jun-16	Transfer	273,355	0.04	55,990,353	8.87
	LIC of India Market Plus 1 Growth Fund			24-Jun-16	Transfer	201,513	0.03	56,191,866	8.90
	Life Insurance Corporation of India P & GS Fund			30-Jun-16	Transfer	1,136,376	0.18	57,328,242	9.08
	Ulif002180912licfx+Mix512			30-Jun-16	Transfer	967,009	0.15	58,295,251	9.24
				08-Jul-16	Transfer	182,054	0.03	58,477,305	9.27
				15-Jul-16	Transfer	527,649	0.08	59,004,954	9.35
				15-Jul-16	Transfer	130,000	0.02	59,134,954	9.37
				22-Jul-16	Transfer	1,803,164	0.29	60,938,118	9.66
				22-Jul-16	Transfer	1,270,000	0.20	62,208,118	9.86
				30-Sep-16	Transfer	-325,000	-0.05	61,883,118	9.81
				07-Oct-16	Transfer	-500,000	-0.08	61,383,118	9.73
				14-Oct-16	Transfer	-571,078	-0.09	60,812,040	9.64
				21-Oct-16	Transfer	-2,719,559	-0.43	58,092,481	9.20
		57,792,481	9.16	31-Mar-17	Transfer	-300,000	-0.05	57,792,481	9.16

Sl. No.	Name of the Shareholder	Shareholding		Date	Reason	Increase / Decrease in shareholding	% of total shares of the Company	Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year (01.04.2016/ end of year (31.03.2017)	% of total shares of the Company					No. of shares	% of total shares of the Company
2	Government Pension Fund Global	8,682,045	1.38	01-Apr-2016					
				23-Sep-2016	Transfer	400,000	0.06	9,082,045	1.44
				30-Sep-2016	Transfer	100,000	0.02	9,182,045	1.45
				07-Oct-2016	Transfer	350,000	0.06	9,532,045	1.51
				14-Oct-2016	Transfer	100,000	0.02	9,632,045	1.53
				21-Oct-2016	Transfer	200,000	0.03	9,832,045	1.56
				28-Oct-2016	Transfer	170,000	0.03	10,002,045	1.58
				04-Nov-2016	Transfer	333,709	0.05	10,335,754	1.64
				11-Nov-2016	Transfer	1,200,091	0.19	11,535,845	1.83
				18-Nov-2016	Transfer	296,200	0.05	11,832,045	1.87
				25-Nov-2016	Transfer	900,000	0.14	12,732,045	2.02
				02-Dec-2016	Transfer	415,040	0.07	13,147,085	2.08
				09-Dec-2016	Transfer	184,960	0.03	13,332,045	2.11
				23-Dec-2016	Transfer	100,000	0.02	13,432,045	2.13
				31-Dec-2016	Transfer	200,000	0.03	13,632,045	2.16
		24-Mar-2017	Transfer	400,000	0.06	14,032,045	2.22		
		14,132,045	2.24	31-Mar-2017	Transfer	100,000	0.02	14,132,045	2.24
3	First State Investments ICVC- Stewart Investors Asia Pacific Fund	7,952,367	1.26	01-Apr-2016					
				02-Sep-2016	Transfer	852,382	0.14	8,804,749	1.40
				09-Sep-2016	Transfer	2,081,649	0.33	10,886,398	1.72
				25-Nov-2016	Transfer	2,808,885	0.45	13,695,283	2.17
				13,695,283	2.17	31-Mar-2017			
4	Dimensional Emerging Markets Value Fund	6,632,236	1.05	01-Apr-2016					
				04-Nov-2016	Transfer	-129,400	-0.02	6,502,836	1.03
				24-Mar-2017	Transfer	-138,255	-0.02	6,364,581	1.01
				31-Mar-2017	Transfer	-128,710	-0.02	6,235,871	0.99
		6,235,871	0.99	31-Mar-2017				6,235,871	0.99
5	The New India Assurance Company Limited	5,747,945	0.91	01-Apr-2016					
				02-Dec-2016	Transfer	100,000	0.02	5,847,945	0.93
				5,847,945	0.93	31-Mar-2017			
6	Mirae Asset Tax Saver Fund Mirae Asset India Opportunities Fund Mirae Asset Emerging Bluechip Fund Mirae Asset Great Consumer Fund	1,005,000	0.16	01-Apr-2016					
				08-Apr-2016	Transfer	-300,000	-0.05	705,000	0.11
				06-May-2016	Transfer	97,000	0.02	802,000	0.13
				20-May-2016	Transfer	-97,000	-0.02	705,000	0.11
				17-Jun-2016	Transfer	150,000	0.02	855,000	0.14
				01-Jul-2016	Transfer	-150,000	-0.02	705,000	0.11
				22-Jul-2016	Transfer	-50,000	-0.01	655,000	0.10
				16-Sep-2016	Transfer	390,096	0.06	1,045,096	0.17
				30-Sep-2016	Transfer	300,000	0.05	1,345,096	0.21
				07-Oct-2016	Transfer	60,000	0.01	1,405,096	0.22
				07-Oct-2016	Transfer	60,000	0.01	1,465,096	0.23
				07-Oct-2016	Transfer	30,000	0.00	1,495,096	0.24
				14-Oct-2016	Transfer	-60,000	-0.01	1,435,096	0.23
				14-Oct-2016	Transfer	-60,000	-0.01	1,375,096	0.22
		14-Oct-2016	Transfer	-30,000	0.00	1,345,096	0.21		
		28-Oct-2016	Transfer	97,753	0.02	1,442,849	0.23		

Sl. No.	Name of the Shareholder	Shareholding		Date	Reason	Increase / Decrease in shareholding	% of total shares of the Company	Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year (01.04.2016/ end of year (31.03.2017)	% of total shares of the Company					No. of shares	% of total shares of the Company
				04-Nov-2016	Transfer	600,000	0.10	2,042,849	0.32
				11-Nov-2016	Transfer	800,000	0.13	2,842,849	0.45
				18-Nov-2016	Transfer	475,000	0.08	3,317,849	0.53
				09-Dec-2016	Transfer	1,035,000	0.16	4,352,849	0.69
				16-Dec-2016	Transfer	110,589	0.02	4,463,438	0.71
				13-Jan-2017	Transfer	100,000	0.02	4,563,438	0.72
				20-Jan-2017	Transfer	185,534	0.03	4,748,972	0.75
				20-Jan-2017	Transfer	270,466	0.04	5,019,438	0.80
				20-Jan-2017	Transfer	44,000	0.01	5,063,438	0.80
				27-Jan-2017	Transfer	75,000	0.01	5,138,438	0.81
				27-Jan-2017	Transfer	25,000	0.00	5,163,438	0.82
				10-Feb-2017	Transfer	35,000	0.01	5,198,438	0.82
				10-Feb-2017	Transfer	819,153	0.13	6,017,591	0.95
				10-Feb-2017	Transfer	100,000	0.02	6,117,591	0.97
				17-Feb-2017	Transfer	250,000	0.04	6,367,591	1.01
				24-Feb-2017	Transfer	145,000	0.02	6,512,591	1.03
				03-Mar-2017	Transfer	12,500	0.00	6,525,091	1.03
				03-Mar-2017	Transfer	-819,153	-0.13	5,705,938	0.90
				03-Mar-2017	Transfer	12,500	0.00	5,718,438	0.91
		5,718,438	0.91	31-Mar-2017				5,718,438	0.91
7	Goldman Sachs (Singapore) Pte	390,054	0.06	01-Apr-2016					
				08-Apr-2016	Transfer	212,363	0.03	602,417	0.10
				15-Apr-2016	Transfer	239,208	0.04	841,625	0.13
				22-Apr-2016	Transfer	7,722	0.00	849,347	0.13
				29-Apr-2016	Transfer	-87,568	-0.01	761,779	0.12
				06-May-2016	Transfer	-129,616	-0.02	632,163	0.10
				13-May-2016	Transfer	128,466	0.02	760,629	0.12
				20-May-2016	Transfer	87,375	0.01	848,004	0.13
				03-Jun-2016	Transfer	-1,468	0.00	846,536	0.13
				10-Jun-2016	Transfer	-3,705	0.00	842,831	0.13
				24-Jun-2016	Transfer	-681	0.00	842,150	0.13
				30-Jun-2016	Transfer	264,825	0.04	1,106,975	0.18
				08-Jul-2016	Transfer	31,196	0.00	1,138,171	0.18
				15-Jul-2016	Transfer	-275,628	-0.04	862,543	0.14
				22-Jul-2016	Transfer	-41,635	-0.01	820,908	0.13
				29-Jul-2016	Transfer	-167,452	-0.03	653,456	0.10
				05-Aug-2016	Transfer	-1,178	0.00	652,278	0.10
				02-Sep-2016	Transfer	166,096	0.03	818,374	0.13
				16-Sep-2016	Transfer	31,668	0.01	850,042	0.13
				23-Sep-2016	Transfer	331,142	0.05	1,181,184	0.19
				30-Sep-2016	Transfer	-28,472	0.00	1,152,712	0.18
				07-Oct-2016	Transfer	12,578	0.00	1,165,290	0.18
				14-Oct-2016	Transfer	26,347	0.00	1,191,637	0.19

Sl. No.	Name of the Shareholder	Shareholding		Date	Reason	Increase / Decrease in shareholding	% of total shares of the Company	Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year (01.04.2016/ end of year (31.03.2017)	% of total shares of the Company					No. of shares	% of total shares of the Company
				21-Oct-2016	Transfer	114,115	0.02	1,305,752	0.21
				28-Oct-2016	Transfer	73,345	0.01	1,379,097	0.22
				04-Nov-2016	Transfer	616,659	0.10	1,995,756	0.32
				11-Nov-2016	Transfer	584,480	0.09	2,580,236	0.41
				18-Nov-2016	Transfer	696,432	0.11	3,276,668	0.52
				25-Nov-2016	Transfer	546,831	0.09	3,823,499	0.61
				02-Dec-2016	Transfer	298,639	0.05	4,122,138	0.65
				09-Dec-2016	Transfer	429,757	0.07	4,551,895	0.72
				16-Dec-2016	Transfer	246,294	0.04	4,798,189	0.76
				23-Dec-2016	Transfer	395,275	0.06	5,193,464	0.82
				13-Jan-2017	Transfer	-19,950	0.00	5,173,514	0.82
				20-Jan-2017	Transfer	7	0.00	5,173,521	0.82
				27-Jan-2017	Transfer	-5,865	0.00	5,167,656	0.82
				10-Feb-2017	Transfer	148,911	0.02	5,316,567	0.84
				17-Feb-2017	Transfer	136,487	0.02	5,453,054	0.86
				24-Feb-2017	Transfer	-62,355	-0.01	5,390,699	0.85
				03-Mar-2017	Transfer	390,830	0.06	5,781,529	0.92
				10-Mar-2017	Transfer	23,844	0.00	5,805,373	0.92
				17-Mar-2017	Transfer	-29,243	0.00	5,776,130	0.92
				24-Mar-2017	Transfer	-237,019	-0.04	5,539,111	0.88
		5,615,249	0.89	31-Mar-2017	Transfer	76,138	0.01	5,615,249	0.89
8	NPS Trust A/C LIC Pension Fund Scheme - Central Govt	5,305,346	0.84	01-Apr-2016					
	NPS Trust A/C UTI Retirement Solutions Pension Fund Scheme - Central Govt			08-Apr-2016	Transfer	-10,520	0.00	5,294,826	0.84
				08-Apr-2016	Transfer	-800	0.00	5,294,026	0.84
	NPS Trust A/C UTI Retirement Solutions Pension Fund Scheme E - Tier I			06-May-2016	Transfer	10,000	0.00	5,304,026	0.84
	NPS Trust A/C ICICI Prudential Pension Fund Scheme E - Tier I			03-Jun-2016	Transfer	-26,733	0.00	5,277,293	0.84
	NPS Trust A/C LIC Pension Fund Scheme - State Govt			30-Jun-2016	Transfer	25,000	0.00	5,302,293	0.84
	NPS Trust A/C UTI Retirement Solutions Pension Fund Scheme - State Govt			30-Jun-2016	Transfer	25,000	0.00	5,327,293	0.84
				30-Jun-2016	Transfer	5,000	0.00	5,332,293	0.84
	NPS Trust A/C ICICI Prudential Pension Fund Scheme E - Tier II			22-Jul-2016	Transfer	40,000	0.01	5,372,293	0.85
	NPS Trust A/C LIC Pension Fund Limited - NPS Lite Scheme - Govt. Pattern			22-Jul-2016	Transfer	40,000	0.01	5,412,293	0.86
	NPS Trust A/C UTI Retirement Solutions Limited - NPS Lite Scheme - Govt. Pattern			22-Jul-2016	Transfer	11,000	0.00	5,423,293	0.86
				22-Jul-2016	Transfer	-100	0.00	5,423,193	0.86
				29-Jul-2016	Transfer	100,000	0.02	5,523,193	0.88
	NPS Trust A/C LIC Pension Fund Scheme - Corporate Cg			29-Jul-2016	Transfer	100,000	0.02	5,623,193	0.89
	NPS Trust A/C LIC Pension Fund Scheme E - Tier I			29-Jul-2016	Transfer	2,000	0.00	5,625,193	0.89
	NPS Trust A/C LIC Pension Fund Scheme E - Tier II			29-Jul-2016	Transfer	15,000	0.00	5,640,193	0.89
	NPS Trust A/C UTI Retirement Solutions Ltd Scheme - Atal Pension Yojana (Apy)			29-Jul-2016	Transfer	400	0.00	5,640,593	0.89
	NPS Trust A/C LIC Pension Fund Scheme - Atal Pension Yojana (Apy)			21-Oct-2016	Transfer	-55,252	-0.01	5,585,341	0.88
				21-Oct-2016	Transfer	-50,000	-0.01	5,535,341	0.88
				21-Oct-2016	Transfer	-20,000	0.00	5,515,341	0.87
				21-Oct-2016	Transfer	-20,000	0.00	5,495,341	0.87
				21-Oct-2016	Transfer	-14,464	0.00	5,480,877	0.87
				21-Oct-2016	Transfer	-200	0.00	5,480,677	0.87



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		No. of Shares at the beginning of the year (01.04.2016/ end of year (31.03.2017)	% of total shares of the Company					No. of shares	% of total shares of the Company
				21-Oct-2016	Transfer	-4,500	0.00	5,476,177	0.87
				28-Oct-2016	Transfer	-75,000	-0.01	5,401,177	0.86
				28-Oct-2016	Transfer	-60,029	-0.01	5,341,148	0.85
				28-Oct-2016	Transfer	-39,704	-0.01	5,301,444	0.84
				28-Oct-2016	Transfer	-2,000	0.00	5,299,444	0.84
				28-Oct-2016	Transfer	-5,536	0.00	5,293,908	0.84
				28-Oct-2016	Transfer	-200	0.00	5,293,708	0.84
				28-Oct-2016	Transfer	-500	0.00	5,293,208	0.84
				03-Feb-2017	Transfer	90,000	0.01	5,383,208	0.85
				03-Feb-2017	Transfer	104,332	0.02	5,487,540	0.87
				03-Feb-2017	Transfer	15,000	0.00	5,502,540	0.87
				17-Mar-2017	Transfer	10,000	0.00	5,512,540	0.87
				17-Mar-2017	Transfer	10,000	0.00	5,522,540	0.88
				31-Mar-2017	Transfer	25,000	0.00	5,547,540	0.88
				31-Mar-2017	Transfer	25,000	0.00	5,572,540	0.88
		5,582,540	0.88	31-Mar-2017	Transfer	10,000	0.00	5,582,540	0.88
9	General Insurance Corporation of India	5,777,120	0.92	01-Apr-2016					
				05-Aug-2016	Transfer	-20,000	0.00	5,757,120	0.91
				03-Mar-2017	Transfer	-2,500	0.00	5,754,620	0.91
				10-Mar-2017	Transfer	-252,500	-0.04	5,502,120	0.87
		5,502,120	0.88	31-Mar-2017				5,502,120	0.87
10	UTI - Unit Scheme For Charitable And Religious Trusts And Registered Societies	6,445,448	1.02	01-Apr-2016					
	UTI - Mid Cap Fund			22-Apr-2016	Transfer	10,911	0.00	6,456,359	1.02
	UTI - Monthly Income Scheme			30-Jun-2016	Transfer	-125,000	-0.02	6,331,359	1.00
	UTI - Balanced Fund			08-Jul-2016	Transfer	-125,000	-0.02	6,206,359	0.98
	UTI - Spread Fund			08-Jul-2016	Transfer	85,500	0.01	6,291,859	1.00
	UTI - Retirement Benefit Pension Fund			15-Jul-2016	Transfer	-75,000	-0.01	6,216,859	0.99
	UTI - Childrens Career Balanced Plan			29-Jul-2016	Transfer	-240,000	-0.04	5,976,859	0.95
	UTI - Capital Protection Oriented Scheme - Series IV - i (1103 Days)			05-Aug-2016	Transfer	-61,603	-0.01	5,915,256	0.94
	UTI - Capital Protection Oriented Scheme - Series IV - ii (1104 Days)			09-Aug-2016	Transfer	-46,841	-0.01	5,868,415	0.93
	UTI - Capital Protection Oriented Scheme - Series IV - iii (1105 Days)			09-Aug-2016	Transfer	-135,000	-0.02	5,733,415	0.91
	UTI - Capital Protection Oriented Scheme - Series V - i (1163 Days)			26-Aug-2016	Transfer	-500,000	-0.08	5,233,415	0.83
	UTI - Dual Advantage Fixed Term Fund Series I - ii (1145 Days)			02-Sep-2016	Transfer	-250,000	-0.04	4,983,415	0.79
	UTI - Capital Protection Oriented Scheme - Series V - ii (1135 Days)			09-Sep-2016	Transfer	-525,000	-0.08	4,458,415	0.71
	UTI - Dual Advantage Fixed Term Fund Series I - iv (1099 Days)			16-Sep-2016	Transfer	-250,000	-0.04	4,208,415	0.67
	UTI - Dual Advantage Fixed Term Fund Series I - v (1099 Days)			16-Sep-2016	Transfer	-85,500	-0.01	4,122,915	0.65
	UTI - Capital Protection Oriented Scheme - Series VI - i (1098 Days)			16-Sep-2016	Transfer	-76,176	-0.01	4,046,739	0.64
	UTI - Dual Advantage Fixed Term Fund Series II - i (1998 Days)			23-Sep-2016	Transfer	-200,000	-0.03	3,846,739	0.61
	UTI - Dual Advantage Fixed Term Fund Series II - ii (1997 Days)			23-Sep-2016	Transfer	22,500	0.00	3,869,239	0.61
	UTI - Dual Advantage Fixed Term Fund Series II - iii (1998 Days)			23-Sep-2016	Transfer	-58,091	-0.01	3,811,148	0.60
	UTI - Capital Protection Oriented Scheme - Series VI - iii (1098 Days)			18-Nov-2016	Transfer	-22,500	0.00	3,788,648	0.60
	UTI - Dual Advantage Fixed Term Fund Series II - iv (1997 Days)			10-Jan-2017	Transfer	9,000	0.00	3,797,648	0.60
	UTI - Capital Protection Oriented Scheme - Series VII - i (1098 Days)			06-Feb-2017	Transfer	-40,000	-0.01	3,757,648	0.60
	UTI - Dual Advantage Fixed Term Fund Series II - v (1997 Days)			17-Feb-2017	Transfer	-36,241	-0.01	3,721,407	0.59
	UTI - Dual Advantage Fixed Term Fund Series III - i (1998 Days)			24-Feb-2017	Transfer	72,000	0.01	3,793,407	0.60
				03-Mar-2017	Transfer	58,500	0.01	3,851,907	0.61
		5,057,840	0.80	31-Mar-2017	Transfer	1,205,933	0.19	5,057,840	0.80

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		No. of Shares at the beginning of the year (01.04.2016/ end of year (31.03.2017)	% of total shares of the Company					No. of shares	% of total shares of the Company
11	Retail Employees Superannuation Pty. Limited as Trustee for Retail Employees Superannuation Trust	4,759,014	0.75	01-Apr-2016	No				
		4,759,014	0.75	31-Mar-2017	Movement during the year			4,759,014	0.75
12	IDFC Arbitrage Fund	1,108,000	0.18	01-Apr-2016					
				08-Apr-2016	Transfer	272,000	0.04	1,380,000	0.22
				06-May-2016	Transfer	-16,000	0.00	1,364,000	0.22
				13-May-2016	Transfer	-52,000	-0.01	1,312,000	0.21
				30-Jun-2016	Transfer	-2,500	0.00	1,309,500	0.21
				08-Jul-2016	Transfer	18,000	0.00	1,327,500	0.21
				08-Jul-2016	Transfer	45,000	0.01	1,372,500	0.22
				22-Jul-2016	Transfer	-31,500	0.00	1,341,000	0.21
				29-Jul-2016	Transfer	540,000	0.09	1,881,000	0.30
				05-Aug-2016	Transfer	94,500	0.01	1,975,500	0.31
				24-Aug-2016	Transfer	85,500	0.01	2,061,000	0.33
				02-Sep-2016	Transfer	13,500	0.00	2,074,500	0.33
				09-Sep-2016	Transfer	-67,500	-0.01	2,007,000	0.32
				16-Sep-2016	Transfer	76,500	0.01	2,083,500	0.33
				30-Sep-2016	Transfer	9,000	0.00	2,092,500	0.33
				07-Oct-2016	Transfer	18,000	0.00	2,110,500	0.33
				14-Oct-2016	Transfer	99,000	0.02	2,209,500	0.35
				04-Nov-2016	Transfer	216,000	0.03	2,425,500	0.38
				04-Nov-2016	Transfer	148,500	0.02	2,574,000	0.41
				11-Nov-2016	Transfer	1,071,000	0.17	3,645,000	0.58
				11-Nov-2016	Transfer	783,000	0.12	4,428,000	0.70
				18-Nov-2016	Transfer	-180,000	-0.03	4,248,000	0.67
				02-Dec-2016	Transfer	-45,000	-0.01	4,203,000	0.67
		09-Dec-2016	Transfer	-121,500	-0.02	4,081,500	0.65		
		09-Dec-2016	Transfer	-162,000	-0.03	3,919,500	0.62		
		16-Dec-2016	Transfer	99,000	0.02	4,018,500	0.64		
		4,005,000	0.63	31-Mar-2017	Transfer	-13,500	0.00	4,005,000	0.63
13	ICICI Prudential Value Fund - Series 1	22,401,478	3.55	01-Apr-2016					
	ICICI Prudential Value Fund - Series 2			08-Apr-2016	Transfer	820,000	0.13	23,221,478	3.68
	ICICI Prudential Mutual Fund			08-Apr-2016	Transfer	-2,924,316	-0.46	20,297,162	3.22
	ICICI Prudential Fmcg Fund			08-Apr-2016	Transfer	-19,114	0.00	20,278,048	3.21
	ICICI Prudential Top 100 Fund			08-Apr-2016	Transfer	-3,109	0.00	20,274,939	3.21
	ICICI Prudential Multicap Fund			15-Apr-2016	Transfer	1,260,000	0.20	21,534,939	3.41
	ICICI Prudential Long Term Equity Fund (Tax Saving)			15-Apr-2016	Transfer	-823,941	-0.13	20,710,998	3.28
	ICICI Prudential Equity Arbitrage Fund			15-Apr-2016	Transfer	-300,000	-0.05	20,410,998	3.23
	ICICI Prudential Balanced Advantage Fund			22-Apr-2016	Transfer	-310,656	-0.05	20,100,342	3.18
	ICICI Prudential Midcap Fund			22-Apr-2016	Transfer	132,000	0.02	20,232,342	3.21
	ICICI Prudential Blended Plan - Plan A			22-Apr-2016	Transfer	-132,000	-0.02	20,100,342	3.18
	ICICI Prudential Dynamic Plan			22-Apr-2016	Transfer	-123,513	-0.02	19,976,829	3.17
	ICICI Prudential Nifty Next 50 Index Fund			22-Apr-2016	Transfer	-684,508	-0.11	19,292,321	3.06
	ICICI Prudential Nifty 100 Inwin Etf			22-Apr-2016	Transfer	-3,335	0.00	19,288,986	3.06
	ICICI Prudential Value Fund Series 1			22-Apr-2016	Transfer	-140,000	-0.02	19,148,986	3.03
	ICICI Prudential Value Fund Series 2			22-Apr-2016	Transfer	140,000	0.02	19,288,986	3.06
ICICI Prudential Value Fund-Series 5			22-Apr-2016	Transfer	310,656	0.05	19,599,642	3.11	

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		No. of Shares at the beginning of the year (01.04.2016/ end of year (31.03.2017)	% of total shares of the Company					No. of shares	% of total shares of the Company
				29-Apr-2016	Transfer	-266,583	-0.04	19,333,059	3.06
				29-Apr-2016	Transfer	-571,820	-0.09	18,761,239	2.97
				06-May-2016	Transfer	-100,000	-0.02	18,661,239	2.96
				06-May-2016	Transfer	104,000	0.02	18,765,239	2.97
				13-May-2016	Transfer	641,992	0.10	19,407,231	3.07
				13-May-2016	Transfer	500,000	0.08	19,907,231	3.15
				13-May-2016	Transfer	-500,000	-0.08	19,407,231	3.07
				13-May-2016	Transfer	-641,992	-0.10	18,765,239	2.97
				13-May-2016	Transfer	-500,000	-0.08	18,265,239	2.89
				20-May-2016	Transfer	-96,763	-0.02	18,168,476	2.88
				20-May-2016	Transfer	678,904	0.11	18,847,380	2.99
				27-May-2016	Transfer	-128,345	-0.02	18,719,035	2.97
				27-May-2016	Transfer	954,871	0.15	19,673,906	3.12
				27-May-2016	Transfer	1,140,875	0.18	20,814,781	3.30
				03-Jun-2016	Transfer	216,531	0.03	21,031,312	3.33
				03-Jun-2016	Transfer	258,711	0.04	21,290,023	3.37
				10-Jun-2016	Transfer	-478,704	-0.08	20,811,319	3.30
				17-Jun-2016	Transfer	-444,490	-0.07	20,366,829	3.23
				01-Jul-2016	Transfer	-3,000	0.00	20,363,829	3.23
				08-Jul-2016	Transfer	-500,000	-0.08	19,863,829	3.15
				08-Jul-2016	Transfer	-517,735	-0.08	19,346,094	3.07
				08-Jul-2016	Transfer	-1,358,081	-0.22	17,988,013	2.85
				15-Jul-2016	Transfer	-353,841	-0.06	17,634,172	2.79
				15-Jul-2016	Transfer	-1,019,813	-0.16	16,614,359	2.63
				22-Jul-2016	Transfer	-57,988	-0.01	16,556,371	2.62
				22-Jul-2016	Transfer	-157,145	-0.02	16,399,226	2.60
				22-Jul-2016	Transfer	-4,329,610	-0.69	12,069,616	1.91
				29-Jul-2016	Transfer	-1,749,541	-0.28	10,320,075	1.64
				05-Aug-2016	Transfer	-920,742	-0.15	9,399,333	1.49
				05-Aug-2016	Transfer	-70,000	-0.01	9,329,333	1.48
				09-Aug-2016	Transfer	-588,620	-0.09	8,740,713	1.38
				12-Aug-2016	Transfer	-1,899,712	-0.30	6,841,001	1.08
				26-Aug-2016	Transfer	-247,500	-0.04	6,593,501	1.04
				16-Sep-2016	Transfer	-493,837	-0.08	6,099,664	0.97
				23-Sep-2016	Transfer	-641,992	-0.10	5,457,672	0.86
				23-Sep-2016	Transfer	-1,253,146	-0.20	4,204,526	0.67
				07-Oct-2016	Transfer	-61,950	-0.01	4,142,576	0.66
				13-Jan-2017	Transfer	-248,706	-0.04	3,893,870	0.62
		3,893,870	0.62	31-Mar-2017				3,893,870	0.62
14	Kotak Equity Arbitrage Fund Kotak Equity Savings Fund	2,356,000	0.37	01-Apr-2016					
				08-Apr-2016	Transfer	-276,000	-0.04	2,080,000	0.33
				29-Apr-2016	Transfer	48,000	0.01	2,128,000	0.34
				06-May-2016	Transfer	-4,000	0.00	2,124,000	0.34
				27-May-2016	Transfer	-4,000	0.00	2,120,000	0.34

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		No. of Shares at the beginning of the year (01.04.2016/ end of year (31.03.2017)	% of total shares of the Company					No. of shares	% of total shares of the Company
				10-Jun-2016	Transfer	16,000	0.00	2,136,000	0.34
				17-Jun-2016	Transfer	19,000	0.00	2,155,000	0.34
				24-Jun-2016	Transfer	3,500	0.00	2,158,500	0.34
				30-Jun-2016	Transfer	-62,500	-0.01	2,096,000	0.33
				30-Jun-2016	Transfer	-1,500	0.00	2,094,500	0.33
				01-Jul-2016	Transfer	-2,500	0.00	2,092,000	0.33
				01-Jul-2016	Transfer	-4,000	0.00	2,088,000	0.33
				08-Jul-2016	Transfer	117,000	0.02	2,205,000	0.35
				15-Jul-2016	Transfer	18,000	0.00	2,223,000	0.35
				29-Jul-2016	Transfer	76,500	0.01	2,299,500	0.36
				05-Aug-2016	Transfer	135,000	0.02	2,434,500	0.39
				05-Aug-2016	Transfer	9,000	0.00	2,443,500	0.39
				09-Aug-2016	Transfer	40,500	0.01	2,484,000	0.39
				24-Aug-2016	Transfer	4,500	0.00	2,488,500	0.39
				26-Aug-2016	Transfer	108,000	0.02	2,596,500	0.41
				02-Sep-2016	Transfer	409,500	0.06	3,006,000	0.48
				09-Sep-2016	Transfer	9,000	0.00	3,015,000	0.48
				16-Sep-2016	Transfer	-468,000	-0.07	2,547,000	0.40
				23-Sep-2016	Transfer	508,500	0.08	3,055,500	0.48
				30-Sep-2016	Transfer	400,500	0.06	3,456,000	0.55
				07-Oct-2016	Transfer	-18,000	0.00	3,438,000	0.54
				14-Oct-2016	Transfer	76,500	0.01	3,514,500	0.56
				21-Oct-2016	Transfer	202,500	0.03	3,717,000	0.59
				28-Oct-2016	Transfer	81,000	0.01	3,798,000	0.60
				11-Nov-2016	Transfer	-67,500	-0.01	3,730,500	0.59
				18-Nov-2016	Transfer	-171,000	-0.03	3,559,500	0.56
				25-Nov-2016	Transfer	-216,000	-0.03	3,343,500	0.53
				02-Dec-2016	Transfer	-45,000	-0.01	3,298,500	0.52
				09-Dec-2016	Transfer	-22,500	0.00	3,276,000	0.52
				16-Dec-2016	Transfer	-18,000	0.00	3,258,000	0.52
				06-Jan-2017	Transfer	121,500	0.02	3,379,500	0.54
				20-Jan-2017	Transfer	-9,000	0.00	3,370,500	0.53
				27-Jan-2017	Transfer	4,500	0.00	3,375,000	0.53
				03-Feb-2017	Transfer	4,500	0.00	3,379,500	0.54
				17-Feb-2017	Transfer	27,000	0.00	3,406,500	0.54
				24-Feb-2017	Transfer	108,000	0.02	3,514,500	0.56
				03-Mar-2017	Transfer	153,000	0.02	3,667,500	0.58
				10-Mar-2017	Transfer	36,000	0.01	3,703,500	0.59
		3,753,000	0.59	31-Mar-2017	Transfer	49,500	0.01	3,753,000	0.59
15	The State Teachers Retirement System of Ohio	0	0.00	01-Apr-2016					
				16-Sep-2016	Transfer	820,000	0.13	820,000	0.13
				23-Sep-2016	Transfer	1,309,893	0.21	2,129,893	0.34
				02-Dec-2016	Transfer	1,491,725	0.24	3,621,618	0.57
		3,621,618	0.57	31-Mar-2017				3,621,618	0.57

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		No. of Shares at the beginning of the year (01.04.2016/ end of year (31.03.2017)	% of total shares of the Company					No. of shares	% of total shares of the Company
16	National Insurance Company Ltd	7,264,780	1.15	01-Apr-2016					
				24-Jun-2016	Transfer	-200,000	-0.03	7,064,780	1.12
				30-Jun-2016	Transfer	-400,000	-0.06	6,664,780	1.06
				01-Jul-2016	Transfer	-100,000	-0.02	6,564,780	1.04
				08-Jul-2016	Transfer	-200,000	-0.03	6,364,780	1.01
				21-Oct-2016	Transfer	-50,000	-0.01	6,314,780	1.00
				10-Feb-2017	Transfer	-1,017,550	-0.16	5,297,230	0.84
				17-Feb-2017	Transfer	-575,000	-0.09	4,722,230	0.75
				24-Feb-2017	Transfer	-300,000	-0.05	4,422,230	0.70
				03-Mar-2017	Transfer	-300,000	-0.05	4,122,230	0.65
				10-Mar-2017	Transfer	-200,000	-0.03	3,922,230	0.62
				24-Mar-2017	Transfer	-500,000	-0.08	3,422,230	0.54
				3,422,230	0.54	31-Mar-2017			
17	Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group Inc. (DFAIDG)	3,261,357	0.52	01-Apr-2016					
				10-Jun-2016	Transfer	30,044	0.00	3,291,401	0.52
				17-Jun-2016	Transfer	63,902	0.01	3,355,303	0.53
				24-Jun-2016	Transfer	13,236	0.00	3,368,539	0.53
				05-Aug-2016	Transfer	46,802	0.01	3,415,341	0.54
				31-Mar-2017				3,415,341	0.54
18	JM Financial Mutual Fund JM Arbitrage Advantage Fund	2,784,000	0.44	01-Apr-2016					
				06-May-2016	Transfer	132,000	0.02	2,916,000	0.46
				30-Jun-2016	Transfer	-5,000	0.00	2,911,000	0.46
				01-Jul-2016	Transfer	-4,000	0.00	2,907,000	0.46
				08-Jul-2016	Transfer	297,000	0.05	3,204,000	0.51
				02-Sep-2016	Transfer	18,000	0.00	3,222,000	0.51
				09-Dec-2016	Transfer	-121,500	-0.02	3,100,500	0.49
				03-Mar-2017	Transfer	54,000	0.01	3,154,500	0.50
		3,154,500	0.50	31-Mar-2017				3,154,500	0.50
19	Credit Suisse (Singapore) Limited	1,825,534	0.29	01-Apr-2016					
				29-Apr-2016	Transfer	12,000	0.00	1,837,534	0.29
				06-May-2016	Transfer	802	0.00	1,838,336	0.29
				27-May-2016	Transfer	-478,079	-0.08	1,360,257	0.22
				03-Jun-2016	Transfer	9,422	0.00	1,369,679	0.22
				10-Jun-2016	Transfer	122,738	0.02	1,492,417	0.24
				30-Jun-2016	Transfer	-145,422	-0.02	1,346,995	0.21
				01-Jul-2016	Transfer	-8,000	0.00	1,338,995	0.21
				08-Jul-2016	Transfer	377,871	0.06	1,716,866	0.27
				15-Jul-2016	Transfer	709,459	0.11	2,426,325	0.38
				22-Jul-2016	Transfer	4,500	0.00	2,430,825	0.39
				29-Jul-2016	Transfer	4,500	0.00	2,435,325	0.39
				05-Aug-2016	Transfer	5,079	0.00	2,440,404	0.39
				26-Aug-2016	Transfer	-202,500	-0.03	2,237,904	0.35
				02-Sep-2016	Transfer	11,966	0.00	2,249,870	0.36
				09-Sep-2016	Transfer	45,000	0.01	2,294,870	0.36
				23-Sep-2016	Transfer	7,408	0.00	2,302,278	0.36
		07-Oct-2016	Transfer	319,963	0.05	2,622,241	0.42		
		14-Oct-2016	Transfer	99,863	0.02	2,722,104	0.43		
		21-Oct-2016	Transfer	104,256	0.02	2,826,360	0.45		

Sl. No.	Name of the Shareholder	Shareholding		Date	Reason	Increase / Decrease in shareholding	% of total shares of the Company	Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year (01.04.2016/ end of year (31.03.2017)	% of total shares of the Company					No. of shares	% of total shares of the Company
				28-Oct-2016	Transfer	16,716	0.00	2,843,076	0.45
				04-Nov-2016	Transfer	238,794	0.04	3,081,870	0.49
				11-Nov-2016	Transfer	256,014	0.04	3,337,884	0.53
				18-Nov-2016	Transfer	180,835	0.03	3,518,719	0.56
				25-Nov-2016	Transfer	-144,000	-0.02	3,374,719	0.53
				02-Dec-2016	Transfer	60,710	0.01	3,435,429	0.54
				09-Dec-2016	Transfer	145,182	0.02	3,580,611	0.57
				16-Dec-2016	Transfer	311,821	0.05	3,892,432	0.62
				23-Dec-2016	Transfer	100,329	0.02	3,992,761	0.63
				13-Jan-2017	Transfer	8,980	0.00	4,001,741	0.63
				20-Jan-2017	Transfer	-9,000	0.00	3,992,741	0.63
				27-Jan-2017	Transfer	-346,014	-0.05	3,646,727	0.58
				03-Feb-2017	Transfer	-90,000	-0.01	3,556,727	0.56
				03-Mar-2017	Transfer	208,452	0.03	3,765,179	0.60
				10-Mar-2017	Transfer	2,649	0.00	3,767,828	0.60
		3,119,828	0.49	31-Mar-2017	Transfer	-648,000	-0.10	3,119,828	0.49
20	The Emerging Markets Small Cap Series of The DFA Investment Trust Company	3,480,804	0.55	01-Apr-2016					
				08-Jul-2016	Transfer	-92,551	-0.01	3,388,253	0.54
				15-Jul-2016	Transfer	-255,949	-0.04	3,132,304	0.50
				09-Dec-2016	Transfer	-29,935	0.00	3,102,369	0.49
				16-Dec-2016	Transfer	-31,041	0.00	3,071,328	0.49
		3,071,328	0.49	31-Mar-2017				3,071,328	0.49
21	HDFC Standard Life Insurance Company Limited	500,000	0.08	01-Apr-2016					
				17-Jun-2016	Transfer	-6,986	0.00	493,014	0.08
				05-Aug-2016	Transfer	-18,014	0.00	475,000	0.08
				09-Aug-2016	Transfer	-25,000	0.00	450,000	0.07
				12-Aug-2016	Transfer	-19,116	0.00	430,884	0.07
				24-Aug-2016	Transfer	-30,884	0.00	400,000	0.06
		400,000	0.06	31-Mar-2017				400,000	0.06
22	Platinum International Brands Fund	6,380,060	1.01	01-Apr-2016					
				17-Feb-2017	Transfer	-339,060	-0.05	6,041,000	0.96
				24-Feb-2017	Transfer	-838,527	-0.13	5,202,473	0.82
				03-Mar-2017	Transfer	-761,670	-0.12	4,440,803	0.70
				10-Mar-2017	Transfer	-992,762	-0.16	3,448,041	0.55
				17-Mar-2017	Transfer	-1,447,664	-0.23	2,000,377	0.32
				24-Mar-2017	Transfer	-2,000,377	-0.32	0	0.00
		0	0.00	31-Mar-2017				0	0.00
23	The Scottish Oriental Smaller Companies Trust PLC	4,221,438	0.67	01-Apr-2016					
				01-Jul-2016	Transfer	-552,899	-0.09	3,668,539	0.58
				30-Sep-2016	Transfer	-194,924	-0.03	3,473,615	0.55
				14-Oct-2016	Transfer	-631,011	-0.10	2,842,604	0.45
				28-Oct-2016	Transfer	-481,990	-0.08	2,360,614	0.37
				11-Nov-2016	Transfer	-932,890	-0.15	1,427,724	0.23
				18-Nov-2016	Transfer	-2,808	0.00	1,424,916	0.23
				02-Dec-2016	Transfer	-497,709	-0.08	927,207	0.15
				09-Dec-2016	Transfer	-384,009	-0.06	543,198	0.09
				16-Dec-2016	Transfer	-543,198	-0.09	0	0.00
		0	0.00	31-Mar-2017				0	0.00

Sl. No.	Name of the Shareholder	Shareholding		Date	Reason	Increase / Decrease in shareholding	% of total shares of the Company	Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year (01.04.2016/ end of year (31.03.2017)	% of total shares of the Company					No. of shares	% of total shares of the Company
24	ICICI Lombard General Insurance Company Ltd	3,080,000	0.49	01-Apr-2016					
				07-Oct-2016	Transfer	-750,000	-0.12	2,330,000	0.37
				25-Nov-2016	Transfer	-2,330,000	-0.37	0	0.00
		0	0.00	31-Mar-2017				0	0.00
25	First State Indian Subcontinent Fund (formerly First State Investments (Hongkong) Limited A/C First State Indian Subcontinent Fund)	2,757,766	0.44	01-Apr-2016					
				30-Jun-2016	Transfer	-209,551	-0.03	2,548,215	0.40
				15-Jul-2016	Transfer	-144,001	-0.02	2,404,214	0.38
				28-Oct-2016	Transfer	-406,377	-0.06	1,997,837	0.32
				11-Nov-2016	Transfer	-789,524	-0.13	1,208,313	0.19
				18-Nov-2016	Transfer	-2,377	0.00	1,205,936	0.19
				02-Dec-2016	Transfer	-421,221	-0.07	784,715	0.12
				09-Dec-2016	Transfer	-324,995	-0.05	459,720	0.07
				16-Dec-2016	Transfer	-459,720	-0.07	0	0.00
		0	0.00	31-Mar-2017				0	0.00

Shareholding is consolidated based on Permanent Account Number (PAN) of the Shareholder.

#### (v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year as on 1.4.2016		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Director</b>									
1	Mr. Cyrus P Mistry*	33,000	0.01	No Movement during the period 01.04.2016 to 19.12.2016				33,000	0.01
				19.12.2016	As of 19.12.2016			33,000	0.01

\*Ceased to be a Director w.e.f. 19.12.2016

#### Key Managerial Personnel

2	Mr. V. Madan Company Secretary	112	0.00	No Movement during 2016-17				112	0.00
				31.03.2017	At the year end			112	0.00

No other Director or Key Managerial Personnel of the Company holds shares in the Company.

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment\***

Rs. in Crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	435.28	-	-	435.28
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.42	-	-	4.42
<b>Total (i+ii+iii)</b>	<b>439.70</b>	-	-	<b>439.70</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	750.00	-	750.00
• Reduction	407.40	(750.00)	-	(342.60)
<b>Net Change</b>	<b>407.40</b>	-	-	<b>407.40</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	32.26	-	-	32.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.04	-	-	0.04
<b>Total (i+ii+iii)</b>	<b>32.30</b>	-	-	<b>32.30</b>

\* Measured as per Ind AS

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Rs. in Lakhs

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Ajoy Misra (Managing Director)	L. KrishnaKumar (Executive Director)	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	278.44	235.19	513.63
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	72.06	65.38	137.44
	(c) Profits in lieu of Salary under Section 17(3) of the Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others-specify	-	-	-
5	Others (contribution to PF, Gratuity and Superannuation)	29.49	24.59	54.08
	<b>Total</b>	<b>379.99</b>	<b>325.16</b>	<b>705.15</b>
	Ceiling as per the Act			3,964.10
	Payment from overseas subsidiary	39.74	26.58	66.32



**B. Remuneration to other Directors**

Rs. in Lakhs

Sl No.	Particulars of Remuneration	Name of Directors										Total Amount
		Mr. Cyrus P Mistry*	Mrs. M Srinivasan	Mr. Analjit Singh <sup>†</sup>	Mr. V. Leeladhar	Mrs. Ranjana Kumar	Mr. Darius Pandole <sup>‡</sup>	Mrs. Ireena Vittal	Santhanakrishnan	Mr. S. Singh	Mr. Harish Bhat	
<b>1</b>	<b>Independent Directors</b>											
	Fee for attending board/ committee meetings	-	1.50	0.60	8.10	5.70	4.05	3.00		-	-	22.95
	Commission	-	15.00	4.00	80.00	58.00	26.00	35.00		-	-	218.00
	Others, please specify	-	-	-	-	-	-	-		-	-	-
	<b>Total (1)</b>	-	<b>16.50</b>	<b>4.60</b>	<b>88.10</b>	<b>63.70</b>	<b>30.05</b>	<b>38.00</b>		-	-	<b>240.95</b>
<b>2</b>	<b>Other Non-Executive Directors</b>											
	Fee for attending board/ committee meetings	1.70	-	-	-	-	-	-		5.25	4.20	11.15
	Commission	-	-	-	-	-	-	-		47.00	-	47.00
	Others, please specify	-	-	-	-	-	-	-		-	-	-
	<b>Total (2)</b>	<b>1.70</b>	-	-	-	-	-	-		<b>52.25</b>	<b>4.20</b>	<b>58.15</b>
	<b>Total (1+2)</b>	<b>1.70</b>	<b>16.50</b>	<b>4.60</b>	<b>88.10</b>	<b>63.70</b>	<b>30.05</b>	<b>38.00</b>		<b>52.25</b>	<b>4.20</b>	<b>299.10</b>
	Total Managerial Remuneration											299.10
	Overall Ceiling as per the Act											396.41

\* Ceased to be a Director with effect from 19.12.2016

† Ceased to be a Director with effect from 20.12.2016

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Rs. in Lakhs

Sl No.	Particulars of Remuneration	Key Managerial Personnel		Total	
		John Jacob Chief Financial Officer	V. Madan Company Secretary		
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961		111.15	83.07	194.22
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		35.73	29.49	65.22
	(c) Profits in lieu of Salary under Section 17(3) of the Income-tax Act, 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission		-	-	-
	- as % of profit		-	-	-
	- others		-	-	-
5	Others (contribution to PF, Gratuity and Superannuation)		14.93	11.42	26.35
	<b>Total</b>		<b>161.81</b>	<b>123.98</b>	<b>285.79</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

There were no penalties / punishment / compounding of offences for the breach of any sections of Companies Act, 2013 against the Company or its Directors or other officers in default, if any, during 2016-17.

On behalf of the Board of Directors

Mumbai  
06<sup>th</sup> July, 2017

**N. Chandrasekaran**  
Chairman  
(DIN 00121863)

# Annexure 6 to Board's Report

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

### A. Conservation of Energy

#### Energy conservation measures taken during 2016-17

##### 1. Steps taken or impact on conservation of energy:

###### Instant Tea Division, Munnar

- Replacement of old heavy duty electrical motors with high energy efficient motors.
- Replacement of old metal halide and sodium vapour lamps with energy efficient LED electrical fittings.
- Replacement of old thermal relays with electronic type relays for critical motors
- Suspension of operation of heavy duty wood chipper with wood chips and modification of receiving tank along with feeding mechanism

###### Pullivasal and Periakanal Estates, Munnar

- Installation of Tuflite sheets (translucent fiber-glass sheets) in labour line units/factories and additional usage of LED and CFL bulbs.

###### Tetley Division, Cochin

- Installation of fluorescent tubes and metal halide lamps with LED fixtures.

###### Packeting Centres

- Installation of fluorescent tubes with LED fixtures.
- Installation of additional energy efficient LED lights
- Modification in ETP blower dual timer arrangement

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

The Company has implemented Solar energy project for boiler feed water in its plant at Himachal Pradesh. This has resulted in annual fuel savings of Rs. 6 lakhs annually and reduction in carbon footprints by 6%.

##### 3. Capital investment on Energy Conservation Equipment

The Company has incurred Rs. 35 lakhs on implementation of solar energy project in its plant at Himachal Pradesh.

The energy savings initiatives at it Instant tea division (ITD) involved a capital expenditure of Rs. 36 lakhs during FY 2016-17. In addition, the ITD will take the following initiatives during 2017-18:

- Installation of Auto Start Delta convertor for some of the heavy duty motors to reduce Power consumption.
- Phase wise replacement of heavy duty motors with energy efficient ones

Packeting centres are planning for following initiatives during the year 2017-18

- Installation of solar panel system and KVR capacitor to improve power factor
- Installation of LED lights
- Replacement of existing old KVA Genset with latest equipment.

### B. Technology Absorption

#### (i) Efforts made towards technology absorption

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

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

During the year, the Company launched number of new products –Tata Tea Elaichi flavoured tea, Tata Tea Select, Tata Tea Teaveda, Tetley Super Green, Tata Coffee Grand HTS Coffee and Tata Coffee Grand R&G Coffee. This has been achieved through the efforts taken on technology and product development and collaborations with different business partners.

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

- Collaboration with Sami Labs for functional ingredients for development of products in the area of Health & Wellness for Teaveda range of products.
- Development of vendor for supply of Vitamins – Celrich for Super Green products in India.
- Projects were taken up with Central Food Technological Institute (CFTRI) for shelf life studies.
- Service agreements were entered between Analytical labs – Eurofins, TUV-SUD India, TUV-Nord and MicroChem for analytical support.
- Engagement with Tata Chemicals for identifying suitable opportunities with various functional ingredients continues and progress has been made on development of certain concepts.
- Active engagement with different companies were taken up during the year for packaging development
  - SSF plastics for rigid packaging development for water products.
  - Dow Chemicals for options on sustainable packaging.
  - Paharpur and Facile Packaging for development of Nitrogen flushed packs for R&G Coffee products.
  - For developing printing options, designing and developments involving re-engineering of packing material, we have engaged with Paharpur, ITC,

Uflex, Creative Polypack, HPPL and GLS (Flexible Packaging); ITC and IPP (Rigid Packaging); ICARUS (Pack artwork Designing).

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

- a) The details of technology imported : The Company has not imported any technology during the last three financial years.
- b) The year of import : Not Applicable
- c) Whether the technology has been fully absorbed : Not Applicable
- d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof : Not Applicable.

**(iv) Expenditure of Research and development:**

	Rs. in Crores
Capital Expenditure	0.83
Revenue Expenditure	4.74
Total R&D expenditure as a % of Net sales	0.19%

**C. Foreign Exchange earnings and outgo**

	Rs. in Crores
Foreign Exchange earned	271.15
Outgo of foreign exchange	97.28

On behalf of the Board of Directors

Mumbai  
06<sup>th</sup> July, 2017

**N. Chandrasekaran**  
Chairman  
(DIN 00121863)

# Management Discussion and Analysis-2016-17

## 1. Business Overview

Tata Global Beverages is a natural beverages Company with a heritage of innovations and development and aims to be the most admired good for you beverage brand in the world. With a presence in over 40 countries, your Company is globally the second largest branded player in the tea category with growing interests in coffee and water. The Company's key focus is to create magical beverage moments for our customers. We tend to achieve this objective through leveraging consumer insights by launching new and innovative products, expansion of our global footprint by entering new markets and through continuous investments to strengthen our branded portfolio.

## 2. Industry Structure

### Global Economic, Consumer and Competitor Trends

The global economy continues to be uncertain and choppy, driven by political changes in many of the countries in which your Company operates. Implications of events such as Brexit, UK & US elections and the demonetisation in India would need to be closely monitored. Within this overall context, the economies of India and South East Asia appear to be growing. Outlook for US also seems to be positive but dependent upon the emerging policy stand of the US administration and the corresponding implications on the global economy.

While black tea market is growing in many of the markets in Asia with potential for further growth in the value added segments, there are declines in everyday black tea in certain developed markets. However, specialty tea categories, albeit small, are growing. Customers at different ends of the spectrum are showing varying behavioural trends in these markets. Whilst at one end, there are trends of consumers seeking better value, at the other end, consumers are seeking product choices which are shifting towards convenience, health & wellness and improving lifestyle. We are also witnessing various new entrants in certain segments, including private label and regional players.

### Commodity Trends

#### Tea

During 2016-17, the global crop position increased by 36 million kgs led by increases in North India and Kenya offset by lower crops in South India, Sri Lanka and Indonesia. Based on the increased production, we witnessed lower auction averages in Mombasa and for the plainer teas in North India. However, the premium teas in North India were dearer based on the demand and supply situation in the various tea growing districts. South India auction prices were dearer consequent to poor rainfall and availability.

In India, the season 2017 saw timely rainfall as well as large carry forwards. There was depressed demand for plainer sorts. Forecast is for this trend to continue for some time with better demand and price levels for the better liquoring teas. In South India, improved weather conditions and good supplies increased availability and prices have fallen steadily over the past weeks. We expect the prices to remain depressed until the August festival buying commences. Kenya has been very dry with lower availability and prices in the Mombasa auction have been buoyant. With the onset of the long rains, prices have fallen in the short-term and are expected to follow a normal seasonal trend at higher price level than the previous year.

#### Coffee

The Global Coffee Markets in 2016-17 presented distinctly different pictures for Arabica and Robusta Coffees. On an overall basis, the crop year 2016-17 witnessed a balanced scenario between supply and demand. Estimates of the total production and demand of coffee was almost equal at 155 million bags. However, the break-up provides a different picture. The Arabica production, estimated at 95 million bags was an all-time record and the Robusta production at an estimated 60 million bags was the lowest in 5 years. This was indeed the driving force behind the terminal movements for the year.

Coffee prices are expected to be volatile for 2017-18 based on increase in demand, lower crop availability in Brazil as the Arabica trees enters an off-cycle year with a stable coffee output from Columbia. Coffee production in India is also expected to be lower in 2017-18.

## 3. Strategy

Your Company's strategy, keeping in mind the macro trends, is to continually deliver improvements based on four pillars given below:

- a) Rejuvenate the base business – Focused approach to continually improve brands in the core category of tea, coffee and water. The objective is to achieve profitable growth in core businesses with a focus on brand building, premiumisation, enhancing distribution reach and developing alternate channels;
- b) Invest for growth – Focus on future growth engines by continually expanding geographical presence and brand reach in spaces where we have not been present along with strengthening and expanding our incubatory businesses;
- c) Drive innovation – Focus to drive innovative products based on trends of premiumisation, health & wellness and convenience;

- d) Improve operational effectiveness – Reinforce organisational capabilities, efficiently manage spends and actively manage commodity costs.

In the year under review, your Company focused on all the above pillars to drive improvements.

Your Company has, in terms of market share retained the No#1 position in India and Canada. In UK, we witnessed-market share growth in all the categories that we operate in, ahead of the category. Eight O' Clock Coffee also reported improved performance aided by improvements in Ground Coffee sales with improvements in operating profits.

Your Company's incubatory businesses are also reflecting good growth. Tata Starbucks improved sales with robust in-store performance and increase in the number of stores. NourishCo, our water business in India, has delivered a double digit growth driven by strong performance by Tata Gluco Plus and Himalayan. We are also in the process of consolidating our entry in Middle East with healthy growth in all the six markets in which we are present. We are also pleased to announce that your Company has entered the Asian markets of Singapore, Malaysia and China, which are large tea consuming markets.

Your Company focuses to drive new innovative products based on the changing consumer landscape i.e. change in lifestyle, premiumisation and the need for convenience. The Company does this by understanding the palate unique to each region and also leveraging the need for products related to health and wellness to offer a range of interesting and innovative products across the beverage portfolio. In addition, we are continually investing behind our base branded businesses to mitigate the ever increasing competitive intensity.

We have also adopted the digital medium to narrate our brand stories. Tata Tea Jaago Re version 2 campaign which became one of the top 10 most viewed video when launched, Tetley UK being digitally selected as the "brand to watch" by the Grocer- a leading media house covering UK FMCG sector, mobile app created for Tata Starbucks users to pay through mobile applications while earning loyalty reward points are examples of our brands continually leveraging the digital medium to touch consumers in meaningful ways.

The Company continually strives to drive cost efficiencies within the business. In the current year, the Company has got enhanced benefit of declining commodity costs, for tea and coffee, through various intervention which included strategic buying and effective hedges. In addition, the Company has also taken up initiatives

to effectively manage its spends. The Company is also in the process of intensively reviewing business models in markets which are not generating adequate returns.

#### 4. Consolidated Financial and Operating Performance

The consolidated financial highlights for 2016-17 are as follows:

	Rs. in crores		
	2016-17	2015-16	Variance
Revenue from Operations	6,780	6,637	143
Operating Profit	665	538	127
Profit before exceptional items and taxes	657	503	154
Exceptional items (net)	5	(333)	338
Profit before tax	662	170	492
Profit after tax	464	(30)	494
Group Consolidated net profit	455	(37)	492

Revenue from operations at Rs. 6,780 crores was higher than the previous year by 2%. However, at prior year exchange rate, the growth would have been at 3% reflecting improved operating performance. The increase in revenue from operations can be attributable to the improvement in both branded and non branded businesses notwithstanding unstable macro-economic conditions and decline in everyday black tea category in the developed markets. Operating profits at Rs. 665 crores improved by 24% over the previous year reflecting improved margins aided by lower commodity costs and good cost management. Profit before tax and exceptional items reflected an improvement of 31% driven by lower level of exceptional expenditure and lower interest cost. In the current year, exceptional items mainly include fair value gain determined as per Ind AS 103- Business Combination, arising out of conversion of an overseas joint venture to a subsidiary, pursuant to amendments in the operating agreement, which have been largely offset by expenditure incurred on business reorganisation and impairment. The exceptional items in the previous year largely reflected non cash impairment losses relating to certain businesses in Europe and US. Resultantly, Group Net Profit in the year under review is also significantly higher than prior year.

In the prior year, under Indian GAAP, exceptional items included profit on sale of certain non-core Investments amounting to Rs. 328 crores, which is reported directly under Retained Earnings under Ind AS, resultant to which the prior year's numbers re-drawn under Ind AS report a loss.

It is to be noted that with effect from October 1, 2016, the Group has, pursuant to amendments in a joint venture operating agreement, accounted Empirical Group LLC, in which the Group has a holding of 56%, as a subsidiary. The Company is also in the process of divesting the Instant tea business in China and restructuring of

certain operations in Eastern Europe. The decision to divest was taken mainly due to the marginal nature of the businesses and under-performances as compared to plans.

## 5. Standalone Financial and Operating Performance

Rs. in crores

	2016-17	2015-16	Variance
Revenue from operations	3,064	2,987	77
Operating Profit	339	336	3
Profit before exceptional items and taxes	386	380	6
Exceptional items (net)	-	(63)	63
Profit before tax	386	317	69
Profit after tax	276	227	49

Revenue from operations at Rs. 3,064 crores grew 3% over the previous year driven by improved branded operations notwithstanding the impact of demonetisation in India. Improvements have been recorded across most national brands and regional brands. Reported sales growth was lower due to price decreases taken in major brands as commodity cost benefits were passed on to customers. Profit before tax and exceptional items at Rs. 386 crores improved marginally aided by higher sales, offset by significant higher investments behind brands and new product launches. Profit before and after tax reflected significant improvement driven by lower impact of exceptional expenditure whereas the prior year exceptional expenditure mainly reflected provisions relating to the China extraction business.

In the prior year, under Indian GAAP, exceptional items included profit on sale of certain non-core Investments amounting to Rs. 328 crores, which is reported directly under Retained Earnings under Ind AS.

The Company is in the process of divesting the Instant tea business in China. The decision to divest was taken mainly due to the marginal nature of the business and under-performances as compared to plans.

During the year under review, your Company had redeemed 3,250 3% Non-Convertible privately placed debentures aggregating Rs. 325 crores, on maturity.

Both the consolidated and standalone financial highlights have been prepared for the first time in accordance with Ind AS. Explanations of how the transition to Ind AS have impacted the financial results are available in the notes to the respective financial statements.

## 6. Brand and Product Performance

During the year under review, our brand performance was strong notwithstanding the increased competitor intensity and adverse macro-economic conditions prevailing mainly in developed markets. The year saw a continued focus on capitalising the health & wellness trend through innovative product launches. Innovation is essential to the success of our business and we have formed Cross Functional Teams (CFTs) to drive the innovation agenda effectively.

In keeping with our purpose of creating magical beverage moments for consumers across the world, we launched many exciting new products. Many of these launches leverage the health & wellness trend across geographies. The Ayurveda Balanced Tea range in Canada and Teaveda launched in India celebrates the goodness of Ayurveda. Eight O' Clock coffee introduced coffee infusions in "Relax" and "Alert" variants which cater to specific moods of the consumers, whilst the Tetley Super Green Teas range fortified with vitamins continues to see positive growth momentum in the health & wellness space. The global marketing function continues to focus on developing a strong global brand portfolio with an enhanced global innovation agenda. Your Company will increase focus on its 4 power brands namely Tetley, Tata Tea, EOC and Himalayan. These power brands will be managed in a globally consistent manner including creating a global brand identity.

Your Company has entered the new Asian markets of Singapore, Malaysia and China, which are large tea consuming markets. The Company has entered a tie-up in the e-commerce channel in China to focus on the business-to-consumer (B2C) category. The Company is banking on the convenience and aspirational aspects of tea bags for the modern Chinese consumer. In addition, we have also started export of our Tata Tea brand of teas to Singapore and our Tetley brand to Malaysia.

## 7. Performance of Key Regions

### a. Branded Business

#### India

Your Company's branded operations in India reflected improvement in operating revenue and operating profits despite the impact of demonetisation. The growth has been achieved across most national brands and all regional brands driven by volume improvements notwithstanding reduction in prices in some major brands to pass back lower commodity cost. Operating profit increase is mainly due to higher sales, lower commodity costs offset partially by higher investments behind brands and new launches during the year.

The year saw sustained progress on earlier product launches and innovation. In India, Tata Tea Maharashtra gold mixture - a blend specially crafted for the Maharashtra market, made good progress. Additionally, Tata Coffee Grand also reflected good volume uptake in the focused markets. Tata Coffee Grand has extended the portfolio offering through the introduction of a Roast and Ground variant and an offering for the Hot Tea Shop (HTS) segment. During the year, under the Tata Tea brand portfolio, India branded operations launched Tata Tea Elaichi which is a tea brand with robust flavour of Elaichi (cardamom) and Teaveda, an offering which allows consumers to experience the goodness of Ayurveda in their daily cup of tea, with no compromise on taste. The Teaveda range has three variants – Teaveda in regular loose leaf tea, Teaveda Pro Energy and Teaveda Pro Woman in tea bags. The brand will continue to focus on building association with Ayurveda and increasing penetration.

During the year, the Indian branded business launched Super Green teas. Tetley Super Green Tea is truly the 'super hero' of green teas as it has added vitamin enhanced benefits. The Tetley Super Green range consists of Tetley Super Green Boost – a combination of lime and mint green tea with vitamin B6 to help reduce tiredness and fatigue and Tetley Super Green Immune – which is a combination of citrus and honey green tea with Vitamin C, to help support the immune system.

Tata Tea brand is back again with its iconic Jaago Re campaign – Jaago Re Version 2.0. The new campaign 'Alarm Bajne Se Pehle Jaago Re' (Wake up before the alarm rings) is urging people to stop reacting after tragedies hit and instead start 'Pre-acting', and prevent these issues from happening. Tata Tea through its Jaago Re initiative is encouraging 'Preactivism', a behavior of timely activism which happens before, to prevent unfortunate events.

The Tetley Green Tea Transformation series, which was done in 2015-16, won its first Gold at the Emvies in 2016-17, hosted by the Advertising Club of Mumbai. The Emvies are one of the advertising industry's most prestigious awards, honouring the year's best and most significant contributions to the field of media. This edition saw a record-breaking number of entries - 971 in total.

### **Europe, Middle East and Africa (EMEA)**

EMEA encompasses UK, Russia, Middle East and other European markets.

EMEA reflected improvement in operating revenue and operating profits in underlying currency. The improvement

in operating revenue can be attributable to improvements in all major markets within the region. The operating profit also reflects good improvements across markets aided by improved sale and better management of commodity costs. Despite significant volatility in the currency, arising out of Brexit, the management made some pre-emptive and tactical decisions to manage the challenges.

In underlying currency, the UK business, which is the largest market in the EMEA region, improved its performance over prior year despite declining everyday black tea category and intense competitive intensity. Tetley in the UK ended 2016-17 with MAT share gains across categories. Tetley Super Green tea- fortified with the goodness of vitamins continues to perform well. The Tetley Superfruits - Boost Blueberry & Raspberry flavour recently won the Grocer New Product Award for 2016 in the tea & infusions category. The Grocer awards celebrate and reward outstanding innovation in the UK FMCG sector. Tetley Super Everyday Tea has been awarded Product of The Year 2017. Product of the Year is the world's largest consumer-voted award for product innovation and with only 40 products winning per year in the UK. For the third consecutive year, Tetley has been recognised in the Great Taste Awards. The 2016 edition saw four of our Tetley products receiving a one-star endorsement, rated as 'Simply Delicious'. This win is an endorsement of our quality credentials and we get to use the award label on the winning products' packaging, communication campaigns and in-stores.

The Middle East region had good growth during the year driven by growth in Tetley brand in all Gulf Cooperation Countries (GCC). In the Middle East, the new Tetley Foil Pack packaging format launched in 2016-17 received favourable reviews. The new packaging, which has been custom-developed, brings enhanced freshness and quality credentials to consumers across the region. Various promotions and advertisements were undertaken to highlight the benefit of green tea and encouraging the viewers to "take care from the inside". In France, Tetley maintained its market volume share and the launch of the Signature collection continues to roll out to trade. In Poland, sales levels were in line with the prior year in a declining market, with improvement in profitability.

We continue to focus on increasing distribution in existing and new markets for our super premium brand "Teapigs". Teapigs first step into the world of wellness teas was done with the new "Feel Good Range" launched in the later part of the financial year. The new range of 3 teas has been our most popular online launch with sales reaching a record

high in the month of launch. Teapigs has been exhibited in many health focused shows and events in the UK to drive awareness of the feel good and matcha products.

### **Canada, America and Australia (CAA)**

CAA reflected a strong performance for the year under review. Topline benefit was mainly attributable to Canada and due to conversion of an overseas joint venture entity to a subsidiary arising out of amendments in the operating agreement. Operating profits have significantly improved over the prior year driven by favourable impact of commodity costs, good management over costs and improvements in sales.

For the year under review, Canada grew its base business driven by black tea despite decline in the everyday black category. The business launched the Tetley Ayurvedic Balance range which was well received by consumers. Working with Ayurvedic experts, the blends were carefully crafted to help consumers meet their need for balance at all stages of life. The product range comprises of three variants: Vata- a calming tea, Pitta- a cooling tea and Kapha- an invigorating tea. Teapigs, the super premium brand continued to drive growth through e-commerce and distribution expansion to expand to natural channel retailers.

Eight O'Clock (EOC) Coffee in USA had a strong performance in 2016-17 with improved profitability and increase in Bag coffee volume sales led by effective promotion, distribution gains and launch of new products. The business continued its focus on new product launches. The Company launched a new coffee Infusions line, which offers thoughtfully crafted coffees blended with added ingredients to help enhance your day. Through this launch, EOC is delivering an enhanced coffee drinking experience to consumers. The product is available in two variants- Alert and Relax. Infusion Alert is blended with caffeine and guarana – for a bold, robust hi-caffeine brew while Infusion Relax is blended with chamomile and lavender for those looking for a relaxing decaffeinated coffee experience. The launch is being supported through a multi-faceted marketing campaign and the consumer response has been positive.

In the US, your Company and Keurig Green Mountain, Inc. (Keurig) have announced a multi-year expansion of their successful partnership for the manufacturing, sales, licensing and distribution of the EOC coffee and Tetley tea brands in K-Cup pods for use in Keurig brewers. By continuing to strengthen our relationships with popular coffee and tea

brands and valued partners like Keurig, we can continue to provide an unsurpassed range of high quality beverage choices and taste profiles and benefit all participants in the Keurig system – including our consumers, customers and our extensive family of licensed partners.

### **b. Non Branded Business**

Our non branded business consists of plantations and extractions vertical. In plantations, we primarily manufacture and sell tea, coffee and other plantation produce like pepper whilst the extraction business caters to both instant tea and instant coffee consumers. The non branded business had a strong performance for the year under review. Volume and price realisation led to a growth in the top line as well as contributed to growth in profitability. Tata Coffee Limited, a subsidiary which operates in the non-branded business, announced the setting up of a state-of-the-art Freeze Dried Instant Coffee plant in Vietnam with an installed capacity of 5000 MT per annum. Freeze Dried coffee is a growing segment worldwide in the premium Instant Coffee space. This move is expected to further strengthen the Company's growth in the Instant Coffee segment and further expand our global foot print. Vietnam offers an attractive business environment besides being the largest Robusta Coffee growing region.

We are pleased to announce that Tata Coffee has been awarded 'Most Ethical Company' in the Agriculture Sector at an event held by World CSR Day in Mumbai. The World CSR Day is an independent, not-for-profit organisation with a purpose of making "work and working lives better". The awardees were selected by a jury based on the application submitted by the Company.

### **c. Other Business Interests**

NourishCo Beverages our 50% JV, which markets the Company's water products grew impressively over the previous year driven by volume growth. Tata Gluco Plus grew significantly aided by distribution expansion. Two new flavours, the Jeera zip and Panneer Surge has been launched in addition to the five existing variants, Lemon, Orange, Mango, Grape and Apple Cinnamon. Himalayan, the premium water brand, grew in double digits attributable to growth in traditional trade, e-commerce and key accounts. Himalayan has also extended its offering by introducing Himalayan Sparkling Water, a premium brand, in a new bottle design which was introduced at select top end restaurants and five star hotels. The Company has also launched Himalayan flavoured water in three flavours i.e. Peach, Apple, and Strawberry in select markets.



Tata Starbucks our 50% JV had opened 91 stores as at March 31, 2017. The company performed very well in the current year with double digit growth. Various in store initiatives were launched to encourage repeat customers. The mobile app launched in the year under review gave customers fast and convenient methods to pay for in store purchases and earn loyalty points. The move makes Tata Starbucks the first major retailer in India to offer customers a mobile payment option linked to a loyalty program and further expands Starbuck's robust global digital eco-system. Tata Starbucks also launched Teavana which brings for the very first time an entirely modern and reimagined tea experience for Indian customers, giving them the opportunity to enjoy a range of 18 distinct tea offerings. Inspired by the rich Indian tea legacy, Starbucks collaborated with Tata Global Beverages Limited to create a signature innovation for the Teavana portfolio in India.

Our key associates, Kanan Devan Hills Plantation Company Private Limited (KDHP) and Amalgamated Plantations Private Limited (APPL) which mainly represent our interests in tea plantations, had a mixed year. KDHP, in South India, reported good improvements driven by higher sales and realisations. APPL, in North India, was adversely impacted due to low tea commodity prices prevailing during the year despite achieving higher production. While better quality teas which commanded an improved auction pricing increased within the sales mix the plainer teas which were selling at prices lower than the prior year impacted performance. The Company continues to uplift the condition of the tea plantation workers by building new labour quarters, latrines, bathrooms and water points coupled with upliftment and renovation of existing structures. Estate Management Services Private Limited (EMSPL), Sri Lanka, reported increase in consolidated revenue and significant increase in profit after tax due to good growth in palm oil business supported by improvements in tea business.

## 8. Outlook

### Consumer, Commodity and Competition

The market is a dynamic place which is ever changing. Market environment and the macro economic conditions are also different across geographies. While there are significant market opportunities, there are operating challenges as well. In the developed markets, the retailers' demand for more value is ever increasing and in these markets, everyday black tea which is the dominant category is in decline. Categories within tea such as green, fruit & herbal and specialty, while the base is low, are growing at a fast pace. In India, the black tea market is growing with conversions expected from packet tea to value added products

and from loose tea to branded play. Other markets in East Asia also affords opportunities for growth.

Globally the branded coffee market is growing. There is a shift in consumer behavioural patterns to convenience, out-of-home and premiumisation. In India, the outlook on coffee is positive, attributed to growth in instant coffee which is driving consumption in-home. Significant growth is coming from the out-of-home consumption of coffee, thanks to the growing café culture and increase in consumption occasions through offices etc. Outside the core southern states, coffee enjoys the status of a lifestyle beverage and enjoys a youthful imagery with more and more youngsters coming into the franchise. In the US, which is one of the largest coffee consuming markets, there are opportunities in the Roast and Ground 'Bag' category and single serve category in which we are present. RTD coffee is also growing given the recent popularity of the new offerings.

We are continually seeing a shift in consumption patterns with some positive insights for our business. The consumer is becoming more health conscious and the buying pattern is shifting towards healthy beverages. There is also a continual shift towards non-black teas such as green, specialty and fruit and herbals. Certain segments of the consumers are demanding more premium products. There is also a large segment which is moving towards convenience with an emphasis on personalisation which is leading to emergence of alternate channels such as tea stores/ cafés/ e-platforms.

Branded water continues to grow rapidly buoyed by health concerns around carbonated soft drinks. Value added and premium waters offer long term growth and profitability both in the domestic and international markets. Our enhanced portfolio with Himalayan Still, Sparkling and Flavoured is well positioned to partake in the opportunity at this end. Additionally, in the domestic market, Tata Gluco Plus offers energy with superior health credentials at the value end of the market. Tata Water Plus which represents unique patented technology that enables the addition of health related ingredients like Zinc and Copper also has the potential to play successfully in this market.

Developed market retail environment is likely to remain competitive with increasing retailer consolidation and aggressive promotions to sustain growth levels. We also expect the significance of modern trade to increase over traditional trade exacerbating the competitive environment.

Goods and Services Tax (GST) - a unified tax system for the whole nation, is expected to be adopted during 2017-18. This will make India one unified common market. The introduction of GST would be a very significant step in the field of indirect tax reforms in India.

By merging a number of Central and State taxes into a single tax, it would mitigate cascading effect of taxes. Your Company has assessed the impact of GST on its operating models, systems, processes and business partners and is undertaking necessary changes to be GST efficient and compliant.

### **Interest Rates and Exchange Rates**

Your Company operates in multiple geographies and hence both interest rates and exchange rates in these geographies are of significant importance to our business.

The year was marked with some significant events like Brexit, US presidential election and demonetisation in India. The interest rates in India eased on account of reduction in policy rates by its central bank during the first half of the year, and is expected to have some upward bias given an upside risk to inflation outlook amid an uncertain global economic environment. UK witnessed a fall in the interest rates given the volatility and uncertainty looming around the economy as a result of UK's exit from the European Union. In US, the interest rates increased as the central bank hiked the policy rates with expectation of subsequent rate hikes in the upcoming year.

The rupee traded weak against the dollar during most part of the year as stronger growth, upside inflationary pressure and hike in interest rate in US, continued to keep the dollar on the stronger side. The rupee however recovered during the last quarter of the year on account of rally in the global equities and better trade flows both in equity and debt markets in India. The rupee is expected to remain range bound.

Sterling weakened sharply against USD given the Brexit in June 2016 and it further continued to remain under pressure given all the political and economic uncertainties. The signs of recovery in US and rate hike in US further aided the fall. The pressure on sterling ebbed to some extent with announcement of general election in the UK, however, post the results uncertainty looms. Weak sterling will have transactional and translational impact on the operations and appropriate mitigations will be attempted.

Post Brexit gilt yields in the UK have fallen to an all-time low which adversely impacts the deficit in the UK defined benefit pension scheme, which is closed for future accruals. Mitigation through investment strategy changes have been pursued by the pension trustees in consultation with the Company.

The Company has Board approved treasury policies to manage the currency and interest rate exposures. During the year under review, we were able to put into effect action plans for mitigation.

## **9. Opportunities**

The focus on healthier lifestyles continues to create a very positive market for our product range. There is a big opportunity across geographies to extend our business footprint by entering the nascent tea/coffee and water categories. There is a demand for premiumisation and convenience. In addition, the digital play is also providing us a significant opportunity to gather insights on our consumers so that we can deliver products which delight their palate.

We continue to believe that we can become the most admired natural beverages Company in the world. To aggressively pursue this vision, Tata Global Beverages has stepped up its innovation agenda to leverage the emerging growth trends in our markets. We continue to commit resources to bolster our R&D pipeline and launch new products with a focus on specific themes, health & wellness and convenience (new formats), premiumisation and expansion of non-black tea portfolio. In the current year, various innovative products were launched which have been specifically covered in the earlier sections. We are also looking at entering white spaces and category expansion. For a global organisation with the scale of TGBL, digital medium will play a big role in our growth agenda in the coming years. It is fast developing into a big channel of sales across all our key markets and hence our journey is underway to sell tea, coffee and water through this medium. We sell through our own websites as well as through third party pure play online retailers. We have also entered into new markets like China with exclusive reliance on digital medium with a partnership with the largest online retailer in the world. We are also using this medium to increase engagement with our consumers. Whilst we are continually looking for growth opportunities, we are also looking at certain segments/markets of our business which are not generating adequate returns and will take appropriate measures to revamp/restructure/exit the business as the case may be. We also continuously review our cost structure and operating efficiencies in order to remain competitive and to leverage funds for growth.

## **10. Threats, Risks and Concerns**

There is decline in the everyday black tea category in some of the key markets where your Company has significant operations. The Company is driving innovation in tea and non-black tea categories to adapt to the changing environment.

There are some inherent risks associated with the success of any innovation. The Company has rolled out an innovation process that follows a structured review through stages and gates from ideation to post launch stages to minimise the risks and strengthen the success of innovation.

Intense competition for core brands, increasing strength of large retailers and growth of discounters in market place might impact Company's performance in market. The Company reviews and monitors its pricing and promotion strategy very closely and benchmarks with the industry practices. Further, through innovation, strong collaboration with retailers and investment in alternate channels, your Company is focused to diversify the risks by creating an improved value proposition.

Volatility in commodity prices may have an impact on the business. Further, political, social and weather changes may impact availability as well. The Company focuses on development of market relationships, innovation of alternate supplier channels and exploring alternate sources of teas in other parts of the world to safeguard the earnings and availability. Tea is a multi-harvest agricultural commodity and is sold through public auction or by private treaty. There is no futures market in tea. Price levels reflect supply/demand position and as an agricultural crop supply/demand balance may change quickly when weather conditions are adverse. To manage supply risk the Company spreads its buying between public auction and private treaties.

Cyclical swings in coffee commodity markets are common and the most recent years have been especially volatile for the price of coffee. Increases in the cost of green coffee could reduce our gross margin and profit. There can be no guarantee that we will be successful in passing commodity price increases on to our customers without losses in sales volume or gross margin. Precipitous decreases in the cost of green coffee could result in significant headwinds causing us to lower sales prices before realising cost reductions in our green coffee inventory. Your Group has a robust framework in place to protect its interests from risks arising out of market volatility. The Risk Management team, based on market intelligence and continuous monitoring advises the sales and procurement teams on appropriate strategy to deal with such market volatility.

Volatility in currency exchange movements in GBP, CAD and AUD can pose challenges to the Company's operations through topline and earnings dilution. The Company has established currency hedging policies and practices to manage these risks.

As a player in beverage industry, your Company is subject to extensive laws and regulations which are complex and changing. These regulations could affect the performance and reputation of the Company. Your Company has developed a legal organisation at the regional levels. The Company and its subsidiaries are assisted by

their legal departments and/or external legal advisors to take steps to ensure that they comply with applicable laws and regulations. In addition, your Company has developed and implemented internal policies and procedures relating to compliance.

## 11. Risk Management

The Company has a system of documenting and reviewing key risks. Apart from management reviews, the risks are also periodically reviewed by the Board and Risk Management Committee. The Audit Committee has additional oversight in the area of financial risks and controls. A detailed analysis of the financial risks management is given as a part of the financials.

## 12. Human Resources and Industrial Relations

Your Company continued its initiatives towards achieving enhanced capabilities and the highlights of key initiatives undertaken during the year under review were:

- Re-energising the organisation: The results of the employee survey conducted in the previous year were communicated across the organisation. Engagement themes were identified and impact plans created at functional levels across the organisation. The focus is currently to execute the identified plans across the organisation.
- Perfect Cup: The second edition of Perfect Cup, introduced to recognise outstanding contribution made by employees to the organisation, was concluded during the year under review. The Perfect Cup ceremony was conducted at regional hubs which allowed wider coverage of employees to take part in the celebration process.
- High Performance Culture: As a part of the Global Reward Strategy review and benchmarking, the key elements of annual salary review were re-visited to sharpen the focus on differentiating reward for our top performers which is aligned to global best practice. This year, we have aligned our performance management system to the Balance Scorecard methodology to ensure strong linkage to organisational goals.
- Capability Building: Capability building has been identified as key focus area for the organisation. As an organisation, we have a well-articulated build, buy and borrow strategy to ensure availability of right talent for delivering business imperatives. We have partnered with SHL CEB (now Gartner) and have designed S.E.E.D (Seek. Evolve. Excel. Develop) to build capability for our middle management. We have

also executed custom designed programs for building our sales and distribution capabilities to be a best-in-class sales organisation.

- Talent Management Framework: The framework for talent management has been finalised and the Company would be initiating an exercise to re-validate the critical roles across various functions globally. As part of Tata Mentors Program, your Company nominated 9 women professionals across the globe as mentee and 8 senior leaders across regions as mentors for other group companies.

The total number of employees on the rolls of Tata Global Beverages Limited as on March 31, 2017 was 2,555.

### 13. Internal Controls and Governance

The Company's internal financial control framework, is commensurate with the size and operations of the business and is in line with requirements of the regulations. The Company has laid down procedures and policies to guide the operations of the business. Unit/functional heads are responsible to ensure compliance with the policies and procedures laid down by the management. The Company's internal control systems are routinely tested by the management, Statutory Auditors and Internal Auditors. The Tata Code of Conduct has prescribed guidelines outlining the key disclosure and governance requirements besides mandating the observance of applicable statutory requirements by the Company. Your Company and its senior management have affirmed adherence to the Code.

### Internal Audit

The Internal audit function carries out a focused and risk based annual internal audit plan approved by the Audit Committee. The internal audit primarily focuses on the adequacy of appropriate systems and controls. The internal audit results are reviewed by the Audit Committee periodically.

### 14. Cautionary statement

Certain statements made in this report relating to the Company's objectives, projections, outlook, expectations, estimates, among others may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc., whether express or implied. Several factors could make a significant difference to the Company's operations. These include climatic conditions, economic conditions affecting demand and supply, government regulations and taxation, natural calamity, currency rate changes, among others over which the Company does not have any direct control.

### 15. Conclusion

Your Company's primary focus will be to grow volumes across markets. The Company will address each market depending on local conditions and consumer trends. While we recognise that the global environment is extremely challenging, there are new opportunities emerging to meet consumer needs. Your Company will focus on profitable growth through a mix of brand led growth, innovation and cost efficiencies.

# Report on Corporate Governance

for the Financial Year 2016-17

## 1. Company's Philosophy on Code of Governance

The corporate governance philosophy of your Company ensures transparency in all dealings and in the functioning of the management and the Board. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its stakeholders. It has set up a system which enables all its employees to voice their concerns openly and without any fear or inhibition. The corporate governance philosophy of the Company has been further strengthened through the Tata Code of Conduct, Tata Business Excellence Model, Tata Code for Prevention of Insider Trading and Code of Corporate Disclosure policies.

As a global organisation, the corporate governance practices followed by your Company are compatible with international standards and best practices. As a responsible corporate citizen, your Company had established systems to encourage and recognise employee participation and volunteering in environmental and social initiatives that contribute to organisational sustainability, systematic training, learning and personal growth, conservation of energy and other scarce resources, promoting safety and health of its employees and of the neighbouring community etc. These actions have become an integral part of your Company's operating plans and are not meant for building of image or publicity.

## 2. Board of Directors

### a. Composition & Category of Directors

The Company has an optimum combination of executive and non-executive directors including woman directors. As on 31<sup>st</sup> March, 2017, the Company had 8 directors and the composition of the Board of Directors is given in the table below. The Chairman of the Board is a non-executive director and 75% of the Board comprises of non-executive directors. In terms of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), at least 50% of the Board should comprise of non-executive independent directors with at least one woman director. The non-executive independent directors constituted 50% of the Board as at 31<sup>st</sup> March 2017. The Company has three women directors on the Board.

Category	No. of Directors	%
Non-Independent Directors	2	25.00
Managing & Executive Directors	2	25.00
Independent Directors	4	50.00
<b>Total</b>	<b>8</b>	<b>100.00</b>

During the current Financial Year, namely, 2017-18, the Board appointed Mr. N. Chandrasekaran and Mr. Siraj Azmat Chaudhry as Director and Independent Director respectively with effect from 3<sup>rd</sup> July, 2017. Mr. N. Chandrasekaran was also elected as Chairman of the Board effective 3<sup>rd</sup> July, 2017 consequent to Mr. Harish Bhat stepping down as Chairman effective 2<sup>nd</sup> July, 2017. Both Mr. N. Chandrasekaran and Mr. Siraj Azmat Chaudhry will be seeking appointment as Directors at the forthcoming Annual General Meeting.

- b. Details of attendance of each Director at Board Meetings and at the last year's Annual General Meeting with particulars of their other Directorships and Chairman/Membership of Board Committees (including Tata Global Beverages Limited) along with the number of shares and convertible instruments held by the Directors showing the position as at 31<sup>st</sup> March, 2017 are given in the following table:**

Name of Director	Position	Attendance at		Directorships and Chairman/ Membership of Board Committees in other Indian Public Companies			No. of equity shares Held
		Board Meetings	Last AGM	Director	Committee Member	Committee Chairman	
Mr. Harish Bhat	C, NED & NI	9	Yes	7	3	1	-
Mr. Cyrus P Mistry*	NED & NI	6	Yes	NA	NA	NA	33,000 <sup>^</sup>
Mrs. M Srinivasan	NED & I	5	Yes	7	-	-	-
Mr. Analjit Singh <sup>#</sup>	NED & I	2	No	NA	NA	NA	-
Mr. V Leeladhar	NED & I	9	Yes	6	4	3	-
Mrs. Ranjana Kumar	NED & I	6	No	4	2	1	-
Mr. Darius Pandole <sup>#</sup>	NED & I	6	Yes	NA	NA	NA	-
Mr. S Santhanakrishnan	NED & NI	8	Yes	6	4	4	-
Mrs. Ireena Vittal	NED & I	4	No	8	8	-	-
Mr. Ajoy Misra	MD	9	Yes	3	-	-	-
Mr. L KrishnaKumar	ED	9	Yes	2	1	-	-

\* Mr. Cyrus Mistry was replaced as Chairman by the Board with effect from 15.11.2016 and Mr. Harish Bhat was appointed Chairman of the Board effective 15.11.2016. Mr. Mistry subsequently resigned as Director w.e.f. 19.12.2016.

<sup>^</sup> As of 19.12.2016

<sup>#</sup> Mr. Analjit Singh and Mr. Darius Pandole resigned as Directors w.e.f. 20.12.2016.

C: Chairman; NI: Non-Independent; NED: Non-Executive Director; I: Independent Director; MD: Managing Director; ED: Executive Director

Video / teleconferencing facilities are used as and when required to facilitate Directors at other locations to participate in the meetings.

Note: Other Directorships do not include Directorships of private limited companies, foreign companies, companies registered under Section 8 of the Companies Act, 2013 and Alternate Directorships.

Particulars about Directors retiring by rotation and eligible for re-appointment are given in the Annexure to the Notice.

The Company has received declarations on criteria of independence as prescribed in Section 149 of the Companies Act 2013 and Regulation 16 (1) (b) of the Listing Regulations from the Directors of the Company who have been classified as Independent Directors as on 31<sup>st</sup> March, 2017.

As will be noted from the table above, no director is member of more than 10 Board Committees or Chairman of more than 5 Board Committees across all companies where he/she is a Director. Further no Independent Director serves as Independent Director in more than 7 listed companies.

Chairmanship/Membership of Board Committees includes membership of Audit and Stakeholder Relationship Committees of Indian public limited companies only.

**c. Number of board meetings and dates on which held**

During 2016-17, the Board met nine times on 13<sup>th</sup> May 2016, 24<sup>th</sup> May, 2016, 9<sup>th</sup> August, 2016, 24<sup>th</sup> August, 2016, 26<sup>th</sup> October, 2016, 15<sup>th</sup> November, 2016, 16<sup>th</sup> January, 2017, 1<sup>st</sup> February, 2017 and 24<sup>th</sup> March, 2017.

The maximum time gap between two board meetings was less than 120 days. Minutes of the meetings of all the Board and Committees are circulated to all the Directors.

**d. No director of the Company is related to any other director of the Company.**

**e. Familiarisation programme for Independent Directors**

The Independent Directors have been familiarised with the Company, their roles and responsibilities in the Company, nature of the Industry in which the Company operates, business model of the Company etc. During 2016-17, independent directors were taken through various aspects of the Company's business and operations including Factory visits. The details of familiarisation programmes imparted to the Independent Directors during 2016-17 are put up on the website of the Company and can be accessed at <http://www.tataglobalbeverages.com/company/leadership/board-of-directors>.

**f. Code of conduct**

Tata Code of Conduct is a comprehensive written code which is applicable to all employees including the Managing and Executive Directors. A separate code of conduct applicable to the Non-Executive Directors was laid down by the Board. 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 <http://www.tataglobalbeverages.com/docs/default-source/board-of-directors/code-of-conduct-for-non-executive-directors.pdf>.

In respect of financial year 2016-17, all Board members and Senior Management personnel of the Company have affirmed compliance with the code as applicable to them and a declaration to this effect signed by the CEO and Managing Director is published in this Annual Report.

**g. Formal letter of appointment to the Independent Directors**

The Company has issued formal letter of appointment to all the Independent Directors on their appointment explaining inter-alia, their roles, responsibilities, code of conduct, functions and duties as directors of the Company. The terms and conditions of appointment of independent directors have been hosted on the website of the Company and can be accessed at <http://www.tataglobalbeverages.com/docs/default-source/board-of-directors/terms-and-conditions-of-appointment-of-independent-directors.pdf>

**h. Separate meeting of Independent Directors**

During the financial year 2016-17, the Independent Directors met separately twice without the presence of non-independent directors and members of the management on 15<sup>th</sup> November, 2016 and 24<sup>th</sup> March,

2017 in compliance with Regulation 25 (3) of the Listing Regulations.

In the meeting held on 24<sup>th</sup> March 2017, the independent directors inter-alia discussed the following:

- i. Reviewed the performance of non-independent directors and the Board as a whole;
- ii. Reviewed the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors;
- iii. Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**3. Audit Committee**

**a. Brief description of terms of reference**

A qualified and independent Audit Committee has been set up by the Board in compliance with the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013. The role and terms of reference of the Audit Committee are inter-alia as under:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
- iii. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
  - (a) Matters required to be included in the directors' responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;

- (f) Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report;
  - iv. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
  - v. Examination of the financial statement and the auditors' report thereon;
  - vi. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
  - vii. Approval or any subsequent modification of transactions with related parties;
  - viii. Scrutiny of inter-corporate loans and investments;
  - ix. Review of valuation of undertakings or assets of the company wherever it is necessary;
  - x. Evaluation of internal financial controls and risk management systems;
  - xi. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
  - xii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
  - xiii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - xiv. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
  - xv. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
  - xvi. Review the functioning of the whistle blower mechanism;
  - xvii. Review and monitor the end use of funds raised through public offers and related matters;
  - xviii. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  - xix. Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading Code and supervise its implementation under the overall supervision of the Board;
  - xx. Review of the following information:
    - (1) management discussion and analysis of financial condition and results of operations;
    - (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
    - (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
    - (4) internal audit reports relating to internal control weaknesses;
    - (5) the appointment, removal and terms of remuneration of the Chief Internal Auditor;
    - (6) Statement of deviations:
      - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1)
      - (b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus in terms of Regulation 32(7), if applicable
  - xxi. Carrying out any other function as may be referred to the Committee by the Board.
  - xxii. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.
- b. Composition, names of members and Chairman**
- As on 31<sup>st</sup> March 2017, all members of the Audit Committee are Non-Executive Directors and three of them, including the Chairman are Independent Directors. All the members of the Audit Committee are financially literate as defined in Regulation 18 (1)(c) of the Listing Regulations.
- Mr. V Leeladhar is the Chairman of the Audit Committee. He has expert knowledge in banking and financial matters. He was present at the last Annual General Meeting of the Company held on 24<sup>th</sup> August 2016.



The composition of the Audit Committee as on 31<sup>st</sup> March, 2017 and particulars of attendance by the members at the meetings of the Committee held in 2016-17 are given below:

Name	Category	No. of meetings Attended
Mr. V Leeladhar, Chairman	Independent, Non-Executive	6
Mrs. Ranjana Kumar	Independent, Non-Executive	5
Mr. Darius Pandole <sup>#</sup>	Independent, Non-Executive	4
Mr. S Santhanakrishnan	Non-Independent, Non-Executive	6
Mrs. Ireena Vittal	Independent, Non-Executive	5
Mr. Harish Bhat*	Non-Independent, Non-Executive	4

<sup>#</sup>Mr. Darius Pandole ceased to be a Member of the Committee w.e.f. 20<sup>th</sup> December, 2016

\*Mr. Harish Bhat stepped down as a Member of the Committee w.e.f. 21<sup>st</sup> December, 2016

#### c. Meetings and attendance during the year

During 2016-17, Six Audit Committee meetings were held on 23<sup>rd</sup> May, 2016, 8<sup>th</sup> August, 2016, 15<sup>th</sup> November, 2016, 19<sup>th</sup> December, 2016, 31<sup>st</sup> January, 2017, and 23<sup>rd</sup> March, 2017. The Audit Committee Meetings are attended by invitation by the Managing Director, Executive Director, Chief Financial Officer, Chief Internal Auditor and the Statutory Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

#### 4. Nomination and Remuneration Committee

##### a. Brief description of terms of reference

The Nomination and Remuneration Committee set up by the Board is inter-alia responsible for:

- i. Support the Board in matters related to set up and composition of the Board, its Committees and the leadership team including formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors, a policy relating to remuneration of the Directors, Key Managerial Personnel and other employees;
- ii. Carry out evaluation of every director's performance and support the Board and Independent Directors, as may be required, in evaluation of the performance of the Board, its Committees and individual directors;
- iii. Support the Board in matters related to remuneration of directors, KMP, executive team and other employees;
- iv. Extend oversight on the familiarisation programme of directors;
- v. Extend oversight on the HR philosophy, HR and People Strategy and key HR practices;
- vi. Recommending to the Board, the remuneration package of Managing and Executive Directors, including their annual increment and incentive remuneration after reviewing their performance;
- vii. Devising a policy on diversity of board of directors;
- viii. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- ix. Whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

**b. Composition, name of members and Chairperson**

As on 31<sup>st</sup> March, 2017, the Nomination and Remuneration Committee consisted of three directors, all of whom are Non-Executive Directors. Mrs. Ranjana Kumar, Independent Director is the Chairperson of the Committee.

The composition of the Committee as at 31<sup>st</sup> March, 2017 and particulars of attendance by the members at the meetings of the Committee held in 2016-17 are given below:

Name	Category	No. of meetings Attended
Mrs. Ranjana Kumar, Chairperson	Independent, Non-Executive	3
Mr. Cyrus P Mistry*	Non-independent, Non-Executive	2
Mr. V Leeladhar	Independent, Non-Executive	4
Mr. Darius Pandole*	Independent, Non-Executive	2
Mr. Harish Bhat	Non-independent, Non-Executive	4

\*Mr. Cyrus P. Mistry ceased to be a member of the Committee w.e.f. 15<sup>th</sup> November, 2016 and Mr. Darius Pandole ceased to be a member of the Committee w.e.f. 20<sup>th</sup> December, 2016.

**c. Meetings and attendance during the year**

The Nomination and Remuneration Committee met four times during 2016-17 on 13<sup>th</sup> May, 2016, 9<sup>th</sup> August, 2016, 27<sup>th</sup> February, 2017 and 24<sup>th</sup> March, 2017 and the particulars of attendance are mentioned in 4(b) above.

**d. Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the Listing Regulations, the Annual performance evaluation was carried out for 2016-17 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, Stakeholder Relationship and CSR Committees. A structured questionnaire covering various aspects of the Board's functioning 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 after taking into consideration the Guidance note issued by SEBI vide circular no, CMD/CIR/P/2017/004 dated 05.01.2017. The questionnaire also considered the inputs of the Nomination and Remuneration Committee.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board who were evaluated on parameters such as guidance/ support to management outside Board/ Committee meetings, degree of fulfillment of key responsibilities, effectiveness of meetings etc. The performance evaluation of the Independent Directors was

carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

**e. Remuneration Policy**

The Company's Remuneration policy for Directors, Key Managerial Personnel and other employees is mentioned in the Board's Report.

The remuneration policy followed by the Company takes into consideration performance of the Company during the year and of the Managing and Executive Directors on certain parameters, such as condition of the industry, achievement of budgeted targets, growth & diversification, remuneration in other companies of comparable size and complexity, performance of the directors at meetings of the Board and of the Board Committees etc.

**5. Remuneration of Directors**

a) During the year, there was no pecuniary relationship or transactions between the Company and any of its Non-Executive Directors apart from sitting fees and commission.

**b) Non-Executive Directors' compensation and disclosures**

The Non-Executive Directors, including Independent Directors, are paid Sitting fees for attending the meetings of the Board and Committees of the Board. With effect from 28<sup>th</sup> May, 2015, the Company pays a fee of Rs. 30,000 per meeting per director for attending meetings of the Board, Audit, Nomination and Remuneration and Executive Committees (Rs. 20,000 in case of

Mr. Cyrus Mistry (who was Director until 19<sup>th</sup> December 2016) and Mr. Harish Bhat, Director. For meetings of all other Committees of the Board, a sitting fee of Rs. 20,000 per meeting per director is paid (Rs. 15,000 in case of Mr. Cyrus Mistry and Mr. Harish Bhat, Director).

Within the ceiling of 1% of net profits of the Company computed under the applicable provisions of the Companies Act, 2013, the Non-Executive Directors including Independent Directors are also paid a commission, the amount whereof is determined by the Board. The basis of

determining the specific amount of commission payable to a Non-Executive Director is related to his attendance at meetings, role and responsibility as Chairman/Member of the Board/Committees and overall contribution as well as time spent on operational matters other than at the meetings. The shareholders of the Company had approved payment of commission to the Non-Executive directors at the Annual General Meeting held on 26<sup>th</sup> August, 2014, which is valid up to the financial year ended 31<sup>st</sup> March 2019. No Stock option has been granted to the Non-Executive Directors.

#### Non-Executive Directors' Remuneration

Rs. in Lakhs

	Commission* (Relating to 2015-16)	Commission <sup>†</sup> (Relating to 2016-17)	Sitting Fees
Mr. Harish Bhat	-	-	4.20
Mr. Cyrus P Mistry <sup>^</sup>	-	-	1.70
Mrs. Mallika Srinivasan	11.00	15.00	1.50
Mr. Analjit Singh <sup>^</sup>	4.00	4.00	0.60
Mr. V. Leeladhar	59.00	80.00	8.10
Mrs. Ranjana Kumar	45.00	58.00	5.70
Mr. Darius Pandole <sup>^</sup>	39.00	26.00	4.05
Mr. S. Santhanakrishnan	28.00	47.00	5.25
Mrs. Ireena Vittal	28.00	35.00	3.00

\*Paid in 2016-17

<sup>#</sup> Payable in 2017-18

<sup>^</sup> Mr. Cyrus P Mistry resigned as a Director w.e.f. 19<sup>th</sup> December, 2016. Mr. Analjit Singh and Mr. Darius Pandole resigned as Directors w.e.f. 20<sup>th</sup> December, 2016.

Note: The resolutions appointing these directors do not provide for payment of severance fees.

#### c) (i) & (ii) The Remuneration details of Managing / Executive Directors are mentioned below:

Rs. in Lakhs

	Mr. Ajoy Misra, Managing Director	Mr. L KrishnaKumar, Executive Director
Salary	125.21	104.38
Allowances and perquisites	72.06	65.38
Contribution to Retiral Funds	29.49	24.59
Incentive (relating to 2016-17)	153.23	130.81
Stock option	-	-
No. of Shares held	-	-
Service Contract	5 years from 1 <sup>st</sup> April, 2014	5 years from 1 <sup>st</sup> April, 2013
Notice period	6 Months	6 Months
In addition, both Mr. Ajoy Misra and Mr. L. KrishnaKumar drew the following remuneration during 2016-17 from an overseas subsidiary of the Company:		
Salary and Benefits	39.74	26.58

Note: The remuneration drawn in GBP has been converted into INR at average exchange rate.

- (iii) The terms of appointment of the Managing and Executive Directors provide that the appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months remuneration in lieu thereof.

Note: The resolutions appointing these directors do not provide for payment of severance fees.

(iv) **Stock options**

The Company has not granted Stock Option to any of its Directors.

## 6. Stakeholder Relationship Committee

### a. Name of the Non-Executive Director heading the Committee

As on 31<sup>st</sup> March, 2017, the Stakeholder Relationship Committee comprised of 3 members. Mr. V. Leeladhar

is the Chairman and Mr. S. Santhanakrishnan and Mr. L. KrishnaKumar are the other members of the said Committee.

The Committee held four meetings during 2016-17 on 8<sup>th</sup> August, 2016, 16<sup>th</sup> November, 2016, 31<sup>st</sup> January, 2017 and 23<sup>rd</sup> March, 2017. The Committee's terms of reference, inter-alia includes consideration and resolving the grievances of shareholders. The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investor services as and when need arises.

To expedite the process of share transfers, the Board has delegated the power of share transfer to the Registrars and Share Transfer Agent and share transfer formalities are approved by them on a fortnightly basis. The composition of the Committee and details of attendance by its members at the meetings of the Committee held in 2016-17 are given below:

Name	Category	No. of meetings Attended
Mr. V Leeladhar, Chairman	Independent, Non-Executive	4
Mr. S Santhanakrishnan	Non-Independent, Non-Executive	3
Mr. L. KrishnaKumar	Non-Independent, Executive	4

### b. Name and designation of Compliance Officer

Mr. V Madan, Vice-President & Company Secretary is the Compliance Officer for complying with the requirements of Securities laws and the Listing Regulations.

### c. Number of shareholders' complaints received, number not solved to the satisfaction of shareholders and number of pending complaints

Given below are the position of queries/complaints and other correspondences received and attended to during 2016-17 in respect of equity shares:

	Complaints	Other Correspondence
For non-receipt of dividend / shares lodged for transfer, demat	12	1,138
Other Queries / Requests received from shareholders	3	1,609
Queries / Complaints redressed	15	2,713
Pending queries / Complaints as on 31/03/2017*	0	34

\*Replied in April, 2017

Every letter received from the investors is replied and the response time for shareholders' queries/correspondences during 2016-17 is shown in the following table:

	Number	%
Total number of correspondence received during 2016-17	2,762	100.00
Replied within 1 to 4 days of receipt	1,532	55.47
Replied within 5 to 7 days of receipt	703	25.45
Replied within 8 to 15 days of receipt	453	16.40
Replied after 15 days of receipt	39	1.41
Received in last week of March 2017 and replied in April 2017	35	1.27

The shares of the Company are traded in dematerialised form. A table showing the requests received for dematerialisation/transfers during 2016-17 is given below:

	Transfers No. of requests	Transfers No. of Shares	Demats No. of requests	Demats No. of requests
Lodged	368	6,52,860	866	18,88,645
Processed	120	2,00,475	378	11,38,801
Objections	242	4,46,928	475	7,15,064
Pending as on 31/03/2017	6	5,457	13	34,780

Note: 97.74% of the paid-up share capital of the Company is held in dematerialised form as on 31-3-2017.

## 7. Other Board Committees

The Board has constituted following other Board committees besides the committees mentioned above:

### a) Ethics and Compliance Committee:

The Board has constituted an Ethics and Compliance Committee to look into the requirements under Insider Trading Regulations including the Group guidelines on Insider Trading and Tata Code of Conduct. Four meetings of the said Committee were held during 2016-17 on 8<sup>th</sup> August, 2016, 16<sup>th</sup> November, 2016, 31<sup>st</sup> January, 2017 and 23<sup>rd</sup> March, 2017. The composition of the Committee and details of attendance by its members at the meetings during 2016-17 are given below:

Name	Category	No. of meetings Attended
Mr. V Leeladhar, Chairman	Independent, Non-Executive	4
Mrs. Ranjana Kumar	Independent, Non-Executive	3
Mr. Ajoy Misra	Non-Independent, Executive	4

### b) Corporate Social Responsibility Committee

The Board has constituted a Corporate Social Responsibility Committee (CSR) to look into the following:

- Matters specified in Section 135 of the Companies Act, 2013 which inter-alia includes:
  - (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
  - (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
  - (c) monitor the Corporate Social Responsibility Policy of the Company from time to time.

- Monitor and provide guidance on Company's policies on environment management, social responsibilities, health & safety, product stewardship, community development, principles of managing branded operations, etc.
- Provide guidance on welfare activities in and around Munnar.

Two meetings of the CSR Committee were held during 2016-17 on 16<sup>th</sup> November, 2016 and 23<sup>rd</sup> March, 2017. The composition of the Committee and details of attendance by its members at the meetings during 2016-17 are given below:

Name	Category	No. of meetings Attended
Mrs. Ranjana Kumar, Chairperson	Independent, Non-Executive	2
Mr. V Leeladhar	Independent, Non-Executive	2
Mr. S Santhanakrishnan	Non-Independent, Non- Executive	2
Mr. Ajoy Misra	Non-Independent, Executive	2
Dr. S Parasuraman	Expert member (Not a Board member)	1

#### c) Executive Committee

The Board has constituted an Executive Committee to review business and strategy, long-term financial projections and cash flows, capital/revenue budgets and capital expenditure programmes, acquisition/divestment, business restructuring proposals, senior management succession planning and any other item that the Board may decide to delegate. No meetings of the said committee were held during 2016-17. 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 31<sup>st</sup> March, 2017 is given below:

Name	Category
Mr. Harish Bhat, Chairman	Non-Independent, Non- Executive
Mrs. Ireena Vittal	Independent, Non- Executive
Mr. Ajoy Misra	Non-Independent, Executive
Mr. L KrishnaKumar	Non-Independent, Executive

#### d) Risk Management Committee

The Risk Management Committee of the Board of Directors has been entrusted with the responsibility to assist the Board in overseeing and approving the Company's risk management framework. The Company has a comprehensive Risk policy and a Risk Register detailing the risks that the Company faces under various categories like strategic, financial, commercial, operational, IT, legal, regulatory, people, reputational and other risks and these have been identified and suitable mitigation measures have also been formulated. The Risk Management Committee reviews the key risks and the risk register and the mitigation measures periodically.

Two meetings of the Risk Management Committee were held during 2016-17 on 15<sup>th</sup> November 2016 and 31<sup>st</sup> January 2017. The composition of the Risk Management Committee as on 31<sup>st</sup> March, 2017 and particulars of attendance by the members at the meetings held in 2016-17 are given below:

Name	Category	No. of meetings Attended
Mr. V Leeladhar, Chairman	Independent, Non-Executive	2
Mrs. Ranjana Kumar	Independent, Non-Executive	2
Mr. Darius Pandole*	Independent, Non-Executive	1
Mr. S Santhanakrishnan	Non-Independent, Non-Executive	2
Mrs. Ireena Vittal	Independent, Non-Executive	2
Mr. Harish Bhat	Non-Independent, Non-Executive	2

\* Ceased to be a Member of the Committee w.e.f. 20<sup>th</sup> December, 2016.

## 8. General Body Meetings

### a. Location and time where last three AGMs were held, whether any special resolutions passed in the previous 3 AGMs

The last three Annual General Meetings of the Company were held as under:

Year	Location	Date	Time	No. of Special Resolutions approved at the AGM
2013-2014	The Oberoi Grand, 15 Jawaharlal Nehru Road, Kolkata – 700 013	26 <sup>th</sup> August, 2014	10.30 am	2
2014-2015	Same as above	14 <sup>th</sup> August, 2015	10.30 am	Nil
2015-2016	Same as above	24 <sup>th</sup> August, 2016	10.30 am	1

<b>b.</b>	Whether any special resolution passed last year through postal ballot – details of voting pattern	No special resolutions were passed during 2016-17 through postal ballot.
<b>c.</b>	Person who conducted the postal ballot exercise	N.A.
<b>d.</b>	Whether any special resolution is proposed to be conducted through postal ballot	At present there is no proposal to pass any special resolution through postal ballot.
<b>e.</b>	Procedure for postal ballot	Does not arise

## 9. Means of Communication

<b>a.</b>	Quarterly results	The quarterly results are published in the newspapers and displayed on the Company's website
<b>b.</b>	Newspapers wherein results normally published	The quarterly results are generally published in Business Standard (All India Edition) (English) and Sangbad Pratidin (Bengali).
<b>c.</b>	Any website, where displayed	The quarterly results of the Company are put on the website of the Company after these are submitted to the Stock Exchanges. Our website address is <a href="http://www.tataglobalbeverages.com">www.tataglobalbeverages.com</a>
<b>d.</b>	Whether it also displays official news releases	Yes
<b>e.</b>	The presentations made to institutional investors or to analysts	The Company made a presentation to financial analysts on 24 <sup>th</sup> May, 2016 after the results for the financial year 2015-16 were approved by the Board. Similar presentations were also made on 9 <sup>th</sup> August, 2016 and 15 <sup>th</sup> November, 2016 after the results for the quarter ended 30 <sup>th</sup> June, 2016 and for the half year ended 30 <sup>th</sup> September, 2016 respectively were approved by the Board. There was a conference call with financial analysts on 2 <sup>nd</sup> February, 2017, after the financials for the quarter ended 31 <sup>st</sup> December, 2016 were approved by the Board.
<b>f.</b>	Half Yearly results	The half yearly results for six months ended 30 <sup>th</sup> September, 2016 was sent by email / post to the shareholders in November, 2016.

**10. General Shareholder information****a. Annual General Meeting**

Day	Date	Time	Venue	Book Closure Period	Dividend payment date
Friday	18 <sup>th</sup> August, 2017	10.30 a.m.	Taj Bengal, 34-B, Belvedere Road, Alipore, Kolkata – 700 027.	8 <sup>th</sup> August, 2017 to 18 <sup>th</sup> August, 2017 (both days inclusive)	On or after 21 <sup>st</sup> August, 2017

**b. Financial Year: April 1 to March 31****c. Financial calendar**

	Tentative dates
Board Meetings for approval of Annual Accounts for 2016-17 and Financial Results for 4 <sup>th</sup> Quarter for 2016-17	30 <sup>th</sup> May, 2017
Financial Results for 1 <sup>st</sup> Quarter 2017-18	Before 14 <sup>th</sup> August, 2017
Financial Results for 2 <sup>nd</sup> Quarter 2017-18	Before 14 <sup>th</sup> November, 2017
Financial Results for 3 <sup>rd</sup> Quarter 2017-18	Before 14 <sup>th</sup> February, 2018
Annual Accounts 2017-18	Last week of May, 2018

**d. Name and address of each Stock Exchange at which Company Shares are listed and Stock Code**

Listing on Stock Exchanges	Name	Address	Stock Code
<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	'TATAGLOBAL'
	The Calcutta Stock Exchange Association Limited	7, Lyons Range, Kolkata – 700 001	27 (For Physical); 10000027 (For Demat)
<b>Global Depository Shares</b>	Luxembourg Stock Exchange London Stock Exchange		

**Dematerialisation**

Name	Address	ISIN
National Securities Depository Limited	Trade World, 5 <sup>th</sup> Floor, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013	INE 192A01025
Central Depository Services Limited	17 <sup>th</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 023	INE 192A01025

**Listing Fees**

Annual listing fees for 2017-18 have been paid to all the Stock Exchanges where the securities of the Company are listed.



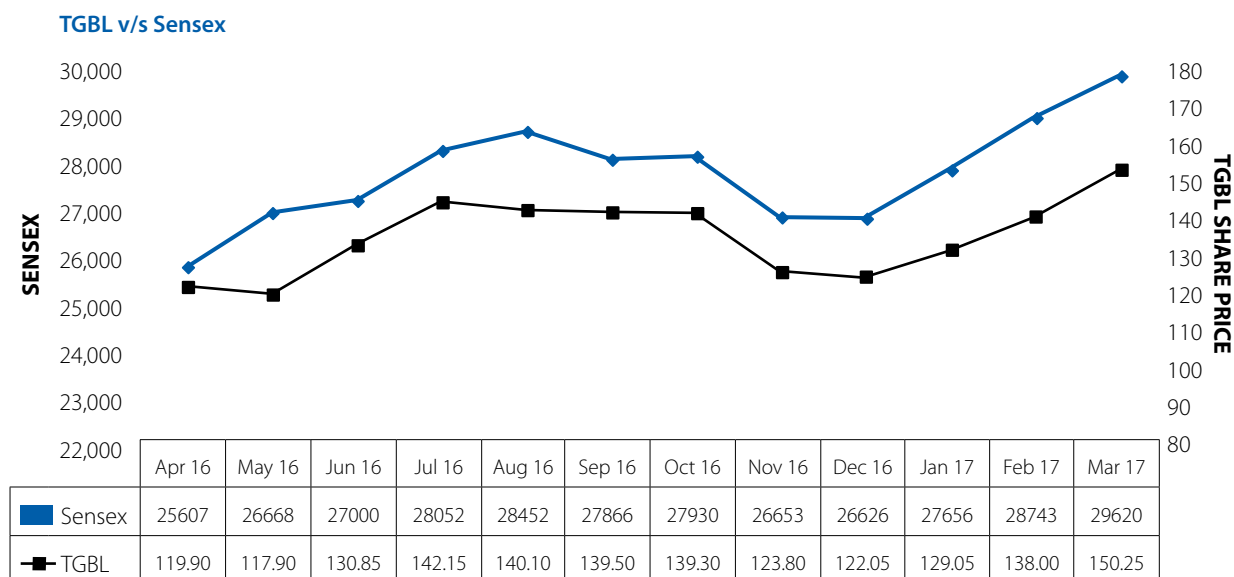
e. Market price data – High, Low and number of shares traded during each month in the last Financial Year

Month	NSE			BSE		
	High Rs.	Low Rs.	No. of Shares Traded	High Rs.	Low Rs.	No. of Shares Traded
April 2016	121.05	119.00	2,05,92,954	124.15	116.00	55,61,640
May 2016	119.10	117.55	2,04,06,501	123.95	115.45	28,71,262
June 2016	131.95	129.45	4,19,04,256	131.50	117.40	59,62,654
July 2016	144.70	139.20	4,34,65,907	144.90	128.90	49,14,246
August 2016	141.60	140.00	4,62,99,580	147.00	135.55	66,92,028
September 2016	140.90	136.20	4,62,92,886	148.90	132.10	62,28,272
October 2016	141.00	139.00	7,17,55,240	157.65	135.60	98,82,215
November 2016	124.40	122.50	5,24,38,124	140.80	114.50	1,02,38,141
December 2016	123.30	121.10	2,16,71,549	126.80	116.50	25,99,755
January 2017	132.00	128.50	2,19,10,303	131.95	121.50	27,50,718
February 2017	139.85	136.75	3,62,11,108	147.10	127.50	42,66,853
March 2017	152.10	150.10	5,28,09,065	153.90	136.85	58,38,101

NSE: National Stock Exchange of India Limited; BSE: BSE Limited.

There was no trading of the Company's shares on the Calcutta Stock Exchange during 2016-17.

The market share price data is graphically represented below:



**f. Performance in comparison to broad-based indices**

One year performance	NSE	BSE
Company's share price		
- As at 1 <sup>st</sup> April, 2016	122.00	121.85
- As at 31 <sup>st</sup> March, 2017	150.55	150.25
- Change	23.40%	23.31%
	S & P CNX NIFTY	Sensex
Indices		
- As at 1 <sup>st</sup> April, 2016	7718.05	25301.70
- As at 31 <sup>st</sup> March, 2017	9173.75	29620.50
- Change	18.87%	17.07%
Five year performance	NSE	BSE
Company's share price		
- As at 2 <sup>nd</sup> April, 2012	112.50	111.90
- As at 31 <sup>st</sup> March, 2017	150.55	150.25
- Change	33.82%	34.27%
	S & P CNX NIFTY	Sensex
Indices		
- As at 2 <sup>nd</sup> April, 2012	5296.35	17429.96
- As at 31 <sup>st</sup> March, 2017	9173.75	29620.50
- Change	73.21%	69.94%

**g. Registrar & Transfer Agents**

	Address	Contact details
Registered office:	TSR Darashaw Limited 6-10 Haji Moosa Patrawala Ind. Estate, 20 Dr. E Moses Road, Mahalaxmi, Mumbai – 400 011	Telephone: 022-66568484 Fax: 022-66568494 Website: www.tsrdarashaw.com E-mail: csg-unit@tsrdarashaw.com
Branch Offices at :		
South	TSR Darashaw Limited 503, Barton Centre, 5 <sup>th</sup> Floor 84, Mahatma Gandhi Road, Bangalore – 560 001	Tel: 080-25320321 Fax: 080-25580019 E-mail: tsrdlbg@tsrdarashaw.com
East	TSR Darashaw Limited Tata Center, 43, J L Nehru Road, Kolkata – 700 071	Tel: 033-22883087 Fax: 033-22883062 E-mail: tsrdlcal@tsrdarashaw.com

	Address	Contact details
	TSR Darashaw Limited Bungalow No. 1, 'E' Road, Northern Town, Bistupur, Jamshedpur – 831 001	Tel: 0657-2426616 Fax: 0657-2426937 E-mail: tsrdljsr@tsrdarashaw.com
North	TSR Darashaw Limited 2/42 Sant Vihar, Ansari Road, Daryaganj, New Delhi – 110 002	Tel: 011-23271805 Fax: 011-23271802 E-mail: tsrdldel@tsrdarashaw.com
Agent of the Registrar: Shah Consultancy Services Limited	3, Sumathinath Complex, Pritam Nagar, Akhada Road, Ellisbridge, Ahmedabad – 380 006	Telefax: 079-26576038 E-mail: shahconsultancy8154@gmail.com

The Registrars can be contacted between 10 a.m. and 3.30 p.m. on any working day (Monday to Friday, excluding bank holidays)

### Shareholders' Relation Cell

Contact Person	Address	Contact details
Mr. V Madan, Vice-President & Company Secretary	Tata Global Beverages Limited Kirloskar Business Park, 4 <sup>th</sup> Floor, Block "C", New Airport Road, Hebbal, Bangalore – 560 024	Tel: 080-67171200 Fax: 080-67171201 Website: www.tataglobalbeverages.com E-mail: investor.relations@tgbl.com
Ms. Deepika Srivastava Manager-Legal and Secretarial	Tata Global Beverages Limited Kirloskar Business Park, 4 <sup>th</sup> Floor, Block "C", New Airport Road, Hebbal, Bangalore – 560 024	Tel: 080-67171200 Fax: 080-67171201 Website: www.tataglobalbeverages.com E-mail: investor.relations@tgbl.com
Mr. Shibshankar Roy	Tata Global Beverages Limited 1, Bishop Lefroy Road, Kolkata – 700 020	Tel: 033-22836917 Fax: 033-22833032

### h. Share transfer system

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

### i. Distribution of Shareholding

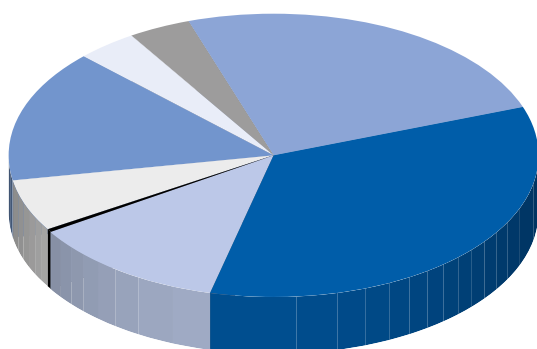
#### Distribution of Shareholding as at 31<sup>st</sup> March, 2017

No. of Shares	Holding	Amount (Rs.)	% to Capital	No. of Holders	% to Total Holders
1 to 500	2,02,73,380	2,02,73,380	3.21	1,41,108	77.79
501 to 1000	1,29,37,001	1,29,37,001	2.05	15,755	8.69
1001 to 2000	1,51,85,684	1,51,85,684	2.41	9,935	5.48
2001 to 3000	1,10,51,943	1,10,51,943	1.75	4,358	2.40
3001 to 4000	84,66,033	84,66,033	1.34	2,392	1.32
4001 to 5000	84,56,315	84,56,315	1.34	1,817	1.00
5001 to 10000	2,35,28,536	2,35,28,536	3.73	3,283	1.81
Greater than 10000	53,12,30,837	53,12,30,837	84.17	2,745	1.51
<b>Total</b>	<b>63,11,29,729</b>	<b>63,11,29,729</b>	<b>100.00</b>	<b>1,81,393</b>	<b>100.00</b>

**Categories of Shareholders as at 31<sup>st</sup> March, 2017**

Sl. No.	Particulars	No. of Accounts	Holdings/Shares held	% to Capital
1	Tata Group Companies	10	21,71,28,190	34.40
2	Indian Financial Institutions	26	7,60,06,883	12.04
3	State Government	1	5,850	0.00
4	Nationalised Banks	22	22,18,798	0.35
5	Mutual Funds	86	3,73,24,442	5.92
6	Foreign Institutional Investors	154	9,57,65,173	15.18
7	GDS Depositories	1	2,32,91,601	3.69
8	Other Companies	2,293	2,39,29,344	3.79
9	Individuals & Others	1,78,800	15,54,59,448	24.63
	<b>Total</b>	<b>1,81,393</b>	<b>63,11,29,729</b>	<b>100.00</b>

The category-wise shareholding is also shown in the chart below:



■ Tata Group Companies	21,71,28,190
■ Indian Financial Institutions	7,60,06,883
■ State Government	5,850
■ Nationalised Banks	22,18,798
■ Mutual Funds	3,73,24,442
■ Foreign Institutional Investors	9,57,65,173
■ GDS Depositories	2,32,91,601
■ Other Companies	2,39,29,344
■ Individuals & Others	15,54,59,448

**j. Dematerialisation of shares and liquidity**

The process of conversion of shares from physical form to electronic form is known as dematerialisation. For dematerialising the shares, the shareholders should open a demat account with a Depository Participant (DP). The shareholder is required to fill in a Demat Request Form and submit the same along with the original share certificates to his DP. The DP will allocate a demat request number and shall forward the request physically and electronically through NSDL/CDSL to Registrar & Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialised and an electronic credit of the shares is given in the account of the shareholder.

**k. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

As on 31<sup>st</sup> March, 2017, the outstanding Global Depository Shares were 2,32,91,601. The GDSs are convertible into fully paid equity shares on 1:1 basis. The underlying shares against the outstanding GDSs have been allotted in the name of the Depository. There is no ADR or convertible instrument outstanding as on 31<sup>st</sup> March, 2017.

**l. Commodity price risk or foreign exchange risk and hedging activities**

Tea is a multi-harvest agricultural commodity and is sold through public auction or by private treaty. Price levels reflect supply/demand position and as an agricultural crop,

supply/demand balance may change quickly when weather conditions are adverse. To manage supply risk the Company spreads its buying between public auction and private treaties.

Cyclical swings in coffee commodity markets are common and the most recent years have been especially volatile for the price of coffee. Increases in the cost of green coffee could reduce our gross margin and profit. Your Group has a robust framework in place to protect its interests from risks arising out of market volatility. Based on market intelligence and continuous monitoring, the sales and procurement teams take appropriate strategy to deal with such market volatility.

Volatility in currency exchange movements in RUB, CAD, USD, GBP and AUD can pose challenges to the Company's operations through earnings dilution. The Company has established currency hedging policies and practices to manage these risks.

**m. Plant locations:**

- |    |                                                      |                                                                                                                                                           |
|----|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Bangalore Packeting centre                           | Survey No. 14/4, A2 & 14/5, NH 4, Bangalore Tumkur Road, Malonagathi Hally, T. Begur Post, Nelamangla Taluk, Bangalore Rural District, Karnataka – 562123 |
| 2. | Periakanal Estate                                    | PO Munnar, Dist. Idukki, Kerala – 685612                                                                                                                  |
| 3. | Pullivasal Estate & Packeting centre                 | PO Munnar, Dist. Idukki, Kerala – 685612                                                                                                                  |
| 4. | Instant Tea Operations (including Nullatani factory) | Post Box no. 3, Idukki District, Munnar, Kerala – 685612                                                                                                  |
| 5. | Tetley (Tea Bag) Division                            | 73/74 KPK Menon Road, Willingdon Island, Kochi, Kerala – 682 003                                                                                          |
| 6. | Mineral Water Plant                                  | Village Dhaula Kuan, District Sirmour, Himachal Pradesh – 173 025                                                                                         |

In addition to the above locations, the Company also operates through third party contract manufacturers at several locations.

**n. Address for correspondence**

Given against 10(g) above

**11. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund (IEPF):**

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the IEPF, maintained by the Central Government. Accordingly, during 2017-18, the Company would be transferring unclaimed dividend amount for the financial year ended 31<sup>st</sup> March, 2010 on or before 23<sup>rd</sup> September, 2017 to the IEPF.

Members who have not encashed the dividend warrant(s) from the financial year ended 31<sup>st</sup> March 2010 onwards may forward their claims to the Company's Registrar and Share Transfer Agents before they are due to be transferred to the IEPF, details of which are given below. It may be noted that once the unclaimed dividend is transferred to the IEPF, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amounts which were lying with the Company upto the year ended on 31<sup>st</sup> March 2009 have been transferred to the IEPF. The details of the unclaimed dividend so transferred are available on the Company's website, [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com) and in the website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).

Further in accordance with Section 124(6) of the Companies Act, 2013 read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to the demat Account of the IEPF Authority. The Company has already sent notices to all such members in this regard and has published a newspaper advertisement and have also uploaded the list of such shareholders on its website [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com).

Further, the Company is required to transfer all unclaimed shares to the demat account of the IEPF Authority in accordance with the IEPF Rules after the due date of 31<sup>st</sup> May, 2017 without any further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to the IEPF.

The shares and unclaimed dividend transferred to the IEPF can however be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Member/Claimant is required to make an online application to the IEPF Authority in Form IEPF-5 (available

on iepf.gov.in) along with requisite fees as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules. The following table gives information relating to outstanding dividend accounts and the dates when due for transfer to IEPF:

Financial year ended	Date of payment of dividend	Unpaid dividend to be claimed by	Transfer to IEP Fund in
31st March 2010	27.08.2010	August 2017	September 2017
31st March 2011	02.09.2011	September 2018	October 2018
31st March 2012	03.09.2012	September 2019	October 2019
31st March 2013	18.07.2013	July 2020	August 2020
31st March 2014	28.08.2014	August 2021	September 2021
31st March 2015	19.08.2015	August 2022	September 2022
31st March 2016	26.08.2016	August 2023	September 2023

Following are the details of unpaid dividend which will be due for transfer to IEPF upto 31<sup>st</sup> March, 2018:

Nature of payment	Date of payment	Unpaid dividend to be claimed by	Transfer to IEP Fund in
Dividend	27.08.2010	August 2017	September 2017

While the Registrar of the Company has already written to the shareholders informing them about the due dates of transfer to IEPF for these payments, attention of the shareholders is again drawn to this matter through the Annual Report.

### Top Ten Shareholders

As at 31<sup>st</sup> March 2017, the top ten shareholders of the Company were as follows:-

Sl. No.	Name of the Shareholder	No. of Shares	%
1	Tata Sons Limited	14,28,54,570	22.63
2	Life Insurance Corporation of India	5,77,92,481	9.16
3	Tata Chemicals Limited	4,31,75,140	6.84
4	Tata Investment Corporation Limited	2,69,45,000	4.27
5	Deutsche Bank Trust Company Americas	2,32,91,601	3.69
6	Government Pension Fund Global	1,41,32,045	2.24
7	First State Investments Icvc- Stewarts Investors Asia Pacific Fund	1,36,95,283	2.17
8	Dimensional Emerging Markets Value Fund	62,35,871	0.99
9	The New India Assurance Company Limited	58,47,945	0.93
10	Mirae Asset Tax Saver Fund; Mirae Asset Emerging Bluechip Fund; Mirae Asset Great Consumer Fund	57,18,438	0.91

## 12. Other disclosures

- a Disclosures on materially significant related party transactions that may have potential conflict with the interest of company at large:

Details of transactions with the related parties as specified in Indian Accounting Standards (Ind AS 24) have been reported in the Financial Statements. There was no transaction of a material nature with any of the related parties which was in conflict with the interest of the Company.

- b Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years:

There was no such instance in the last three years.

- c Whistle-blower policy and affirmation that no personnel has been denied access to the Audit Committee:

The Board has approved a whistle-blower policy/ vigil mechanism which have been communicated to the employees. The policy provides a mechanism for employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct and provides safeguards against victimisation of employees who avail the mechanism.

The policy permits reporting any concern relating to financial/accounting matters and employees at the levels of Vice-Presidents and above as also the Ethics counsellors directly to the Chairman of the Audit Committee.

For all other matters the concern can be reported to the Ethics counsellor of the Company. The policy with the name and address of Chairman of the Audit Committee has been circulated to the employees. No employee has been denied access to the Chairman of the Audit Committee.

The whistle Blower policy can be accessed at <http://www.tataglobalbeverages.com/investors/governance/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 2016-17.

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:

- The Statutory financial statements of the Company are unqualified.
  - The Company has separate posts of Chairman and CEO.
  - The Internal Auditors of the Company make presentations to the Audit Committee on their reports.
- e Web link where policy for determining 'material' subsidiaries is disclosed: <http://www.tataglobalbeverages.com/investors/governance/policies/>
- f Web link where policy on dealing with related party transactions is disclosed: <http://www.tataglobalbeverages.com/investors/governance/policies/>
- g Disclosure of commodity price risks and commodity hedging activities: Given in 10 (l)
- h 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 Companies Act, 2013 read with relevant rules thereunder. The Significant Accounting Policies which are consistently applied have been set out in the notes to the financial statements.
- i Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V (c) of the Listing Regulations: NIL.
- j Extent to which the discretionary requirements specified in Part E of Schedule II of the Listing Regulations have been adopted: Given in 12 (d).
- k Disclosure with respect to demat suspense account/ unclaimed suspense account: Not Applicable.
- l Name of the Debenture Trustees (in respect of 3,250 Secured Redeemable Non-Convertible Debentures of Rs. 10,000 each) with their contact details:  
(Pursuant to Regulation 53 of the Listing Regulations)  
SBICAP Trustee Company Limited  
Apeejay House, 6<sup>th</sup> Floor, 3, Dinshaw Wachha Road, Churchgate, Mumbai 400 020  
Tel: 022 4302 5555; Fax: 022- 2204 0465.  
Note: The above referred Non-Convertible Debentures were redeemed on 24<sup>th</sup> October, 2016 as per terms of the issue. There were no outstanding debentures as on 31<sup>st</sup> March, 2017.

m The Company has duly complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

### **13. Related Party Transactions**

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during 2016-17 were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Suitable disclosures as required by Indian Accounting Standards (Ind AS 24) have been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which can be accessed at the Company website link <http://www.tataglobalbeverages.com/investors/governance/policies/>

### **14. Subsidiary Companies**

The Company does not have any material non-listed Indian subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth respectively of the Company

in the immediately preceding accounting year. However, in line with the requirements of the Listing Regulations, a policy to determine a material subsidiary has been framed and the same may be accessed on the Company's website at the link <http://www.tataglobalbeverages.com/investors/governance/policies/>. The minutes of the Board meetings of unlisted subsidiary companies are placed in the Board meetings of the Company.

### **15. Insider Trading Regulations**

The Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices is applicable to all Directors, such identified employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company and other connected persons. Mr. John Jacob, Chief Financial Officer of the Company, is the Compliance Officer for the purpose of these regulations.

### **16. Certificate on Corporate Governance**

A Compliance certificate from Dr. Asim Kumar Chattopadhyay, Practising Company Secretary pursuant to Schedule V of the Listing Regulations regarding compliance of conditions of corporate governance is attached.



## Declaration by the CEO on Code of Conduct as required by Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Ajoy Misra, Chief Executive Officer and Managing Director of the Company hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the financial year 2016-17.

For **Tata Global Beverages Limited**

**Ajoy Misra**

Chief Executive Officer and Managing Director  
(DIN 00050557)

Mumbai  
06<sup>th</sup> July, 2017

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## Practicing Company Secretary's Certificate on Corporate Governance

To the Members of **Tata Global Beverages Limited**

I have examined the compliance of the conditions of Corporate Governance by Tata Global Beverages Limited ('the Company') for the year ended on 31<sup>st</sup> March, 2017, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31<sup>st</sup> March, 2017.

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.

**Dr. Asim Kumar Chattopadhyay**

FCS No. 2303  
CP No. 880

06<sup>th</sup> July, 2017

# Business Responsibility Report (2016-17)

## Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY												
1.	Corporate Identity Number (CIN) of the Company	L15491WB1962PLC031425										
2.	Name of the Company	Tata Global Beverages Limited										
3.	Registered address	1, Bishop Lefroy Road, Kolkata - 700020										
4.	Website	www.tataglobalbeverages.com										
5.	E-mail id	investor.relations@tgbl.com										
6.	Financial Year reported	2016-17										
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 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> </tbody> </table>	Group	Description	10791	Processing and blending of tea including manufacture of instant tea	46306	Trading of coffee products	01271	Growing of Tea	11043	Manufacture of mineral water
Group		Description										
10791		Processing and blending of tea including manufacture of instant tea										
46306		Trading of coffee products										
01271		Growing of Tea										
11043	Manufacture of mineral water											
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Tea, Coffee and Water										
9.	Total number of locations where business activity is undertaken by the Company	13										
	(a) Number of International Locations (Provide details of major 5)	NIL (on a standalone basis)										
	(b) Number of National Locations	13										
10.	Markets served by the Company – Local/State/National/International	The Company sells its products across all states in India as well as several countries in the world.										
SECTION B: FINANCIAL DETAILS OF THE COMPANY												
1.	Paid up Capital	Rs. 63.11 Crores										
2.	Total Turnover	Rs. 3160.23 Crores										
3.	Total Profit after Taxes	Rs. 276 Crores										
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Rs. 7.79 Crores u/s 135 of Companies Act equivalent to 2.94% of Average Net Profit of the Company for last 3 financial years.										
5.	List of activities in which expenditure in 4 above has been incurred	Please refer to Annexure 1 of Board's Report for details										
SECTION C: OTHER DETAILS												
1.	Does the Company have any Subsidiary Company/Companies?	Yes										
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	No										
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%]	Less than 30% of suppliers of tea participate in Trustea - the India sustainable tea program, which is one of the BR initiatives of the Company.										

## SECTION D: BR INFORMATION

## 1. Details of Director/Directors responsible for BR

(a) Details of the Director responsible for implementation of the BR policy/policies	(b) Details of the BR head
1. DIN Number 00050557	1. DIN Number 06882414
2. Name Mr. Ajoy Misra	2. Name Mr. K.S.Srinivasan
3. Designation CEO and Managing Director	3. Designation Global Chief Human Resources Officer
	4. Telephone number +91-22-61218411
	5. e-mail id Ks.Srinivasan@tgb.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:

<b>P1:</b> Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	<b>P6:</b> Business should respect, protect and make efforts to restore the environment
<b>P2:</b> Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	<b>P7:</b> Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
<b>P3:</b> Businesses should promote the wellbeing of all employees	<b>P8:</b> Businesses should support inclusive growth and equitable development
<b>P4:</b> Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	<b>P9:</b> Businesses should engage with and provide value to their customers and consumers in a responsible manner
<b>P5:</b> Businesses should respect and promote human rights	

S. NO.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policies for ?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y <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? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online. (@)	1,2	1,3,4	1	1,3,4	1	1,4	1	1,3,4	1
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*

Y<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. Tata Global Beverages has also developed some specific policies which are based on the Tata Code of Conduct.

Y\* All policies applicable to Tata Global Beverages are evaluated internally.

@ The following policies can be accessed at : <http://www.tataglobalbeverages.com/investors/governance/policies>

1 The Tata Code of Conduct; 2 Tata Whistle Blower Policy and Vigil Mechanism;

3 Affirmative Action Policy; 4 Natural Beverages Policy;

**3. Governance related to BR**

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The CSR Committee of the Board meets at least twice annually to review the Sustainability and CSR performance of the Company. In addition, the Board which meets at least four times in a year also reviews BR performance of the Company.
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	A report covering BR initiatives of the Company has been published for the last 3 years. It can be found on: <a href="http://www.tataglobalbeverages.com/investors/shareholding-information/annual-business-responsibility-reports?reload">http://www.tataglobalbeverages.com/investors/shareholding-information/annual-business-responsibility-reports?reload</a>

**SECTION E: PRINCIPLE WISE PERFORMANCE**

**Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	No. The Company's ethics policy as embodied in the Tata Code of Conduct extends to subsidiaries, JVs, suppliers, contractors, vendors, etc.
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	In 2016-17, 3 stakeholder complaints were received in India on the 3 <sup>rd</sup> Party helpline. These were presented to the Ethics Committee of the Board and all of them were satisfactorily resolved.

**Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Tea, Coffee and Water
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	
(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?	Tata Global Beverages Limited is committed to sustainable beverages production and consumption. Our sustainability strategy is focused on the five pillars of sustainable sourcing, water management, waste management, climate change and community development. We have been listed on the CDP India A list 2016 for Climate Disclosure Leadership and we have strategic priorities towards optimising resource use (raw material, energy, water etc.)
(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable

<p>3. Does the Company have procedures in place for sustainable sourcing (including transportation)?</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>Yes. Tata Global Beverages Limited has a sustainable sourcing strategy and is a co-funder of the Trustea program in India for sustainably transforming Indian tea.</p> <p>About 27% of tea was sourced sustainably through the Trustea program.</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>(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p>	<p>Yes. The Company makes a conscious and strategic effort to procure raw material (tea) from small tea growers and civil and service requirements from local and small scale industries.</p> <ol style="list-style-type: none"> <li>1. Raw material (tea): 25,500 small tea growers have been trained on sustainable agricultural practices through Trustea.</li> <li>2. Goods and services: The Company buys goods and services from local and small producers to meet business requirements. We do business with various small scale industries in the country. Most civil and service requirements under revenue are met through engaging with local suppliers. For small scale industry, favourable payment terms are given to encourage them. Positive discrimination is practiced when allotting business to the local Vendors.</li> </ol>
<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 &lt;5%, 5-10%, &gt;10%). Also, provide details thereof, in about 50 words or so.</p>	<p>All the tea packeting factories for India domestic network are zero waste to landfill. i.e. no waste generated from the production / packaging process in the factories go to the landfill.</p>

### Principle 3 - Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.	2555 (including Plantation workers)
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.	895
3. Please indicate the Number of permanent women employees.	878
4. Please indicate the Number of permanent employees with disabilities	113
5. Do you have an employee association that is recognised by management.	Yes
6. What percentage of your permanent employees is members of this recognised employee association?	68%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	
1. Child labour/forced labour/involuntary labour	NIL
2. Sexual harassment	NIL

3.	Discriminatory employment	NIL
4.	No. of complaints filed during the financial year	NIL
5.	No. of complaints pending as on end of the financial year	NIL
8.	What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?	
(a)	Permanent Employees	77%
(b)	Permanent Women Employees	55%
(c)	Casual/Temporary/Contractual Employees	66%
(d)	Employees with Disabilities	86%

**Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

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 & marginalised stakeholders.	Yes
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.	We have undertaken initiatives in Skill Development and job placements for SC/ST youth. We have projects for women empowerment, and we support a charitable trust (Srishti Trust) for the differently abled. Through our partnership in the UNICEF-Ethical Tea Partnership program, we are promoting child protection and empowerment of girls in tea estates of Assam. More details are available in Annexure 1 of Board's Report and on <a href="http://www.tataglobalbeverages.com">www.tataglobalbeverages.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?	The Company's policy on human rights as detailed in the Tata Code of Conduct, extends to JVs, subsidiaries, suppliers, contractors, vendors, etc.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	None was received

**Principle 6 - Business should respect, protect, and make efforts to restore the environment**

1.	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.	The Natural Beverages Policy is the apex sustainability and CSR policy of Tata Global Beverages Limited. The Tata Code of Conduct which covers protection of environment is applicable to JVs and suppliers.
2.	Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for web page etc.	Yes. <a href="http://www.tataglobalbeverages.com/sustainability/climate-change">http://www.tataglobalbeverages.com/sustainability/climate-change</a> <a href="http://www.tataglobalbeverages.com/docs/default-source/default-document-library/annual-business-responsibility-report-2015-16.pdf?sfvrsn=0">http://www.tataglobalbeverages.com/docs/default-source/default-document-library/annual-business-responsibility-report-2015-16.pdf?sfvrsn=0</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 hyperlink for web page etc.	Yes <a href="http://www.tataglobalbeverages.com/sustainability">http://www.tataglobalbeverages.com/sustainability</a> <a href="http://www.tataglobalbeverages.com/docs/default-source/default-document-library/annual-business-responsibility-report-2015-16.pdf?sfvrsn=0">http://www.tataglobalbeverages.com/docs/default-source/default-document-library/annual-business-responsibility-report-2015-16.pdf?sfvrsn=0</a>
6.	Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	One legal notice was received in respect of a factory. This matter has been stayed by the High Court of Karnataka for invalid and non-substantiated charges by the Pollution Control Board and referred the matter to the Lower Court. The matter is currently pending in the Lower Court.

**Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1.	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes. Some organisations are : The Bengal Chamber of Commerce & Industry, Tea Board – Kolkata, Cochin Chamber of Commerce and Industry, Indian Chamber of Commerce and Industry, Guwahati Tea Auction Centre, Siliguri Tea Auction centre, National Institute of Personnel Management, National Safety Council, Kerala State Productivity Council, Bombay Chamber of Commerce, Bangalore Chamber of Industry and Commerce, Indian Tea Association - Kolkata, Confederation of Indian Industries(CII).
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas.	Yes. Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles.

**Principle 8 - Businesses should support inclusive growth and equitable development**

1.	Does the Company have specified programmes /initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company's BR initiatives /projects undertaken pursuant to Section 135 of the Companies Act, 2013 support inclusive growth. Additionally, the Company abides by the Tata Group Affirmative Action Policy, details of which are given in Annexure 1 to the Board's report
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?	Please refer Annexure 1 to the Board's Report for details.
3.	Have you done any impact assessment of your initiative?	Yes.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	Rs. 7.79 Crores u/s 135 of Companies Act. For more details please refer Annexure 1 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 top Management and the Board of Directors. Affirmative Action initiatives have been evaluated through impact assessment. The feedback loop provides the basis for which the deployment of programmes is continuously improved.

**Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	9.1% of consumer complaints were pending as on 31 <sup>st</sup> March 2017.
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)	Some of our products contain information over and above that is mandated as per local laws.
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	None
4. Did your Company carry out any consumer survey/ consumer satisfaction trends?	Yes



## Dividend Distribution Policy

### 1. Scope and Purpose of this Policy

The Securities Exchange Board of India ("SEBI") on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy.

Tata Global Beverages Limited (TGBL) being one of the top five hundred listed companies as per the market capitalization as on the last day of the immediately preceding financial year, frames this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 2. Objective of this Policy

The objective of this Policy is to lay down the parameters to be kept into consideration by the Board of Directors while declaring the dividend. It further ensures that the dividend payout is in line with long term strategic objective of the Company.

### 3. Parameters for declaration of dividend

The Board of Directors shall consider the following parameters for declaration of dividend:

- a. Standalone and Consolidated profitability of the Company
- b. Liquidity and outstanding borrowing position
- c. Future business plans of the Company
- d. Cash to be retained for future investments and outlays

- e. Changes in the external environment impacting the business

In addition to above, the dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

### 4. General

- a. Based on the above parameters, the Board of Directors may declare interim dividend(s) as and when they consider it fit, and recommend final dividend to the shareholders for their approval in the general meeting of the Company.
- b. In case the Board of Directors proposes not to distribute the profit in any year; the grounds thereof shall be disclosed to the shareholders in the Annual Report of the Company.
- c. The retained earnings will be utilized in accordance with the applicable provisions of the Companies Act 2013, the applicable Rules thereunder, SEBI regulations and the Articles of Association of the Company.
- d. The Company presently has only one class of shares namely Equity Shares of Re. 1 each.
- e. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

# Independent Auditors' Report

## TO THE MEMBERS OF TATA GLOBAL BEVERAGES LIMITED

### Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of Tata Global Beverages Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Other Matter

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards)

Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 24, 2016 and May 28, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

### Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone Ind AS financial statements – Refer Note 30;
  - ii. The Company has made provision as at March 31, 2017, 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 during the year ended March 31, 2017;
  - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. However, as stated in Note 36 to the standalone Ind AS financial statements, transactions amounting to Rs.149,500 as represented to us by the Management have been received in non-permitted Specified Bank Notes.

For **Lovelock & Lewes**

Firm Registration Number: 301056E

Chartered Accountants

**Dibyendu Majumder**

Partner

Membership Number: 057687

Place: Mumbai

Date: May 30, 2017

# Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Tata Global Beverages Limited on the standalone Ind AS financial statements for the year ended March 31, 2017

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Tata Global Beverages Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

2. 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 (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 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 Act.

## Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.

4. 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.
5. 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

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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

8. In our opinion, 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, 2017, 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.

For **Lovelock & Lewes**

Firm Registration Number: 301056E

Chartered Accountants

**Dibyendu Majumder**

Partner

Membership Number: 057687

Place: Mumbai

Date: May 30, 2017

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Tata Global Beverages Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3 and Note 4 on Property, Plant and Equipment and Investment Property to the standalone Ind AS financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs, duty of excise which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, value added tax and cess as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (In Crores)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	2.1	2004-05, 2007-08, 2008-09, 2010-11, 2012-13, 2014-15, 2015-16	Commissioner of Income Tax (Appeals), Kochi
Income Tax Act, 1961	Income Tax	0.01(*)	2007-08 and 2009-10	Income Tax Appellate Tribunal, New Delhi
Kerala General Sales Tax Act, 1963	Sales Tax	0.12	1998-99	Sales Tax Appellate Tribunal, Ernakulam
Kerala General Sales Tax Act, 1963	Sales Tax	0.44(*)	1996-97 to 2000-01, 2002-03	Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam
Kerala Value Added Tax, 2003	Value Added Tax	0.31(*)	2010-11	Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam
West Bengal Sales Tax Act, 1994	Sales Tax	0.02	1998-99 & 2000-01	The West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Central Sales Tax Act, 1956	Sales Tax	0.12	1998-99	Sales Tax Appellate Tribunal, Ernakulam
Central Sales Tax Act, 1956	Sales Tax	0.5(*)	1999-00, 2000-01, 2002-03, 2006-07 and 2011-12	Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam
Central Sales Tax Act, 1956	Sales Tax	0.01	2010-11	Joint Commissioner of Sales Tax, Maharashtra
Karnataka Sales Tax Act, 1957	Sales Tax	1.28	1997-98	The Supreme Court of India
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	0.57(*)	1998-99 to 2006-07	Madras High Court
Central Sales Tax Act, 1956	Sales Tax	2.08(*)	2010-11 to 2013-14	Deputy Commissioner Indore, Madhya Pradesh
West Bengal Value Added Tax Act, 2003	Value Added Tax	1.36	2007-08 & 2008-09	The West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Central Sales Tax Act, 1956	Sales Tax	0.24(*)	2014-15	Deputy Commissioner of Commercial Tax, Indore Div 2, Indore
Himachal Pradesh Value Added Tax Act, 2005	Value Added Tax	0.08(*)	2007-08	Additional Excise & Taxation Commissioner (Appeals) South Zone, Shimla
Maharashtra Value Added Tax Act, 2002	Value Added Tax	0.02	2008-09	Joint Commissioner of Sales Tax, Maharashtra
Karnataka Value Added Tax Act, 2003	Value Added Tax	0.06(*)	2006-07, 2009-10 and 2012-13	The Joint Commissioner (Appeals), Commercial Taxes, Karnataka
Goa Value Added Tax Act, 2005	Value Added Tax	0.01	2006-07	Commissioner of commercial taxes, Goa
Central Sales Tax Act, 1956	Sales Tax	0.05(*)	2012-13	Deputy Commissioner Appeals, Coimbatore
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	2.06	2010-11	The High Court of Madhya Pradesh
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	0.82(*)	2011-12	The Supreme Court of India

Name of the statute	Nature of dues	Amount (In Crores)	Period to which the amount relates	Forum where the dispute is pending
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	- (*)	2003-04, 2005-06 to 2011-12	The Supreme Court of India
Tamil Nadu Panchayat Act, 1994	Cess on Land Revenue	0.05	2000-2001 to 2002-2003	Madras High Court
Finance Act, 1994	Service Tax	1.46(*)	2005-06	Custom Excise & Service Tax Appellate Tribunal, Kolkata
Finance Act, 1994	Service Tax	0.11(*)	2013-14 and 2014-15	Commissioner Appeals, Bangalore
Finance Act, 1994	Service Tax	0.01	2008-09 and 2009-10	Commissioner Appeals, Kolkata
Finance Act, 1994	Service Tax	- (*)	April 2015 to June 2015	Assistant Commissioner-Central Excise and Customs-Kochi

(\*) Net of amount paid of Rs. 8.24 Crores.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Lovelock & Lewes**

Firm Registration Number: 301056E

Chartered Accountants

**Dibyendu Majumder**

Partner

Place: Mumbai

Date: May 30, 2017

Membership Number: 057687



# Balance Sheet

as at March 31, 2017

Rs. in Crores

	Note	2017	2016	April 1, 2015
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	3	197.76	182.50	168.17
Investment Property	4	0.69	0.71	0.73
Capital work-in-progress		11.50	10.10	11.28
Intangible Assets	5	16.03	16.05	24.43
Financial Assets				
Investments	6	2903.97	2624.49	3055.36
Loans	7	24.73	24.75	30.68
Other Financial Assets	8	21.07	20.47	21.64
Deferred Tax Assets (Net)	20	38.86	73.61	28.30
Non-Current Tax Assets (Net)	20	62.89	44.64	33.28
Other Non-Current Assets	9	76.69	74.29	74.30
		<b>3354.19</b>	<b>3071.61</b>	<b>3448.17</b>
<b>Current Assets</b>				
Inventories	10	764.19	890.00	819.59
Financial Assets				
Investments	6	67.70	173.33	10.92
Trade Receivables	11	99.62	109.70	83.11
Cash and Cash Equivalents	12	13.76	59.57	4.13
Other Bank Balances	13	7.02	6.30	6.05
Loans	7	11.97	14.31	27.03
Other Financial Assets	8	26.80	40.09	32.80
Other Current Assets	9	53.23	54.48	39.22
		<b>1044.29</b>	<b>1347.78</b>	<b>1022.85</b>
		<b>4398.48</b>	<b>4419.39</b>	<b>4471.02</b>
<b>TOTAL ASSETS</b>				
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	14	63.11	63.11	61.84
Other Equity		3721.44	3373.57	3458.12
		<b>3784.55</b>	<b>3436.68</b>	<b>3519.96</b>
<b>Share Suspense Account</b>	14	-	-	1.27
<b>Non-Current Liabilities</b>				
Financial Liabilities				
Borrowings	15	-	-	357.48
Others Financial Liabilities	16	-	1.25	4.64
Provisions	17	130.87	177.87	114.02
		<b>130.87</b>	<b>179.12</b>	<b>476.14</b>
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	15	32.26	52.61	152.50
Trade Payables	18	244.33	174.92	133.37
Other Financial Liabilities	16	88.06	467.42	80.22
Other Current Liabilities	19	72.32	71.73	73.25
Provisions	17	46.09	36.91	34.31
		<b>483.06</b>	<b>803.59</b>	<b>473.65</b>
		<b>4398.48</b>	<b>4419.39</b>	<b>4471.02</b>
<b>TOTAL EQUITY AND LIABILITIES</b>				

The accompanying notes are an integral part of the Financial Statements.  
This is the Balance Sheet referred to in our Report of even date.

For **Lovelock & Lewes**Firm Registration No. 301056E  
Chartered Accountants**Dibyendu Majumder**Partner  
Membership No. 057687

Mumbai, May 30, 2017

For and on behalf of the Board

**Harish Bhat**  
Chairman  
(DIN 00478198)**Ajoy Misra**  
Managing Director  
(DIN 00050557)**John Jacob**  
Chief Financial Officer**V Leeladhar**  
Director  
(DIN 02630276)**L KrishnaKumar**  
Executive Director  
(DIN 00423616)**V Madan**  
Company Secretary**Ranjana Kumar**  
Director  
(DIN 02930881)

# Statement of Profit and Loss

For the year ended March 31, 2017

Rs. in Crores

	Note	2017	2016
<b>INCOME</b>			
Revenue from Operations	21	3063.89	2986.79
Other Income	22	96.34	111.48
<b>Total Income</b>		<b>3160.23</b>	<b>3098.27</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	23	1867.72	1888.58
Purchases of Stock-in-trade		23.03	11.93
Change in Inventories of Finished Goods/Stock-in-trade/Work-in-progress	24	(1.79)	(3.92)
Employee Benefits Expense	25	187.82	168.62
Finance Costs	26	49.10	67.71
Depreciation and Amortisation Expense		23.70	22.79
Advertisement and Sales Charge		221.37	195.58
Other Expenses	27	403.09	366.88
<b>Total Expenses</b>		<b>2774.04</b>	<b>2718.17</b>
<b>Profit before Exceptional Items and Taxes</b>		<b>386.19</b>	<b>380.10</b>
Exceptional Items (Net)	28	-	(63.22)
<b>Profit before Tax</b>		<b>386.19</b>	<b>316.88</b>
<b>Tax Expenses</b>			
Current Tax		110.24	92.52
Deferred Tax		(0.05)	(2.13)
		<b>110.19</b>	<b>90.39</b>
<b>Profit for the year</b>		<b>276.00</b>	<b>226.49</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit plans		(26.88)	(11.33)
Changes in fair valuation of equity instruments		255.71	(135.96)
		<b>228.83</b>	<b>(147.29)</b>
Tax Impact on above items		9.14	3.92
		<b>237.97</b>	<b>(143.37)</b>
<b>Items that will be reclassified to profit or loss</b>			
Gains/(loss) on effective portion of cash flow hedges		3.38	(5.05)
Tax impact on above items		1.17	(1.75)
		<b>2.21</b>	<b>(3.30)</b>
<b>Total - Other Comprehensive Income for the year</b>		<b>240.18</b>	<b>(146.67)</b>
<b>Total Comprehensive Income for the year</b>		<b>516.18</b>	<b>79.82</b>
<b>Earnings per share</b>			
Equity share of nominal value Re. 1 each	35		
Basic and Diluted		4.37	3.59

The accompanying notes are an integral part of the Financial Statements.  
This is the Statement of Profit and Loss referred to in our Report of even date.

For **Lovelock & Lewes**

Firm Registration No. 301056E  
Chartered Accountants

**Dibyendu Majumder**

Partner  
Membership No. 057687

Mumbai, May 30, 2017

For and on behalf of the Board

**Harish Bhat**  
Chairman  
(DIN 00478198)

**Ajoy Misra**  
Managing Director  
(DIN 00050557)

**John Jacob**  
Chief Financial Officer

**V Leeladhar**  
Director  
(DIN 02630276)

**L KrishnaKumar**  
Executive Director  
(DIN 00423616)

**V Madan**  
Company Secretary

**Ranjana Kumar**  
Director  
(DIN 02930881)

# Statement of Changes in Equity

For the year ended March 31, 2017

## Equity Share Capital and Other Equity (Refer Note 14)

Rs. in Crores

Particulars	Equity Share Capital	Reserves and Surplus						Other Comprehensive Income			Total Other Equity
		Capital Reserve	Securities Premium Account	Debt Redemption Reserve	Contingency Reserve	Revaluation Surplus	General Reserve	Retained Earnings	Effective portion of cash flow hedge	Fair Value gain/(loss) on Equity Instruments	
<b>Balance as at April 1, 2015</b>	61.84	15.79	361.05	81.25	1.00	21.86	1059.34	1079.30	3.37	835.16	3458.12
<b>Profit for the year</b>							226.49				226.49
<b>Other Comprehensive Income</b>							(7.41)	(135.96)	(3.30)	(135.96)	(146.67)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	-	219.08	(3.30)	(135.96)	79.82
Shares issued during the year	1.27										
<b>Transaction with owners in their capacity as owners:</b>											
Dividends (including tax on dividend)								(164.37)			(164.37)
Realised gain on equity shares carried at Fair Value through Other Comprehensive Income								327.79		(327.79)	-
Transfer to Reserves										56.37	-
<b>Balance as at March 31, 2016</b>	63.11	15.79	361.05	81.25	1.00	21.86	1115.71	1405.43	0.07	371.41	3373.57
<b>Profit for the year</b>							276.00				276.00
<b>Other Comprehensive Income</b>							(17.58)		2.21	255.55	240.18
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	-	258.42	2.21	255.55	516.18
<b>Transaction with owners in their capacity as owners:</b>											
Dividends (including tax on dividend)								(168.31)			(168.31)
Transfer to Retained Earning				(81.25)				81.25			-
<b>Balance as at March 31, 2017</b>	63.11	15.79	361.05	-	1.00	21.86	1115.71	1576.79	2.28	626.96	3721.44

The accompanying notes are an integral part of the Financial Statements.

This is the Statement of Changes in Equity referred to in our Report of even date

### For Lovelock & Lewes

Firm Registration No. 301056E  
Chartered Accountants

### Dibyendu Majumder

Partner  
Membership No. 057687

Mumbai, May 30, 2017

For and on behalf of the Board

**Harish Bhat**  
Chairman  
(DIN 00478198)

**Ajoy Misra**  
Managing Director  
(DIN 00050557)

**John Jacob**  
Chief Financial Officer

**V Leeladhar**  
Director  
(DIN 02630276)

**L KrishnaKumar**  
Executive Director  
(DIN 00423616)

**V Madan**  
Company Secretary

**Ranjana Kumar**  
Director  
(DIN 02930881)

# Statement of Cash Flow

For the year ended March 31, 2017

Rs. in Crores

	2017	2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	386.19	316.88
Adjusted for :		
Depreciation and Amortisation	23.70	22.79
Dividend income	(72.86)	(97.99)
Unrealised foreign exchange (gain) / loss	1.64	(0.23)
Finance costs	49.10	67.71
Interest income	(20.64)	(12.04)
Profit on sale of Current Investment (net)	(2.58)	(0.14)
Impairment loss recognised in trade receivables	0.09	1.78
Liabilities no longer required written back	(4.03)	(18.09)
Provision for Doubtful Debts/Advances written back	(3.50)	-
(Profit) / Loss on sale of Property, Plant & Equipment (net)	0.78	(0.94)
Provision for Impairment / Obligations relating to Subsidiary	-	52.25
Other Exceptional items	-	10.97
	<b>(28.30)</b>	<b>26.07</b>
Operating Profit before Working Capital Changes	<b>357.89</b>	<b>342.95</b>
Adjustments for :		
Trade Receivables & Other Financial Assets	29.82	(59.24)
Inventories	125.81	(70.41)
Trade Payables & Other Financial Liabilities	83.91	59.84
	<b>239.54</b>	<b>(69.81)</b>
Cash generated from Operations	<b>597.43</b>	<b>273.14</b>
Direct Taxes paid (net)	<b>(90.53)</b>	<b>(141.52)</b>
<b>Net Cash from Operating Activities</b>	<b>506.90</b>	<b>131.62</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for Property, Plant and Equipment including Intangibles	(40.82)	(37.05)
Sale of Property, Plant and Equipment	0.13	3.45
Purchase of Non-Current Investments	-	(0.31)
Sale of Non-Current Investments carried at Fair value through OCI	-	336.64
Investments in Joint Ventures	(28.00)	(41.00)
Investment in Subsidiary	(74.41)	-
(Purchase) / Sale of Current Investments (net)	108.21	(162.36)
Dividend Income received	72.86	97.99
Interest Income received	19.45	7.48
Inter Corporate Loans and Deposits (net)	3.00	12.75
<b>Net Cash from Investing Activities</b>	<b>60.42</b>	<b>217.59</b>

Rs. in Crores

	2017	2016
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Redemption of Debentures (including premium)	(397.54)	-
Working capital facilities (net)	(19.50)	40.00
Dividend paid	(142.00)	(142.00)
Dividend tax paid	(26.30)	(22.36)
Finance Cost paid	(26.94)	(29.52)
<b>Net Cash used in Financing Activities</b>	<b>(612.28)</b>	(153.88)
Net increase / (decrease) in Cash and Cash Equivalents	<b>(44.96)</b>	195.33
<b>D. CASH AND CASH EQUIVALENTS BALANCES</b>		
Balances at the beginning of the year	<b>46.96</b>	(148.37)
<b>Balances at the end of the year</b>	<b>2.00</b>	46.96
<b>Cash and Cash Equivalent comprises of:</b>		
Cash/Cheques in hand	<b>0.02</b>	0.02
Bank Balances in Current Account	<b>1.98</b>	46.94
<b>Balances at the end of the year</b>	<b>2.00</b>	46.96

The accompanying notes are an integral part of the Financial Statements.  
This is the Statement of Cash Flow referred to in our Report of even date.

For **Lovelock & Lewes**  
Firm Registration No. 301056E  
Chartered Accountants

**Dibyendu Majumder**  
Partner  
Membership No. 057687

Mumbai, May 30, 2017

For and on behalf of the Board

**Harish Bhat**  
Chairman  
(DIN 00478198)

**Ajoy Misra**  
Managing Director  
(DIN 00050557)

**John Jacob**  
Chief Financial Officer

**V Leeladhar**  
Director  
(DIN 02630276)

**L KrishnaKumar**  
Executive Director  
(DIN 00423616)

**V Madan**  
Company Secretary

**Ranjana Kumar**  
Director  
(DIN 02930881)

# Notes to Financial Statements

## 1. General Information

Tata Global Beverages Limited (“the Holding 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 Tea, Coffee and Water. The group has branded beverage business operations mainly in India, Europe, US, Canada and Australia, plantation business in India/Sri Lanka and extraction business mainly in India and US.

The Holding Company is a public limited company incorporated and domiciled in India and has its registered office at Kolkata, West Bengal, India. The Holding 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, 2017 were approved for issue by Company’s board of directors on May 30, 2017.

## 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) Basis of preparation and presentation of financial statements

#### (i) Accounting convention

The financial statements are prepared in accordance with and in compliance, in all material aspect 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, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provision of the Act.

For all periods upto and including the year ended March 31, 2016, the company prepared its financial statements in accordance with the Accounting Standards earlier notified under Section 133 of the Companies Act, 2013, read together with Companies (Accounts) Rules, 2014 (Indian GAAP).

These are the Company’s first annual financial statements prepared in accordance with Ind AS. The Company has adopted all applicable standards and adoptions were carried out in accordance with Ind AS 101 – First time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 45 of these financials.

#### (ii) 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.

### (b) 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 (Rs.), 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 translated at the exchange rate prevalent at the date of transaction.

## Notes to Financial Statements

### (c) 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 loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent expenditure related to an item of fixed asset are added to its book value only when it is probable that the 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 replaced asset is 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 assets 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 technical evaluation of the asset. Cost incurred on assets under development are disclosed under capital work-in-progress and not depreciated till the asset is ready to use.

The residual values and useful lives 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 the 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 or useful life
Buildings	30 to 60 years
Plant and Machinery	15 to 25 years
Furniture and Fixtures	7 to 16 years
Computer, Printers and other Office Equipments	4 years
Air Conditioners	10 years
Vehicles	8 to 10 years

### (d) 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 Company recognises Tea bushes and shade trees as bearer plant, bearer plants with further classification as mature bearer plants and immature bearer plants. Mature bearer plants are those that have attained harvestable stage.

Bearer assets are carried at historical cost of acquisition less accumulated depreciation and impairment loss, 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 in 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 Financial Statements

## (e) 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. These are 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.

## (f) Intangible Assets

### (i) Patent / knowhow

Product development cost incurred on new products having enduring benefits is recognised as Intangible Assets and are amortised over a period of 10 years.

### (ii) Non-compete fees

Non-compete fees paid on acquisition of business is being amortised over a period of 10 years.

### (iii) 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 software product development costs, related employee costs and an appropriate portion of relevant overheads. Other expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Computer software development costs recognised as assets are amortised over their estimated useful lives, which range between 3 to 5 years.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 5 years.

## (iv) Research and Development

Research expenditure is recognised in the statement of profit and loss as 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 Company has the intent and the resources to complete the project. Development assets are amortised based on the estimated useful life, as appropriate.

## (g) Impairment of tangible and intangible assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest possible levels for which there are independent cash inflows (cash-generating units). Prior impairment of non-financial assets (other than goodwill) are reviewed for possible reversal 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.

## (h) 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.



# Notes to

## Financial Statements

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.

### (i) **Financial Instruments** **Financial assets**

The Company classifies its financial assets in the following categories:

- i) **Financial assets at amortised cost-** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

These are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently, if maturing after 12 months period, using the effective interest method, less any impairment loss.

Debt instruments which do not meet the criteria of amortised cost are measured at fair value and classified as fair value through profit and loss or through other comprehensive income, as applicable.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances.

- ii) **Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)**  
- All equity investments are measured at fair values. Investments which are not held for trading purposes and where the Company has exercised the option to classify the investment as Fair Value through other comprehensive income ('FVTOCI'), all fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments.

- iii) **Financial assets at Fair Value through Profit and Loss (FVTPL)** – Financial assets which are not classified in any of the categories above are fair valued through profit or loss (FVTPL).

- iv) **Impairment of financial assets** - The Company assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Company's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### **Financial liabilities**

#### **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and in case of loans and borrowings net of directly attributable costs.

Financial liabilities are subsequently measured at amortised cost using effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these instruments.

#### **Investment in Subsidiaries, Associates and Joint Ventures**

Investment in subsidiaries, associates and joint ventures are accounted at cost in the separate financial statements.

#### **Derivative financial instruments and hedging activities**

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of

## Notes to Financial Statements

recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The company designates certain derivatives as either:

- (a) hedges of the fair value of recognised assets or liabilities (fair value hedge); or
- (b) hedges of a particular risk associated with a firm commitment or a highly probable forecast transaction (cash flow hedge).

The company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

Movements in the hedging reserve are accounted in other comprehensive income and are shown within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is for more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is for 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, swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecasted hedged transaction is ultimately recognised in the statement of profit and 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).

(j) **Inventories**

Raw materials, traded and finished goods are stated at the lower of cost and net realisable value. Stores

## Notes to Financial Statements

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 in which case, cost is considered as actual cost for each lot. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition, where applicable, include appropriate overheads based on normal level of activity. Agricultural produce included within inventory largely comprises stock of tea and in accordance with Ind AS 41, on initial recognition, agricultural produce is required to be measured at fair value less estimated point of sale costs.

Provision is made for obsolescence and other anticipated losses wherever considered necessary.

### (k) 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 any shortfall in the fund assets, based on the government specified minimum rates of return, such contribution and shortfall, if any, is 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 Company are determined through independent actuarial valuation

at year end and charge recognised in the statement of profit and loss. Interest costs on defined benefit plans 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. Remeasurements 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.

### (l) Provisions

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.

# Notes to Financial Statements

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.

## (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/deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

### iii) Minimum Alternate Tax:

According to section 115JAA of the Income Tax Act, 1961, Minimum Alternative Tax ('MAT') paid over and above the normal income tax in a subject year is eligible for carry forward for fifteen succeeding assessment years for set-off against normal income tax liability. The MAT credit asset is assessed against the Company's normal income tax during the specified period.

## (n) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts inclusive of excise duty receivable for goods supplied, stated net of discounts, returns and value

added taxes. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### i) Sale of goods and services

Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract, which generally coincides with the delivery of the product. Income and fees from services are accounted as per terms of relevant contractual agreements /arrangements. The products are often sold with sales related discounts such as volume discounts, customer rebates, trade support and listing costs and consumer promotional activities as billed by customers. Sales are recorded based on the price specified in the sales contracts, net of the estimated discounts/rebates and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns.

### ii) Interest income and Dividend Income

Interest income is recognised 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 loans and receivables is recognised using the original effective interest rate.

Dividend income is recognised when the right to receive payment is established. Income from investments are accounted on an accrual basis.

## (o) Government Grant

Government grants including any non-monetary grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

# Notes to

## Financial Statements

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the related costs, for 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 are recognised as deferred income.

**(p) Leases**

**As a lessee**

Lease of assets, where the Company, as a lessee, has substantially assumed all the risks and rewards of ownership are classified as finance leases. Assets acquired on finance lease are capitalised and depreciated as per Company's policy on Property, Plant and Equipment. Finance lease are measured at the lease's inception at the lower of fair value of the leased property and the present value of the minimum lease payments. The corresponding lease rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability 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 year.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**As a lessor**

Lease income from operating leases where the company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

**(q) Borrowing Costs**

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection

with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

**(r) Exceptional Items**

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

**(s) Earnings per share**

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

**(t) Segment Reporting**

Segments are identified based on the manner in which the Company's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

**(u) Contingent Liabilities**

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

## Notes to Financial Statements

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.

**(v) Cash and cash equivalents**

Cash and cash equivalents for the purpose of presentation in the statement of cash flow, comprises of cash at bank, in hand, bank overdrafts 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 which are subject to an insignificant risk of changes in value.

**(w) Offsetting instruments**

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 amount 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 counter-party.

**(x) 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.

**(y) 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 ongoing 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 periods.

**The areas involving critical estimates or judgements are:**

**1. Depreciation and amortisation**

Depreciation and amortisation is based on management's estimate 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.

**2. Employee Benefits**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using various assumptions. One of the critical assumptions used in determining the net cost (income) for these obligations include the discount rate. Any changes in these assumptions will impact the carrying amount of retirement benefit obligations.

**3. 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 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.

**(z) Recent accounting pronouncements**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards)

# Notes to Financial Statements

(Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based payment'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share-based payment', respectively. The amendments are applicable from April 1, 2017.

#### **Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The Company will analyse the impact on Statement of Cash Flow and the notes to the financial statements.

#### **Amendment to Ind AS 102:**

The Ind AS 102, 'Share-based payment' is not applicable to the Company.

#### **(aa) Transition to Ind AS**

For the purpose of reporting as set out in Note 2(a), Basis of preparation and presentation of financial statements, we have transitioned our basis of accounting from Indian Generally Accepted Accounting Principles ("IGAAP") to Indian Accounting Standards (Ind AS). The significant accounting policies as disclosed in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and opening statement of financial position as at April 1, 2015 (the "transition date").

In preparing the opening Ind AS statement of financial position, the Company has made adjustments to amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in Note 45. On transition, the Company did not revise estimates previously made under IGAAP except where required by Ind AS.

# Notes to Financial Statements

## 3. Property, Plant and Equipment

Rs. in Crores

	Land @	Buildings @	Plant & Equipment @	Furniture, Fixtures & Office Equipment	Motor Vehicles	Total
<b>Cost</b>						
<b>As at April 1, 2015</b>	<b>7.37</b>	<b>47.84</b>	<b>215.42</b>	<b>40.28</b>	<b>4.43</b>	<b>315.34</b>
Additions	-	4.38	26.48	2.73	0.40	33.99
Disposals	-	(1.40)	(15.21)	(0.27)	(0.08)	(16.96)
<b>At March 31, 2016</b>	<b>7.37</b>	<b>50.82</b>	<b>226.69</b>	<b>42.74</b>	<b>4.75</b>	<b>332.37</b>
Additions	-	1.70	27.94	4.69	0.19	34.52
Disposals	-	-	(5.44)	(0.27)	(0.56)	(6.27)
<b>At March 31, 2017</b>	<b>7.37</b>	<b>52.52</b>	<b>249.19</b>	<b>47.16</b>	<b>4.38</b>	<b>360.62</b>
<b>Accumulated depreciation</b>						
<b>As at April 1, 2015</b>	<b>-</b>	<b>13.81</b>	<b>113.94</b>	<b>17.06</b>	<b>2.36</b>	<b>147.17</b>
Depreciation expense	-	1.02	12.50	3.39	0.24	17.15
Disposals	-	(0.53)	(13.59)	(0.26)	(0.07)	(14.45)
<b>At March 31, 2016</b>	<b>-</b>	<b>14.30</b>	<b>112.85</b>	<b>20.19</b>	<b>2.53</b>	<b>149.87</b>
Depreciation expense	-	1.14	13.80	3.48	0.33	18.75
Disposals	-	-	(5.09)	(0.21)	(0.46)	(5.76)
<b>At March 31, 2017</b>	<b>-</b>	<b>15.44</b>	<b>121.56</b>	<b>23.46</b>	<b>2.40</b>	<b>162.86</b>
<b>Net carrying value as at March 31, 2017</b>	<b>7.37</b>	<b>37.08</b>	<b>127.63</b>	<b>23.70</b>	<b>1.98</b>	<b>197.76</b>
Net carrying value as at March 31, 2016	7.37	36.52	113.84	22.55	2.22	182.50
Net carrying value as at April 1, 2015	7.37	34.03	101.48	23.22	2.07	168.17

- On transition to Ind AS as at April 1, 2015, the Company has elected to measure all its property, plant and equipment at the previous GAAP's carrying value.
- 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 restructure of its South India Plantation Operation in 2005.
- Cost of Buildings include **Rs. 5.90 Crores** (31 March 2016 - Rs. 5.90 Crores, 1 April 2015 - Rs. 5.90 Crores) represented by shares in Co-operative Housing Societies / a Company.
- (@) Includes amount of **Rs. 1.26 Crores** (31 March 2016 - Rs. 1.26 Crores, 1 April 2015 - Rs.1.26 Crores ), **Rs.0.62 Crores** (31 March 2016 - Rs. 0.62 Crores, 1 April 2015 - Rs. 0.62 Crores ), **Rs. 0.08 Crores** (31 March 2016 - Rs. 0.08 Crores, 1 April 2015 - Rs. 0.08 Crores), respectively, jointly owned / held with a subsidiary company.
- Land includes leasehold land amounting to **Rs. 0.17 Crores** (31 March 2016: Rs. 0.17 Crores, 1 April 2015: Rs. 0.17 Crores).



# Notes to Financial Statements

## 4. Investment Property

Rs. in Crores

	2017	2016
<b>Cost</b>		
Opening Balance	1.02	1.02
Closing Balance	<b>1.02</b>	<b>1.02</b>
<b>Accumulated Depreciation</b>		
Opening Balance	0.31	0.29
Depreciation expense	0.02	0.02
Closing Balance	0.33	0.31
<b>Net Book Value</b>	<b>0.69</b>	<b>0.71</b>
<b>Amount recognised in the Statement of Profit and Loss for Investment Property:</b>		
Rental Income	0.08	0.06
Profit from investment property before depreciation	0.08	0.06
Depreciation/Amortisation for the year	(0.02)	(0.02)
Profit/(loss) from Investment Property	<b>0.06</b>	<b>0.04</b>

- On transition to Ind AS as at April 1, 2015, the Company has elected to measure its Investment Property at the previous GAAP's carrying value.
- Fair valuation of the Investment Property as at March 31, 2017 is **Rs. 4.80 Crores** based on valuation (Sales Comparable Approach- Level 2) by a recognised independent valuer. There is no material change in the fair value as compared to the previous year.

## 5. Intangible Assets

Rs. in Crores

	Capitalised Software	Patent/ Knowhow	Non Compete Fees	Total
<b>Cost</b>				
<b>As at April 1, 2015</b>	<b>24.61</b>	<b>17.63</b>	<b>3.00</b>	<b>45.24</b>
Additions	4.24	-	-	4.24
Disposals	-	-	-	-
<b>At March 31, 2016</b>	<b>28.85</b>	<b>17.63</b>	<b>3.00</b>	<b>49.48</b>
Additions	4.91	-	-	4.91
Disposals	-	-	-	-
<b>At March 31, 2017</b>	<b>33.76</b>	<b>17.63</b>	<b>3.00</b>	<b>54.39</b>
<b>Accumulated Amortisation</b>				
<b>As at April 1, 2015</b>	<b>13.04</b>	<b>5.42</b>	<b>2.35</b>	<b>20.81</b>
Amortisation expense	3.56	1.76	0.30	5.62
Disposals	-	-	-	-
Impairment charge	-	7.00	-	7.00
<b>At March 31, 2016</b>	<b>16.60</b>	<b>14.18</b>	<b>2.65</b>	<b>33.43</b>
Amortisation expense	4.05	0.58	0.30	4.93
Disposals	-	-	-	-
<b>At March 31, 2017</b>	<b>20.65</b>	<b>14.76</b>	<b>2.95</b>	<b>38.36</b>
<b>Net carrying value as at March 31, 2017</b>	<b>13.11</b>	<b>2.87</b>	<b>0.05</b>	<b>16.03</b>
Net carrying value as at March 31, 2016	12.25	3.45	0.35	16.05
Net carrying value as at April 1, 2015	11.57	12.21	0.65	24.43

- On transition to Ind AS as at April 1, 2015, the Company has elected to measure all its intangibles at the previous GAAP's carrying value.
- The Company during 2015-16 had recognised an impairment loss in the carrying value of its Patent/Knowhow. The impairment arose on account of revision in the business plans with lower than expected economic benefits over its estimated useful life.

# Notes to Financial Statements

## 6. Investments

Rs. in Crores

	2017	2016	April 1, 2015
<b>Non-current Investments</b>			
Quoted Equity Instruments	841.39	586.44	1054.66
Quoted Debentures	-	-	4.05
Unquoted Equity Instruments	1944.94	1916.18	1875.18
Unquoted Preference Shares	117.64	121.87	121.47
Unquoted Debentures	0.00	0.00	0.00
Unquoted Government Securities	0.00	0.00	0.00
	<b>2903.97</b>	<b>2624.49</b>	<b>3055.36</b>
<b>Current Investments</b>			
Mutual Funds	67.70	173.33	10.92
	<b>67.70</b>	<b>173.33</b>	<b>10.92</b>
<b>Total Investments</b>	<b>2971.67</b>	<b>2797.82</b>	<b>3066.28</b>
Market Value of Quoted Investments	2032.08	1389.03	1875.27
Aggregate amount of Unquoted Investments	2130.28	2211.38	2007.57
Aggregate amount of Quoted Investments	841.39	586.44	1058.71
Aggregate Amount of Impairment in Value of Investments (Refer Note 33)	132.86	58.45	24.91

### Non-Current Investments

#### Quoted Equity Instruments

Carried at Fair Value through Other Comprehensive Income:

	Face Value	Nos.			Rs. in Crores		
		2017	2016	2015	2017	2016	April 1, 2015
Tata Chemicals Ltd	Rs. 10	11185522	11185522	11185522	669.85	417.49	494.39
The Indian Hotels Co Ltd	Re. 1	-	-	1687742	-	-	19.72
Tata Motors Ltd	Rs. 2	-	-	116665	-	-	6.42
Tata Motors Ltd	Rs. 2	-	-	16665	-	-	0.55
Tata Investment Corporation Ltd	Rs. 10	158469	158469	160000	10.03	7.44	9.17
Tata Steel Ltd	Rs. 10	-	-	12021	-	-	0.38
Titan Company Ltd	Re. 1	-	-	9248060	-	-	362.52
SBI Home Finance Ltd.	Rs. 10	100000	100000	100000	-	-	-
					<b>679.88</b>	<b>424.93</b>	<b>893.15</b>

A part of the investment in Tata Chemicals Ltd (3723648 shares) were pledged against 3% Non-Convertible privately placed debentures, the said debentures were repaid during the year.

Carried at Cost:

	Face Value	Nos.			Rs. in Crores		
		2017	2016	2015	2017	2016	April 1, 2015
<b>Investment in Subsidiary</b>							
Tata Coffee Ltd *	Re. 1	107359820	107359820	107359820	161.51	161.51	161.51
					<b>161.51</b>	<b>161.51</b>	<b>161.51</b>
<b>Total Quoted Equity Instruments</b>					<b>841.39</b>	<b>586.44</b>	<b>1054.66</b>

\* Inclusive of **Rs. 21.86 Crores** (31 March 2016: Rs. 21.86 Crores, 1 April 2015: Rs. 21.86 Crores) kept in Revaluation Reserve.

# Notes to Financial Statements

## Quoted Debentures

Carried at Fair Value through Other Comprehensive Income:

	Face Value	Nos.			Rs. in Crores		
		2017	2016	2015	2017	2016	April 1, 2015
The Indian Hotels Co Ltd.	Rs. 55	-	-	379741	-	-	4.05
					-	-	<b>4.05</b>

## Unquoted Equity Instruments

Carried at Fair Value through Other Comprehensive Income:

	Face Value	Nos.			Rs. in Crores		
		2017	2016	2015	2017	2016	April 1, 2015
Tata Sons Ltd. \$	Rs. 1000	1755	1755	1755	9.75	9.75	9.75
Tata Capital Ltd.	Rs. 10	613598	613598	613598	2.25	1.85	1.85
Tata Services Ltd.	Rs. 1000	475	475	475	0.05	0.05	0.05
Tata Industries Ltd. \$	Rs. 100	6519441	6519441	6519441	115.82	115.82	115.82
Taj Air Ltd.	Rs. 10	4200000	4200000	4200000	-	-	-
The Annamallais Ropeways Co Ltd.	Rs. 100	2092	2092	2092	-	-	-
ABC Tea Workers Welfare Services	Rs. 10	20000	20000	20000	0.02	0.02	0.02
Assam Hospitals Ltd	Rs. 10	200000	200000	200000	3.01	2.57	2.57
The Valparai Co-operative Wholesale Stores Ltd.	Rs. 10	350	350	350	-	-	-
Suryakiran Apartment Services Private Ltd	Rs. 10	2146	2146	2146	0.00	0.00	0.00
Jalpaiguri Club Ltd. (Cost Re. 1)	Rs. 10	60	60	60	0.00	0.00	0.00
GNRC Ltd	Rs. 10	50000	50000	50000	0.18	0.18	0.18
IFCI Venture Capital Funds Ltd	Rs. 10	250000	250000	250000	0.74	0.82	0.82
Ritspin Synthetics Ltd	Rs. 10	100000	100000	100000			
TEASERVE (The Tamil Nadu Tea Manufacturers' Service Industrial Co-operative Society Ltd)	Rs. 5000	1	1	1	0.00	0.00	0.00
Woodlands Hospital & Medical Res. Centre Ltd.	Rs. 10	12280	12280	12280	0.00	0.00	0.00
					<b>131.83</b>	<b>131.07</b>	<b>131.07</b>

\$ Costs of these unquoted equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

# Notes to Financial Statements

## Unquoted Equity Instruments

Carried at cost:

	Face Value	Nos.			Rs. in Crores		
		2017	2016	2015	2017	2016	April 1, 2015
<b>Investment in Subsidiaries:</b>							
Tata Tea Extractions Inc	US\$ 1	14000000	14000000	14000000	59.80	59.80	59.80
Tata Global Beverages Group Ltd.	GBP1	70666290	70666290	70666290	500.71	500.71	500.71
Tata Global Beverages Capital Ltd.	GBP 1	89606732	89606732	89606732	763.89	763.89	763.89
Consolidated Coffee Inc.	US\$ 0.01	199	199	199	92.49	92.49	92.49
Zhejiang Tata Tea Extraction Company Ltd. (&)					-	-	-
Tata Tea Holdings Private Limited	Re. 1	50000	50000	50000	0.05	0.05	0.05
<b>Investment in Associates :</b>							
Estate Management Services (Pvt) Ltd. (^)	LKR 10	12078406	12078406	12078406	14.57	14.57	14.57
Amalgamated Plantations Pvt Ltd.	Rs. 10	61024400	61024400	61024400	61.02	61.02	61.02
Kanan Devan Hills Plantations Company (Pvt.) Ltd.	Rs. 10	3976563	3976563	3976563	12.33	12.33	12.33
TRIL Constructions Limited	Rs. 10	11748148	11748148	11748148	11.75	11.75	11.75
<b>Investment in Joint Ventures :</b>							
NourishCo Beverages Limited *	Rs. 10	106500000	90500000	77500000	106.50	90.50	77.50
Tata Starbucks Private Limited *	Rs. 10	190000000	178000000	150000000	190.00	178.00	150.00
					<b>1813.11</b>	<b>1785.11</b>	<b>1744.11</b>
<b>Total Unquoted Equity Instruments</b>					<b>1944.94</b>	<b>1916.18</b>	<b>1875.18</b>

& During the financial year 2016-17, the Company has invested an amount of **Rs. 74.41 Crores** towards equity capital of Zhejiang Tata Tea Extractions Company Limited (ZTTECL). The revised shareholding post this infusion in ZTTECL stands at 89.75%. This investment is held for sale as at March 31 2017.

^ Sale of these investments requires first offer of sale to the venture partners.

\* During the financial year 2016-17, the Company has invested an amount of **Rs. 16 Crores** towards issue of equity shares by NourishCo Beverages Limited and **Rs. 12 Crores** towards issue of equity shares by Tata Starbucks Private Limited. Both these Companies are 50:50 Joint Ventures.

Investment in subsidiaries, joint ventures and associates are carried at cost (Refer Note 45).

## Unquoted Preference Shares

	Face Value	Nos.			Rs. in Crores		
		2017	2016	2015	2017	2016	April 1, 2015
<b>Investment in Associates</b>							
Amalgamated Plantations Pvt Ltd.	Rs. 10	67000000	67000000	67000000	50.89	55.12	54.72
TRIL Constructions Limited	Rs. 10	66751852	66751852	66751852	66.75	66.75	66.75
<b>Others</b>							
Thakurbari Club Ltd (Cost Re 1)	Rs. 100	26	26	26	0.00	0.00	0.00
					<b>117.64</b>	<b>121.87</b>	<b>121.47</b>
<b>Total Unquoted Preference Shares</b>					<b>117.64</b>	<b>121.87</b>	<b>121.47</b>

Investment in preference shares of Amalgamated Plantation Pvt. Ltd, are redeemable with a special redemption premium, on fulfilment of certain conditions, within 10-12 years from the date of the issue and are designated as fair value through profit and loss. Preference shares of TRIL Construction Ltd are non-cumulative and mandatorily fully convertible within six years from the issue date, the same is carried at cost.

# Notes to Financial Statements

## Unquoted Debentures and Government Securities

Carried at Fair Value through Other Comprehensive Income:

	Face Value	Nos.			Rs. in Crores		
		2017	2016	2015	2017	2016	April 1, 2015
<b>Unquoted Debentures</b>							
The Bengal Chamber of Commerce & Industry - 6 ½% Debentures	Rs. 1000	7	7	7	0.00	0.00	0.00
Shillong Club Ltd - 5% Debentures - (Cost Rs. 2)	Rs. 100	31	31	31	0.00	0.00	0.00
					<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Unquoted Government Securities:</b>							
W.B. Estates Acquisition Compensation Bond					0.00	0.00	0.00
					<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## Current Investments:

	No. of Units			Rs. in Crores			
	2017	2016	2015	2017	2016	April 1, 2015	
<b>Unquoted Mutual Funds</b>							
DSP Blackrock Liquidity Fund - Direct Plan Growth	68869	-	-	16.02	-	-	
AXIS Liquid Fund -Direct-Growth	88874	-	-	16.03	-	-	
ICICI Prudential Liquid Fund - Direct - Growth	270449	-	-	6.51	-	-	
UTI Liquid Cash Plan - Direct - Growth	52641	-	-	14.02	-	-	
Tata Ultra Short Term Fund -Direct-Growth	40570	-	-	10.07	-	-	
DSP Blackrock Ultra Short Term Fund- Direct - Growth	4245311	-	-	5.05	-	-	
DSP Blackrock Liquidity Fund-IP - Daily Dividend Reinvestment	-	150168	-	-	15.03	-	
HDFC Liquid Fund - Regular Plan - Daily Dividend Reinvestment	-	98229	-	-	10.02	-	
Kotak Floater Short Term - Daily Dividend Reinvestment	-	198075	-	-	20.03	-	
L&T Liquid Fund - Regular - Daily Dividend Reinvestment	-	69267	-	-	7.01	-	
ICICI Prudential Money Market Fund - Daily Dividend Reinvestment	-	2000950	-	-	20.04	-	
Tata Money Market Fund Direct Plan -A- Daily Dividend Reinvestment	-	290039	-	-	29.05	-	
UTI Money Market Fund - IP - Daily Dividend Reinvestment	-	219670	-	-	22.04	-	
Tata Ultra Short Term Fund - Daily Dividend Reinvestment	-	199840	-	-	20.05	-	
IDFC Ultra Short Term Fund - Direct	-	15005526	-	-	15.04	-	
Birla Sun Life Floating Rate Fund - LTP - Direct	-	149658	-	-	15.02	-	
Tata Liquid Fund SHIP - DDR	-	-	62833	-	-	7.00	
TFLG- Tata Floater Fund Growth	-	-	18688	-	-	3.92	
<b>Total Current Investments</b>				<b>67.70</b>	<b>173.33</b>	<b>10.92</b>	

## Notes to

### 7. Loans

Rs. in Crores

	2017	2016	April 1, 2015
<b>Non-Current</b>			
<b>(Secured and considered good)</b>			
Inter Corporate Loan to related party \$	24.00	24.00	29.97
<b>(Unsecured and considered good)</b>			
Employee Loans and Advances	0.73	0.75	0.71
<b>(Unsecured and considered doubtful)</b>			
Loan to Subsidiary	-	-	33.54
Less: Provision for Impairment	-	-	(33.54)
	<b>24.73</b>	<b>24.75</b>	<b>30.68</b>
\$ secured by mortgage of rights on immovable assets			
<b>Current</b>			
<b>(Unsecured and considered good, unless otherwise stated)</b>			
Inter Corporate Deposits *	10.75	13.75	26.50
Employee Loans and Advances	1.22	0.56	0.53
	<b>11.97</b>	<b>14.31</b>	<b>27.03</b>
<b>Total Loans</b>	<b>36.70</b>	<b>39.06</b>	<b>57.71</b>

\* Includes deposit of **Rs. 4.25 Crores** (31 March 2016: Rs. 4.75 Crores, 1 April 2015: Rs. 5 Crores) secured on mortgage of land.

\* Include deposits to related parties **Rs. 6.50 Crores** (31 March 2016: Rs. 9 Crores, 1 April 2015: Rs. 21.50 Crores).

### 8. Other Financial Assets

Rs. in Crores

	2017	2016	April 1, 2015
<b>Non-Current</b>			
<b>Considered Good</b>			
Security Deposits *	21.07	20.47	21.64
<b>Considered Doubtful</b>			
Security Deposits	0.29	0.29	0.29
Less: Provision for Doubtful Deposits	(0.29)	(0.29)	(0.29)
	<b>21.07</b>	<b>20.47</b>	<b>21.64</b>
<b>Current</b>			
<b>(Unsecured and considered good, unless otherwise stated)</b>			
Due from Related Parties	18.58	32.43	18.16
Insurance Claims Receivable	0.10	4.29	5.57
Interest Accrued	1.40	1.52	2.01
Export Incentive Receivable	3.24	1.75	1.90
Derivative Financial Assets	3.48	0.10	5.16
	<b>26.80</b>	<b>40.09</b>	<b>32.80</b>
<b>Total Other Financial Assets</b>	<b>47.87</b>	<b>60.56</b>	<b>54.44</b>

\* Includes deposit to related party **Rs. 1.23 Crores** (31 March 2016: Rs. 1.23 Crores, 1 April 2015: Rs. 1.23 Crores).

# Notes to Financial Statements

## 9. Other Assets

Rs. in Crores

	2017	2016	April 1, 2015
<b>Non-Current</b>			
<b>(Unsecured and Considered Good, unless otherwise stated)</b>			
Capital Advances	4.24	1.15	1.83
Property Rights Pending Development #	70.50	70.50	70.50
Advance Rent	1.95	2.64	1.97
	<b>76.69</b>	<b>74.29</b>	<b>74.30</b>
<b>Current</b>			
Prepaid Expenses	18.21	18.70	14.56
Taxes Receivable	18.46	16.55	9.33
Advance Rent	0.87	1.14	1.77
Other Trade Advances	15.69	18.09	13.56
<b>Considered Doubtful</b>			
Other Advances for Supply of Goods and Services	1.75	1.75	1.75
Less: Provision for Advances	(1.75)	(1.75)	(1.75)
	<b>53.23</b>	<b>54.48</b>	<b>39.22</b>
<b>Total Other Assets</b>	<b>129.92</b>	<b>128.77</b>	<b>113.52</b>

# Property Rights Pending Development represents constructed office space to be delivered to the Company by TRIL Constructions Limited, consequent to a development agreement entered in 2013-14.

## 10. Inventories

Rs. in Crores

	2017	2016	April 1, 2015
(At lower of cost or net realisable value)			
<b>Raw Material</b>			
Tea*	501.90	634.23	565.00
Packing Materials	39.23	34.92	34.94
	<b>541.13</b>	<b>669.15</b>	<b>599.94</b>
<b>Finished Goods</b>			
Tea	211.02	209.78	209.82
Others	3.34	3.24	0.55
	<b>214.36</b>	<b>213.02</b>	<b>210.37</b>
<b>Traded Goods</b>			
Formulations and Others	2.59	2.14	0.87
<b>Stores and Spare Parts</b>	6.11	5.69	8.41
	<b>764.19</b>	<b>890.00</b>	<b>819.59</b>

\* Raw material includes in-transit inventory of **Rs. 5.81 Crores** (31 March 2016 - Rs. 2.32 Crores; 1 April 2015 - Rs. 3.10 Crores).

Agricultural produce during the year comprised of tea - 2190 tonnes (31 March 2016 - 1696 tonnes).

## Notes to

### 11. Trade Receivables

Rs. in Crores

	2017	2016	April 1, 2015
<b>Unsecured</b>			
Considered Good*	99.62	109.70	83.11
Considered Doubtful	3.57	6.98	5.20
	<b>103.19</b>	<b>116.68</b>	<b>88.31</b>
Less : Allowance for Doubtful Debts	3.57	6.98	5.20
	<b>99.62</b>	<b>109.70</b>	<b>83.11</b>

\* Includes due from Related Parties - **Rs. 58.56 Crores** (31 March 2016 – Rs. 56.02 Crores, 1 April 2015 – Rs. 30.56 Crores).

Inventories and trade receivables have been hypothecated to banks for working capital facility availed.

### 12. Cash and Cash Equivalents

Rs. in Crores

	2017	2016	April 1, 2015
<b>Balances with banks:</b>			
Current Account	13.74	9.55	4.11
Deposit Account	-	50.00	-
<b>Cash/Cheques in hand</b>	0.02	0.02	0.02
	<b>13.76</b>	<b>59.57</b>	<b>4.13</b>

Cash and cash equivalents include the following for the purpose of the statement of cash flows:

	2017	2016	April 1, 2015
Cash and cash equivalents	13.76	59.57	4.13
Bank Overdraft	(11.76)	(12.61)	(152.50)
	<b>2.00</b>	<b>46.96</b>	<b>(148.37)</b>

### 13. Other Bank Balances

Rs. in Crores

	2017	2016	April 1, 2015
Unclaimed Dividend Account	7.02	6.30	6.05
	<b>7.02</b>	<b>6.30</b>	<b>6.05</b>

### 14. Equity Share Capital

Rs. in Crores

	2017	2016	April 1, 2015
<b>AUTHORISED</b>			
110,00,00,000 (31 March 2016 - 110,00,00,000, 1 April 2015 - 75,00,00,000) Equity Shares of Re. 1 each (Refer note c below)	110.00	110.00	75.00
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>			
63,11,29,729 (31 March 2016 - 63,11,29,729, 1 April 2015 - 61,83,98,570) Equity Shares of Re. 1 each, fully paid-up (Refer note c below)	63.11	63.11	61.84
	<b>63.11</b>	<b>63.11</b>	<b>61.84</b>



# Notes to Financial Statements

## a) The details of shareholders holding more than 5% shares as at March 31, 2017 is set out as below :

Name of shareholder	2017	2016	April 1, 2015
	No. of shares % of holding	No. of shares % of holding	No. of shares % of holding
Tata Sons Limited	142854570 22.63%	142854570 22.63%	142854570 23.10%
Life Insurance Corporation of India	57792481 9.16%	54416998 8.62%	31213954 5.05%
Tata Chemicals Limited	43175140 6.84%	43175140 6.84%	43175140 6.98%

## b) The reconciliation of the number of shares as at March 31, 2017 is set out below:

Particulars	2017	2016	April 1, 2015
Number of shares as at the beginning of the year	631129729	618398570	618398570
Add: Shares issued during the year consequent to amalgamation (Refer note c below)	-	12731159	-
Number of shares as at the end of the year	631129729	631129729	618398570

## c) Issue of Shares

Consequent to and as part of the amalgamation of the erstwhile Mount Everest Mineral Water Limited with the Company, the Authorised Share Capital of the Company stand increased to Rs. 110 Crores made up of 110,00,00,000 Equity Shares of Re. 1/- each with effect from May 18, 2015 (effective date of amalgamation). Pursuant to the amalgamation, the Company had issued 12731159 equity shares in 2015-16 which was earlier accounted under Share Suspense Account.

## d) 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.

## e) Dividend paid

	2017	2016
Dividend Paid (Rs. in Crores)	142.00	142.00
Dividend per share (Rs.)	2.25	2.25

The Board of Directors in its meeting held on May 30, 2017 has recommended a final dividend payment of Rs. 2.35 per Share for the financial year ended March 31, 2017. The Board has also approved transfer of 10 % of the year's profit to the General Reserve.

## f) Nature and Purpose of Reserve

### i. Capital Reserve

Capital Reserve had been created consequent to acquisition of certain plantation business.

### ii. Securities Premium Account

Securities Premium Account had been created consequent to issue of shares at premium. These reserves can be utilised in accordance with Section 52 of Companies Act, 2013.

### iii. Debenture Redemption Reserve

Debenture Redemption Reserve had been created in accordance with Section 71(4) of Companies Act, 2013.

### iv. Contingency Reserve

Contingency Reserve are in the nature of free reserves.

### v. Revaluation Reserve

Revaluation Reserve was created on acquisition of shares in Tata Coffee Limited (Refer Note 6).

## Notes to Financial Statements

### 15. Borrowings

Rs. in Crores

	2017	2016	April 1, 2015
<b>Non-Current</b>			
<b>Secured</b>			
3% Debentures	-	382.67	357.48
Less: Maturing in next 12 months	-	(382.67)	-
3250 units of 3% Non-convertible privately placed debentures of Rs. 0.10 crores each, redeemable at a premium of Rs. 223205 per debenture, were repaid during the year. These were secured by way of a first mortgage on certain immovable assets and partly by pledge of shares of certain companies held as investments by the Company.			
	-	-	<b>357.48</b>
<b>Current</b>			
<b>Loan From Banks - Unsecured</b>			
Working Capital Facilities	20.50	-	-
Bank Overdraft	-	-	72.24
<b>Loan From Banks - Secured</b>			
Working Capital Facilities	-	40.00	-
Bank Overdraft	11.76	12.61	80.26
Secured by way of hypothecation of raw materials, finished goods, stores and spares and book debts on pari passu basis			
	<b>32.26</b>	<b>52.61</b>	<b>152.50</b>
<b>Total Borrowings</b>	<b>32.26</b>	<b>52.61</b>	<b>509.98</b>

### 16. Other Financial Liabilities

Rs. in Crores

	2017	2016	April 1, 2015
<b>Non-Current</b>			
Derivative Financial Liability - Put Option #	-	1.25	4.64
	-	<b>1.25</b>	<b>4.64</b>
<b>Current</b>			
Unpaid Dividends *	7.02	6.30	6.05
Interest accrued but not due on borrowings	0.04	4.42	4.33
Security Deposits from Customers	38.17	34.98	33.01
Current maturities of Long-Term Debentures (Refer Note 45)	-	382.67	-
Others	42.83	39.05	36.83
	<b>88.06</b>	<b>467.42</b>	<b>80.22</b>
<b>Total Financial Liabilities</b>	<b>88.06</b>	<b>468.67</b>	<b>84.86</b>

# The Company had entered into a put option agreement with International Finance Corporation (IFC) in relation to their investment in Amalgamated Plantations Private Limited (APPL) under which IFC could exercise a put option by April 29, 2016, with an obligation on the Company to purchase a maximum of 300 Lakhs shares. This option was not exercised by IFC.

\* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

# Notes to Financial Statements

## 17. Provisions

Rs. in Crores

	2017	2016	April 1, 2015
<b>Non-Current</b>			
Employee Benefits	129.34	101.93	90.33
Other Provisions	1.53	75.94	23.69
	<b>130.87</b>	<b>177.87</b>	<b>114.02</b>
<b>Current</b>			
Employee Benefits	18.75	15.73	15.35
Wealth Tax	-	0.29	0.42
Other Provisions	27.34	20.89	18.54
	<b>46.09</b>	<b>36.91</b>	<b>34.31</b>
<b>Total Provisions</b>	<b>176.96</b>	<b>214.78</b>	<b>148.33</b>

### Movement in Other Provisions - Non-Current

Rs. in Crores

	2017	2016
<b>Obligations relating to a Overseas Subsidiary Company (Refer Note 33)</b>		
Opening balance	75.94	23.69
Provision during the year	-	52.25
Amount adjusted during the year	74.41	-
Closing balance	<b>1.53</b>	<b>75.94</b>

### Movement in Other Provisions – Current:

Rs. in Crores

	2017	2016
<b>Provision for Trade Obligations</b>		
Opening balance	19.13	13.08
Provision during the year	6.45	6.05
Closing balance	<b>25.58</b>	<b>19.13</b>
<b>Restructuring Costs</b>		
Opening balance	1.76	5.46
Amount paid/adjusted during the year	-	3.70
Closing balance	<b>1.76</b>	<b>1.76</b>

## 18. Trade Payables

Rs. in Crores

	2017	2016	April 1, 2015
Trade Payables*	242.96	170.93	131.95
Due to Micro and Small Enterprises	1.37	3.99	1.42
	<b>244.33</b>	<b>174.92</b>	<b>133.37</b>

\* Includes due to Related Parties - **Rs. 30.60 Crores** (31 March 2016 - Rs. 17.82 Crores, 1 April 2015 - Rs. 11.79 Crores).

# Notes to Financial Statements

## 19. Other Current Liabilities

Rs. in Crores

	2017	2016	April 1, 2015
Statutory Liabilities	13.55	13.60	11.25
Others	58.77	58.13	62.00
	<b>72.32</b>	<b>71.73</b>	<b>73.25</b>

## 20. Taxation

### a) Tax charge in the Statement of Profit and Loss:

Rs. in Crores

	2017	2016
<b>Current tax</b>		
Current year	123.44	149.62
Less: Tax reversal of earlier years	(13.20)	(18.10)
Less: Adjustment for MAT credit through deferred tax	-	(39.00)
	110.24	92.52
<b>Deferred tax</b>	(0.05)	(2.13)
<b>Income Tax expense for the year</b>	<b>110.19</b>	<b>90.39</b>

### b) Reconciliation of effective tax rate:

Rs. in Crores

	2017	2016
<b>Profit before tax</b>	386.19	316.88
Tax using the Company's domestic tax rate (Current Year: 34.61% and Previous Year: 34.61%)	133.65	109.67
<b>Tax effect of:</b>		
Income tax @ different rate	(3.25)	(10.00)
Non-deductible tax expenses	5.58	22.47
Tax-exempt income	(12.59)	(13.65)
Tax reversal of earlier years	(13.20)	(18.10)
	<b>110.19</b>	<b>90.39</b>

### c) Non-Current Tax Asset (Net):

Rs. in Crores

	2017	2016	April 1, 2015
Current Tax	49.47	31.22	19.86
Dividend Distribution Tax credit	13.42	13.42	13.42
	<b>62.89</b>	<b>44.64</b>	<b>33.28</b>

### d) The analysis of Deferred Tax Assets and Deferred Tax Liabilities is as follows:

Rs. in Crores

	2017	2016	April 1, 2015
Deferred Tax Asset	59.52	90.29	49.99
Deferred Tax Liability	(20.66)	(16.68)	(21.69)
<b>Net Deferred Tax Asset</b>	<b>38.86</b>	<b>73.61</b>	<b>28.30</b>

# Notes to Financial Statements

## e) The movement in deferred income tax assets and liabilities during the year is as follows:

Rs. in Crores

	Depreciation	Other Liabilities	Provision for doubtful debts/ advances	Employee Benefits	MAT Credit	Other Assets	Total
<b>As at April 1, 2015</b>	<b>(17.05)</b>	<b>(4.64)</b>	<b>2.51</b>	<b>45.23</b>	<b>-</b>	<b>2.25</b>	<b>28.30</b>
(Charged)/credited:							
- to Statement of Profit and Loss	1.15	2.11	0.61	(0.31)	-	(1.43)	2.13
- to Other Comprehensive Income	-	1.75	-	2.43	-	-	4.18
MAT Credit adjustment	-	-	-	-	39.00	-	39.00
<b>As at March 31, 2016</b>	<b>(15.90)</b>	<b>(0.78)</b>	<b>3.12</b>	<b>47.35</b>	<b>39.00</b>	<b>0.82</b>	<b>73.61</b>
(Charged)/credited:							
- to Statement of Profit and Loss	(2.65)	-	(1.18)	3.56	-	0.32	0.05
- to Other Comprehensive Income	-	(1.33)	-	5.53	-	-	4.20
MAT Credit adjustment	-	-	-	-	(39.00)	-	(39.00)
<b>As at March 31, 2017</b>	<b>(18.55)</b>	<b>(2.11)</b>	<b>1.94</b>	<b>56.44</b>	<b>-</b>	<b>1.14</b>	<b>38.86</b>

## 21. Revenue from Operations

Rs. in Crores

	2017	2016
Sale of Goods	2985.98	2904.01
Sale of Services	1.41	1.44
Other Operating Revenues		
Export Incentive	7.66	7.59
Management Service Fees	45.41	47.07
Miscellaneous Receipts	23.43	26.68
	<b>3063.89</b>	<b>2986.79</b>

## 22. Other Income

Rs. in Crores

	2017	2016
<b>Interest Income</b>		
Interest Income on Advances & Deposits carried at amortised cost	19.19	8.35
<b>Dividend Income</b>		
-Non-Current Investments designated at fair value through other comprehensive income *	11.22	20.90
-Non-Current Investments designated at fair value through profit or loss	0.01	0.01
-Mutual Funds designated at fair value through profit or loss	8.25	1.30
-Investment in Subsidiaries & Associates carried at cost	53.38	75.78
	<b>72.86</b>	<b>97.99</b>
Profit on sale of Mutual Funds	2.58	0.14
<b>Others</b>		
Other non operating income	0.26	0.37
Profit on sale/discard of Fixed Assets (net)	-	0.94
Fair value movement in financial Instruments designated at fair value through profit or loss	1.45	3.69
	<b>96.34</b>	<b>111.48</b>

\* Includes dividend income on investment sold during the year Nil (Rs. 2.15 Crores).

## Notes to Financial Statements

### 23. Cost of Materials Consumed

Rs. in Crores

	2017	2016
<b>Tea</b>		
Opening Stock	634.23	565.00
Add: Purchases	1529.70	1753.34
Less: Closing Stock	501.90	634.23
	<b>1662.03</b>	<b>1684.11</b>
<b>Green Leaf</b>	20.37	18.45
<b>Packing Material</b>		
Opening Stock	34.92	34.95
Add: Purchases	171.61	170.70
Less: Closing Stock	39.23	34.92
	<b>167.30</b>	<b>170.73</b>
<b>Others</b>	18.02	15.29
	<b>1867.72</b>	<b>1888.58</b>

Includes excise duty amounting to **Rs. 8.34 Crores** (Rs. 6.82 Crores).

### 24. Changes in Inventory of Finished Goods/Stock-in-trade/Work-in-progress

Rs. in Crores

	2017	2016
<b>Stock as at March 31, 2016</b>		
Tea	209.78	209.82
Others	5.38	1.42
	<b>215.16</b>	<b>211.24</b>
<b>Stock as at March 31, 2017</b>		
Tea	211.02	209.78
Others	5.93	5.38
	<b>216.95</b>	<b>215.16</b>
	<b>(1.79)</b>	<b>(3.92)</b>

### 25. Employee Benefits Expense

Rs. in Crores

	2017	2016
Salaries, Wages and Bonus *	149.33	139.43
Contribution to Provident Fund and other Funds	14.59	13.85
Workmen and Staff Welfare Expenses	23.90	15.34
	<b>187.82</b>	<b>168.62</b>

\* Includes expense on Corporate Social Responsibility **Rs. 1.82 Crores** (Rs. 1.51 Crores).

# Notes to Financial Statements

## 26. Finance Costs

Rs. in Crores

	2017	2016
Interest		
On Working Capital Borrowings valued at amortised cost	16.71	19.65
On Debentures valued at amortised cost	20.66	34.95
Other Borrowing Costs	0.14	0.21
Net interest on defined benefit plans	7.36	6.93
Fair value movement on financial instruments designated as fair value through profit or loss	4.23	5.97
	<b>49.10</b>	<b>67.71</b>

## 27. Other Expenses

Rs. in Crores

	2017	2016
Manufacturing and Contract Packing Expenses *	72.61	62.85
Rent	51.44	46.98
Freight	42.57	34.96
Management Service Fees #	19.58	21.81
Miscellaneous Expenses ^	216.89	200.28
	<b>403.09</b>	<b>366.88</b>

\* Includes Contract Packing Expenses **Rs. 42.28 Crores** (Rs. 38.15 Crores).

# Includes fee for technical support services **Rs. 7.79 Crores** (Rs. 10.67 Crores) and for other support service **Rs. 11.79 Crores** (Rs. 11.14 Crores).

^ Includes exchange gain **Rs. 1.41 Crores** (exchange gain Rs. 7.00 Crores), expense on Corporate Social Responsibility **Rs. 5.97 Crores** (Rs. 4.02 Crores).

## 28. Exceptional Items (Net)

Rs. in Crores

	2017	2016
<b>(Expenditure)</b>		
Levy relating to past demerged business	-	(3.00)
Provision for retrospective amendment of legislation relating to employee benefit	-	(0.97)
Provision for Impairment/obligations relating to a Subsidiary (Refer Note 33)	-	(52.25)
Provision for impairment of Intangible	-	(7.00)
	-	<b>(63.22)</b>

Exceptional income during previous year as reported under previous GAAP, had profit from sale of equity investments of Rs. 327.79 Crores which under Ind AS have been directly recognised under retained earnings.

**29.** Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2017 aggregated **Rs. 11.58 Crores** (31 March 2016 - Rs. 2.29 Crores, 1 April 2015 - Rs. 7.70 Crores).

# Notes to Financial Statements

## 30. Contingent Liabilities not provided for in respect of:

- (a) Claims under adjudication not acknowledged as debts:

	Rs. in Crores	
	Gross	Net of Estimated Tax
(i) Taxes, Statutory Duties/Levies etc.	<b>16.77</b>	<b>11.86</b>
	(25.18)	(19.39)
(ii) Commercial and other claims	<b>2.45</b>	<b>1.49</b>
	(2.33)	(1.42)

- (b) Labour disputes under adjudication relating to some staff – amount not ascertainable.
- (c) Guarantees given to the lenders of subsidiary **Rs. 19.80 Crores** (31 March 2016 - Rs. 75.94 Crores, 1 April 2015 - Rs. 72.53 Crores). These corporate guarantees were issued against loans drawn by a subsidiary company from banks as working capital loans and term debts.

## 31. Contingent Assets :

Certain insurance/commercial claims are in the final stage of recovery for which amounts are not quantifiable and hence, not reported.

- 32.** 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, 2017.
- 33.** A provision of Rs. 74.41 Crores created by the Company in earlier years, for its liabilities on account of bank loans availed by its Chinese subsidiary, has been, during the year, adjusted against capital infused into that subsidiary for the purpose of liquidating the said bank loans.

## 34. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company.

- (a) Gross Amount required to be spent by the Company during the year **Rs. 5.31 Crores** (Rs. 4.50 Crores).
- (b) Amount spent during the year:

		Rs. in Crores		
Particulars	In Cash	Yet to be paid in cash	Total	
(i) Construction/acquisition of any asset	-	-	-	
(ii) On purposes other than (i) above	7.58	0.21	7.79	

		Rs. in Crores		
Particulars	In Cash	Yet to be paid in cash	Total	
(i) Construction/acquisition of any asset	-	-	-	
(ii) On purposes other than (i) above	5.43	0.10	5.53	



# Notes to Financial Statements

## 35. Earnings Per Share

	2017	2016
Profit after taxation (Rs. in Crores)	276.00	226.49
Number of Equity Shares Outstanding	631129729	631129729
Earnings Per Share (Rs.)		
Basic	4.37	3.59
Diluted	4.37	3.59

## 36. Specified Bank Notes

During the year, the Company had Specified Bank Notes (SBN) and other denomination notes as defined in the MCA notification G.S.R 308(E) dated March 31, 2017. As required under that notification, the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 are given below:

Particulars	Amount (Rs.)		
	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	463000	254987	717987
(+) Permitted receipts	-	12153184	12153184
(+) Other receipts	149500	-	149500
(-) Permitted payments	-	9448938	9448938
(-) Amount deposited in Banks	612500	2682400	3294900
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>276833</b>	<b>276833</b>

Other receipts consist of Rs. 41,500 received for vehicles requisitioned for public purposes and Rs. 1,08,000 received by the referral hospital operated by the Company in the plantation district of Munnar. These receipts were promptly deposited in the bank.

## 37. Expenditure incurred in respect of the Company's Research and Development:

Rs. in Crores

	2017	2016
Capital Expenditure	0.83	0.71
Revenue Expenditure	4.74	5.50
	<b>5.57</b>	<b>6.21</b>

## 38. Lease

The Company's leasing arrangements are in respect of operating leases for premises (residential, office, godown, etc.) and motor cars.

These operating leasing arrangements which are cancellable ranges between 5 months to 5 years and are usually renewable on mutually agreeable terms. The aggregate lease rentals payable in respect of premises are charged as Rent and in respect of motor cars amounting to **Rs. 4.75 Crores** (Rs. 4.59 Crores) are charged under Miscellaneous expense under Note 27 of the Statement of Profit and Loss.

# Notes to Financial Statements

## 39. a) Related Party Disclosure

### Related Parties

#### Promoter

Tata Sons Limited

#### Subsidiaries

Tata Global Beverages Group Limited  
 Tata Global Beverages Holdings Limited  
 Tata Global Beverages Services Limited  
 Tata Global Beverages GB Limited  
 Tata Global Beverages Overseas Holdings Limited  
 Tata Global Beverages Overseas Limited  
 Lyons Tetley Limited  
 Tata Global Beverages U.S. Holdings, Inc.  
 Tata Water LLC  
 Tetley USA Inc  
 Empirical Group LLC (from October 1, 2016)  
 Tata Global Beverages Canada Inc  
 Tata Global Beverages Australia Pty Limited  
 Earth Rules Pty Ltd.  
 Stansand Limited  
 Stansand (Brokers) Limited  
 Stansand (Africa) Limited  
 Stansand (Central Africa) Limited  
 Tata Global Beverages Polska Sp.z.o.o  
 Drassington Limited, UK  
 Good Earth Corporation  
 Good Earth Teas Inc.  
 Teapigs Limited  
 Teapigs US LLC  
 Tata Global Beverages Czech Republic a.s  
 Joekels Tea Packers (Proprietary) Limited (South Africa)  
 Tata Global Beverages Investments Limited  
 Campestres Holdings Limited  
 Kahutara Holdings Limited  
 Suntyco Holding Limited  
 Onomento Co Limited  
 OOO Tea Trade LLC  
 OOO Sunty LLC  
 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 Global Beverages Capital Limited  
 Zhejiang Tata Tea Extraction Company Limited  
 Tata Tea Holdings Private Limited

#### Associates

Estate Management Services Pvt Limited, Sri Lanka  
 Watawala Plantations Plc  
 Amalgamated Plantations Pvt Limited  
 Kanan Devan Hills Plantation Company Private Limited  
 TRIL Constructions Limited

#### Joint Ventures

NourishCo Beverages Limited  
 Tata Starbucks Private Limited

#### Joint Venture of Subsidiaries

Tetley ACI (Bangladesh) Limited

Southern Tea LLC  
 Empirical Group LLC (till September 30, 2016)  
 Tetley Clover (Private) Limited

#### Key Management Personnel

Mr. Ajoy Misra - CEO & Managing Director  
 Mr. L Krishna Kumar - Executive Director & Group CFO

#### Subsidiary and Joint Venture of Promoter Company

Tata Investment Corporation Limited  
 Ewart Investments Limited  
 Taj Air Limited  
 Tata Capital Forex Limited  
 Tata AIG General Insurance Limited  
 Tata AIA Life Insurance Co Limited  
 Tata Consultancy Limited  
 TC Travel and Services Limited  
 Infiniti Retail Limited  
 Tata Interactive System Limited  
 Tata Business Support Services Limited  
 Tata International Singapore PTE Limited  
 Tata Housing Development Company Limited  
 Tata Elxsi Limited  
 Casa Décor Private Limited

#### Employee Benefit Plans

Tata Tea Limited Management Staff Gratuity Fund  
 Tata Tea Limited Management Staff Superannuation Fund  
 Tata Tea Limited Staff Pension Fund  
 Tata Tea Limited Gratuity Fund  
 Tata Tea Limited Calcutta Provident Fund

# Notes to Financial Statements

## 39. b) Particulars of transactions entered into with Related Parties for the year ended 31 March, 2017:

Rs. in Crores

Particulars	2017	2016
<b>Sales of Goods and Services</b>		
Subsidiaries	190.17	193.70
Associates	1.55	0.59
Joint Ventures	34.15	28.31
<b>Other Operating Income</b>		
Subsidiaries	53.01	51.84
Joint Ventures	4.14	0.30
Associates	2.20	-
<b>Rent paid</b>		
Associates	1.90	1.84
<b>Purchase of Goods and Services</b>		
Subsidiaries	74.62	56.30
Associates	216.37	290.47
Subsidiaries and Joint Ventures of Promoter	0.03	0.04
<b>Other Expenses</b>		
Joint Ventures	7.50	7.57
Associates	3.38	3.25
Promoter	10.06	9.20
Subsidiaries and Joint Ventures of Promoter	18.87	14.08
<b>Reimbursement of Expenditure/(Income)</b>		
Subsidiaries	(1.59)	1.21
Associates	0.63	3.92
Joint Ventures	(2.06)	(1.51)
Promoter	-	0.41
<b>Dividend/Interest received</b>		
Subsidiaries	45.09	67.38
Associates	10.88	10.44
Promoter	-	4.21
Subsidiaries and Joint Ventures of Promoter	1.93	2.72
<b>Dividend paid</b>		
Promoter	32.14	32.14
Subsidiaries and Joint Ventures of Promoter	6.99	6.99
<b>Sale of Investment in equity shares</b>		
Promoter	-	312.31
<b>Intercompany Loan/ Deposits given</b>		
Subsidiaries and Joint Ventures of Promoter	25.00	50.00
<b>Deposit redeemed</b>		
Subsidiaries and Joint Ventures of Promoter	27.50	62.50

## Notes to Financial Statements

### 39. b) Continued...

Rs. in Crores

Particulars	2017	2016
<b>Investments made</b>		
Subsidiaries	74.41	33.54
Joint Ventures	28.00	41.00
<b>Guarantee given</b>		
Subsidiaries	-	3.41
<b>Directors Remuneration *</b>		
Key Management Personnel	7.21	6.18
<b>Contribution to Funds</b>		
Employment Benefit Plans	19.50	19.90

### Outstanding at the year end:

Rs. in Crores

	2017		2016	
	Debit	Credit	Debit	Credit
Subsidiaries	61.66	7.30	83.31	1.36
Associates	27.64	12.00	25.18	6.75
Joint Ventures	15.46	1.21	5.11	0.36
Promoter	-	9.04	-	8.37
Joint Venture of Subsidiaries	0.09	-	-	-
Subsidiaries and Joint Ventures of Promoter	7.73	1.05	10.28	0.97
Employment Benefit Plans	12.00	-	8.62	-

\* Provision for employee benefits, which are based on actuarial valuation done on an overall company basis, is excluded.

### 39. c) Details of material transactions entered into with Related Parties for the year ended 31 March, 2017:

Rs. in Crores

Particulars	2017	2016
<b>Sales of Goods and Services</b>		
Subsidiaries		
Tata Global Beverages GB Limited	104.90	106.58
Tata Tea Extractions Inc	56.29	58.70
Joint Ventures		
NourishCo Beverages Limited	33.88	28.31
<b>Other Operating Income</b>		
Subsidiaries		
Tata Global Beverages Services Limited	45.41	47.07
Tata Coffee Limited	6.07	4.77
<b>Rent paid</b>		
Associates		
Amalgamated Plantations Pvt Limited	1.39	1.35
<b>Purchase of Goods and Services</b>		
Subsidiaries		
Tata Coffee Limited	32.08	17.76
Associates		
Kanan Devan Hills Plantation Company Private Limited	89.89	82.64
Amalgamated Plantations Pvt Limited	125.75	206.89

# Notes to Financial Statements

## 39. c) Continued...

Rs. in Crores

Particulars	2017	2016
<b>Other Expenses (Net)</b>		
Joint Ventures		
NourishCo Beverages Limited	7.50	7.57
Promoter		
Tata Sons Ltd.	10.06	9.20
Subsidiaries and Joint Ventures of Promoter		
Taj Air Limited	3.80	3.67
Tata AIG General Insurance Limited	9.17	6.26
<b>Reimbursement of Expenditure/(Income)</b>		
Subsidiaries		
Tata Global Beverages Services Limited	(1.25)	(0.33)
Tata Global Beverages GB Limited	(0.58)	(0.66)
Associates		
Kanan Devan Hills Plantation Company Private Limited	(1.53)	(0.04)
Amalgamated Plantations Pvt Limited	2.17	3.95
Joint Ventures		
NourishCo Beverages Limited	(1.92)	(1.44)
Promoter		
Tata Sons Ltd.	-	0.41
<b>Dividend/Interest received</b>		
Subsidiaries		
Tata Coffee Limited	13.96	13.96
Consolidated Coffee Inc.	31.13	16.79
<b>Dividend paid</b>		
Promoter		
Tata Sons Ltd.	32.14	32.14
Subsidiaries and Joint Ventures of Promoter		
Tata Investment Corporation Limited	6.05	6.05
<b>Sale of Investment in equity shares</b>		
Promoter		
Tata Sons Ltd.	-	312.31
<b>Intercompany Loan/ Deposits given</b>		
Subsidiaries and Joint Ventures of Promoter		
Tata Housing Development Company Limited	25.00	50.00
<b>Deposit redeemed</b>		
Subsidiaries and Joint Ventures of Promoter		
Tata Housing Development Company Limited	25.00	59.00
<b>Investments made</b>		
Subsidiaries		
Zhejiang Tata Tea Extraction Company Limited	74.41	33.54
Joint Ventures		
NourishCo Beverages Limited	16.00	13.00
Tata Starbucks Private Limited	12.00	28.00
<b>Guarantee given</b>		
Subsidiaries		
Zhejiang Tata Tea Extraction Company Limited	-	3.41
<b>Contribution to Funds</b>		
Post Employment Benefit Plans		
Tata Tea Limited Management Staff Gratuity Fund	2.92	4.99
Tata Tea Limited Gratuity Fund	2.98	1.31
Tata Tea Limited Calcutta Provident Fund	12.28	11.77

# Notes to Financial Statements

## 39. 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, 2017:

Rs. in Crores

	Outstanding March 31, 2017	Maximum during the year
<b>Subsidiary Company</b>		
Zhejiang Tata Tea Extraction Company Limited	-	-
	-	(33.54)
<b>Associate Company</b>		
Kanan Devan Hills Plantation Company Private Limited	24.00	24.00
	(24.00)	(29.97)

## 40. Interests in other entities

### A. Subsidiaries

The Company's direct Subsidiaries are set out below:

SI No.	Name of entity	Country of incorporation	Principal Activities	% holding	% holding
				2017	2016
1	Tata Global Beverages Capital Ltd.	UK	Holding company	100.00	100.00
2	Tata Global Beverages Group Ltd. *	U K	Holding company	89.10	88.65
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	Zhejiang Tata Tea Extraction Company Ltd.	China	Manufacturing, marketing and distribution of tea	89.75	81.46
6	Tata Tea Holdings Private Ltd.	India	Investment Company	100.00	100.00

\* Through Tata Global Beverages Capital Ltd. and Tata Tea Extractions Inc.

### B. Joint Ventures

A list of Company's Joint Ventures as at March 31, 2017 is given below:

SI No.	Name of entity	Country of incorporation	Principal Activities	% holding	% holding
				2017	2016
1	NourishCo Beverages Ltd.	India	Marketing and distribution of Water	50.00	50.00
2	Tata Starbucks Private Ltd.	India	Operating Starbucks Café in India	50.00	50.00

# Notes to Financial Statements

## C. Associates

A list of Company's associates as at March 31, 2017 is given below:

SI No.	Name of entity	Country of incorporation	Principal Activities	% holding	
				2017	2016
1	Amalgamated Plantations Pvt. Ltd.	India	Manufacturing, marketing and distribution of tea	41.03	41.03
2	Kanan Devan Hills Plantation Company Private Ltd.	India	Manufacturing, marketing and distribution of tea	28.52	28.52
3	Estate Management Services Pvt. Ltd.	Sri Lanka	Provision of expert management services	31.85	31.85
4	TRIL Construction Ltd.	India	Development of real estate and infrastructure facilities	32.50	32.50

41. The Company has, from April 1, 2016, organised its business into Branded Segment and Non-branded Segment. Branded Segment is further categorised as Branded Tea, Branded Coffee and Branded Others. As per the threshold limits prescribed under Indian Accounting Standard (Ind AS-108) on "Segment Reporting" prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and the other accounting principles generally accepted in India, the Company's reportable activity falls within a single business segment and hence the disclosure requirements are not applicable.

## 42. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

Rs. in Crores

2017	Carrying amount				Fair value			
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
<b>Non-Current Financial Assets</b>								
Investments								
Quoted Equity Instruments	-	-	679.88	679.88	679.88	-	-	679.88
Unquoted Equity Instruments *	-	-	131.83	131.83	-	6.26	125.57	131.83
Unquoted Preference Shares	-	50.89	-	50.89	-	-	50.89	50.89
Loans	24.73	-	-	24.73	-	-	-	-
Other Financial Assets	21.07	-	-	21.07	-	-	-	-
<b>Current Financial Assets</b>								
Current Investments	-	67.70	-	67.70	67.70	-	-	67.70
Trade Receivables	99.62	-	-	99.62	-	-	-	-
Cash and Cash Equivalents	13.76	-	-	13.76	-	-	-	-
Other Bank Balances	7.02	-	-	7.02	-	-	-	-
Loans	11.97	-	-	11.97	-	-	-	-
Other Financial Assets	23.32	-	3.48	26.80	-	3.48	-	3.48
	<b>201.49</b>	<b>118.59</b>	<b>815.19</b>	<b>1135.27</b>	<b>747.58</b>	<b>9.74</b>	<b>176.46</b>	<b>933.78</b>
<b>Current Financial Liabilities</b>								
Borrowings	32.26	-	-	32.26	-	-	-	-
Trade Payables	244.33	-	-	244.33	-	-	-	-
Other Financial Liabilities	88.06	-	-	88.06	-	-	-	-
	<b>364.65</b>	<b>-</b>	<b>-</b>	<b>364.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to Financial Statements

Rs. in Crores

2016	Carrying amount				Fair value			
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
<b>Non-Current Financial Assets</b>								
Investments								
Quoted Equity Instruments	-	-	424.93	424.93	424.93	-	-	424.93
Unquoted Equity Instruments *	-	-	131.07	131.07	-	5.50	125.57	131.07
Unquoted Preference Shares	-	55.12	-	55.12	-	-	55.12	55.12
Loans **	24.75	-	-	24.75	-	-	-	-
Other Financial Assets	20.47	-	-	20.47	-	-	-	-
<b>Current Financial Assets</b>								
Current Investment	-	173.33	-	173.33	173.33	-	-	173.33
Trade Receivables	109.70	-	-	109.70	-	-	-	-
Cash and Cash Equivalents	59.57	-	-	59.57	-	-	-	-
Other Bank Balances	6.30	-	-	6.30	-	-	-	-
Loans	14.31	-	-	14.31	-	-	-	-
Other Financial Assets	39.99	-	0.10	40.09	-	0.10	-	0.10
	<b>275.09</b>	<b>228.45</b>	<b>556.10</b>	<b>1059.64</b>	<b>598.26</b>	<b>5.60</b>	<b>180.69</b>	<b>784.55</b>
<b>Non-Current Financial Liabilities</b>								
Other Financial Liabilities	-	1.25	-	1.25	-	-	1.25	1.25
<b>Current Financial Liabilities</b>								
Borrowings	52.61	-	-	52.61	-	-	-	-
Trade Payables	174.92	-	-	174.92	-	-	-	-
Other Financial Liabilities	467.42	-	-	467.42	-	-	-	-
	<b>694.95</b>	<b>1.25</b>	<b>-</b>	<b>696.20</b>	<b>-</b>	<b>-</b>	<b>1.25</b>	<b>1.25</b>

Rs. in Crores

April 1, 2015	Carrying amount				Fair value			
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
<b>Non-Current Financial Assets</b>								
Investments								
Quoted Equity Instruments	-	-	893.15	893.15	893.15	-	-	893.15
Quoted Debentures	-	-	4.05	4.05	4.05	-	-	4.05
Unquoted Equity Instruments *	-	-	131.07	131.07	-	5.50	125.57	131.07
Unquoted Preference Shares	-	54.72	-	54.72	-	54.72	-	54.72
Loans	0.71	29.97	-	30.68	-	-	29.97	29.97
Other Financial Assets	21.64	-	-	21.64	-	-	-	-
<b>Current Financial Assets</b>								
Current Investments	-	10.93	-	10.93	10.93	-	-	10.93
Trade Receivables	83.11	-	-	83.11	-	-	-	-
Cash and Cash Equivalents	4.13	-	-	4.13	-	-	-	-
Other Bank Balances	6.05	-	-	6.05	-	-	-	-
Loans	27.03	-	-	27.03	-	-	-	-
Other Financial Assets	27.64	-	5.16	32.80	-	5.16	-	5.16
	<b>170.31</b>	<b>95.62</b>	<b>1033.43</b>	<b>1299.36</b>	<b>908.13</b>	<b>65.38</b>	<b>155.54</b>	<b>1,129.05</b>



# Notes to Financial Statements

Rs. in Crores

April 1, 2015	Carrying amount				Fair value			
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
<b>Non-Current Financial Liabilities</b>								
Borrowings	357.48	-	-	357.48	-	-	-	-
Other Financial Liabilities	-	4.64	-	4.64	-	-	4.64	4.64
<b>Current Financial Liabilities</b>								
Borrowings	152.50	-	-	152.50	-	-	-	-
Trade Payables	133.37	-	-	133.37	-	-	-	-
Other Financial Liabilities	80.22	-	-	80.22	-	-	-	-
	<b>723.57</b>	<b>4.64</b>	<b>-</b>	<b>728.21</b>	<b>-</b>	<b>-</b>	<b>4.64</b>	<b>4.64</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.

\*\* Includes loan amounting to Rs. 24 Crores classified from FVTPL (Level 3) to amortised cost in the financial year 2015-16.

## B. Measurement of fair values

The basis of measurement in respect to each class of financial asset and financial liability is disclosed in note 2(i) of the financial statement.

The fair value of liquid mutual funds and long-term equity investment is based on quoted price. Fair values of certain non-current investment are valued based on discounted cash flow/book value/EBITDA multiple approach. Derivative financial instruments are 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 management 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 counter-party 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 financing 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.

## Notes to Financial Statements

At March 31, 2017, the ageing of trade receivables that were not impaired was as follows:

	Rs. in Crores	
	2017	2016
Not past due date	79.71	93.90
Past due 1–90 days	13.14	11.32
Past due 91–180 days	5.38	3.66
Past due more than 180 days	1.39	0.82
	<b>99.62</b>	<b>109.70</b>

Management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behaviour and analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Rs. in Crores
<b>Balance as at April 1, 2015</b>	<b>5.20</b>
Impairment loss recognised	1.78
Amounts written off	-
<b>Balance as at March 31, 2016</b>	<b>6.98</b>
Impairment loss recognised	0.09
Amounts written off	-
Amounts written back	3.50
<b>Balance as at March 31, 2017</b>	<b>3.57</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 counter-parties and within the limits assigned to each counter-parties. 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 at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

2017	Rs. in Crores				
	Contractual cash flows				
	Carrying amount	Less than 1 year	1- 2 year	2- 5 years	More than 5 years
<b>Current Financial Liabilities</b>					
Borrowings	32.26	32.26	-	-	-
Trade Payables	244.33	244.33	-	-	-
Other Financial Liabilities	88.06	88.06	-	-	-

# Notes to Financial Statements

Rs. in Crores

2016	Contractual cash flows				
	Carrying amount	Less than 1 year	1- 2 year	2- 5 years	More than 5 years
<b>Current Financial Liabilities</b>					
Borrowings	52.61	52.61	-	-	-
Trade Payables	174.92	174.92	-	-	-
Other Financial Liabilities	467.42	467.42	-	-	-
<b>Derivative Financial Liabilities</b>					
<b>Non-Current Financial Liabilities</b>					
Other Financial Liabilities	1.25	1.25	-	-	-

#### 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.

##### a) Currency risk

The Company operates in 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.

The Company 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 counter-party for these contracts is generally a reputed scheduled bank. The Company reports quarterly to a committee of the board, which monitors foreign exchange risks and policies implemented to manage its foreign exchange exposures.

During the year ended March 31, 2017, 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 that the relationship exists between the hedged items and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedged items.

##### Exposure to currency risk

The currency profile of financial assets and liabilities as at March 31, 2017 and March 31, 2016 are as below:

Rs. in Crores

2017	INR	USD	GBP	Others	Total
<b>Financial Assets</b>					
Trade Receivables	52.85	32.07	-	14.70	99.62
Other Financial Asset	47.87	-	-	-	47.87
	<b>100.72</b>	<b>32.07</b>	<b>-</b>	<b>14.70</b>	<b>147.49</b>
<b>Financial Liabilities</b>					
Trade Payables	240.29	1.62	2.37	0.05	244.33
Other Current Financial Liabilities	88.06	-	-	-	88.06
	<b>328.35</b>	<b>1.62</b>	<b>2.37</b>	<b>0.05</b>	<b>332.39</b>

## Notes to Financial Statements

Rs. in Crores

2016	INR	USD	GBP	Others	Total
<b>Financial Assets</b>					
Trade Receivables	58.03	30.24	-	21.43	109.70
Other Financial Asset	58.76	1.80	-	-	60.56
	<b>116.79</b>	<b>32.04</b>	-	<b>21.43</b>	<b>170.26</b>
<b>Financial Liabilities</b>					
Trade Payables	169.95	0.24	4.45	0.28	174.92
Other Financial Liabilities	469.92	-	-	-	469.92
	<b>639.87</b>	<b>0.24</b>	<b>4.45</b>	<b>0.28</b>	<b>644.84</b>

Following table summarises approximate gain / (loss) on the company's profit before tax and pre-tax equity on account of appreciation / depreciation of underlying foreign currencies –

Rs. in Crores

Details	2017		2016	
	Effect on Profit before tax	Effect on Pre-tax Equity	Effect on Profit before tax	Effect on Pre-tax Equity
5% appreciation of the underlying foreign currencies	2.14	(1.70)	2.34	(1.15)
5% depreciation of the underlying foreign currencies	(2.14)	1.70	(2.34)	1.15

The following table gives details in respect of outstanding foreign currency forward contracts –

Category	Instrument	Currency pair	FCY Amount (million)	Rs. in Crores
Hedges of highly probable forecasted transactions	Forward contract	USD/INR	7.65	49.61
Hedges of highly probable forecasted transactions	Forward contract	AUD/INR	5.50	27.29

Movement in cash flow hedging reserve for derivatives designated as cash flow hedges is given below –

Rs. in Crores

Details	2017	2016
Balance at the beginning of the period	0.07	3.37
Movement during the year	3.38	(5.05)
Tax impact on above	(1.17)	1.75
<b>Balance at the end of the period</b>	<b>2.28</b>	<b>0.07</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 utilizes 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.

# Notes to Financial Statements

## c) Price Risk

The price risk is the risk arising from investments held by the Company and classified in the balance sheet either at 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. Mismatch in demand and supply, adverse weather conditions, market expectations etc., can lead to price fluctuations. 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.

## 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	
	2017	2016
Total Borrowings	32.26	435.28
Less: Cash and Cash Equivalents	13.76	59.57
Less: Current Investments	67.70	173.33
Less: Inter Corporate Deposits/Loan	34.75	37.75
Adjusted net (cash)/debt	<b>(83.95)</b>	<b>164.63</b>
Total Equity	<b>3784.55</b>	<b>3436.68</b>

## 43. Post Retirement Employee Benefits:

### (i) Defined Contributions

Amount of **Rs. 10.62 Crores** (Rs. 10.02 Crores) is recognised as an expense and included in employee benefit expense to the following defined contribution plans:

	Rs. in Crores	
	2017	2016
Provident Fund	6.04	5.55
Superannuation Fund	3.36	3.35
Employee state insurance schemes	1.22	1.12
	<b>10.62</b>	<b>10.02</b>

### (ii) Defined Benefits:

#### Gratuity, Pension and Post Retiral Medical Benefits:

The Company operates defined benefit schemes like retirement gratuity, defined superannuation benefits and post retirement medical benefits. There are 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

## Notes to Financial Statements

(others). 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' 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	
	2017	2016	2017	2016	2017	2016	2017	2016
Opening Defined Benefit Obligation	9.64	10.61	45.64	37.86	34.27	29.88	52.22	43.83
Current Service Cost	-	-	2.50	2.07	1.31	1.97	1.87	1.50
Past Service Cost	-	-	-	-	1.17	-	-	-
Interest on Defined Benefit Obligation	0.93	0.78	3.22	2.80	2.63	2.44	3.94	3.51
Actuarial changes arising from changes in experience	(0.49)	(0.55)	1.01	4.95	(1.31)	(0.39)	9.58	5.60
Actuarial changes arising from changes in financial assumption	0.67	0.06	7.46	0.64	5.95	1.01	4.51	1.05
Benefits Paid	(1.11)	(1.26)	(4.47)	(3.40)	(0.71)	(0.64)	(3.54)	(3.27)
Liability assumed/settled	-	-	0.29	0.72	-	-	-	-
<b>Closing Defined Benefit Obligation</b>	<b>9.64</b>	<b>9.64</b>	<b>55.65</b>	<b>45.64</b>	<b>43.31</b>	<b>34.27</b>	<b>68.58</b>	<b>52.22</b>

### Changes in the Fair value of Plan Assets during the year:

	Rs. in Crores			
	Pension		Gratuity	
	2017	2016	2017	2016
Opening Fair Value of Plan Assets	6.97	8.49	37.97	30.55
Employers Contribution	-	(0.99)	7.73	7.42
Interest on Plan Assets	0.64	0.43	2.72	2.17
Actual return on Plan Assets less interest on Plan Assets	(0.03)	(0.09)	0.46	0.51
Benefits paid	(0.77)	(0.87)	(4.47)	(3.40)
Asset acquired/(settled)	-	-	0.29	0.72
<b>Closing Fair Value of Plan Assets</b>	<b>6.81</b>	<b>6.97</b>	<b>44.70</b>	<b>37.97</b>

### Net Asset/(Liability) recognised in balance sheet:

	Rs. in Crores							
	Pension		Gratuity		Medical		Others	
	2017	2016	2017	2016	2017	2016	2017	2016
Present Value of Funded Defined Benefit Obligation at the year end	5.99	5.74	55.65	45.64	-	-	-	-
Fair value of Plan Assets at the end of the year	6.81	6.97	44.70	37.97	-	-	-	-
	<b>(0.82)</b>	<b>(1.23)</b>	<b>10.95</b>	<b>7.67</b>	-	-	-	-
Present Value of Unfunded Defined Benefit Obligation at the year end	3.65	3.90	-	-	43.31	34.27	68.58	52.22
Asset ceiling	0.35	0.42	-	-	-	-	-	-
<b>Amount recognised in Balance Sheet</b>	<b>3.18</b>	<b>3.09</b>	<b>10.95</b>	<b>7.67</b>	<b>43.31</b>	<b>34.27</b>	<b>68.58</b>	<b>52.22</b>

# Notes to Financial Statements

## Expense recognised in the Statement of Profit and Loss for the year:

Rs. in Crores

	Pension		Gratuity		Medical		Others	
	2017	2016	2017	2016	2017	2016	2017	2016
Current Service Cost	-	-	2.50	2.07	1.31	1.97	1.87	1.50
Interest cost on Defined Benefit Obligation (net)	0.29	0.35	0.50	0.63	2.63	2.44	3.94	3.51
Past Service Cost	-	-	-	-	1.17	-	-	-
<b>Total recognised in the Statement of Profit and Loss</b>	<b>0.29</b>	<b>0.35</b>	<b>3.00</b>	<b>2.70</b>	<b>5.11</b>	<b>4.41</b>	<b>5.81</b>	<b>5.01</b>

## Amounts recognised in Other Comprehensive Income for the year:

Rs. in Crores

	Pension		Gratuity		Medical		Others	
	2017	2016	2017	2016	2017	2016	2017	2016
Actuarial changes arising from changes in financial assumption	0.67	0.06	7.46	0.64	5.95	1.01	4.51	1.05
Actuarial changes arising from changes in experience assumption	(0.49)	(0.55)	1.01	4.95	(1.31)	(0.39)	9.58	5.60
Return on Plan Asset excluding interest income	0.03	0.09	(0.46)	(0.51)	-	-	-	-
Adjustment to recognise the effect of asset ceiling	(0.07)	(0.62)	-	-	-	-	-	-
<b>Total recognised in Other Comprehensive Income</b>	<b>0.14</b>	<b>(1.02)</b>	<b>8.01</b>	<b>5.08</b>	<b>4.64</b>	<b>0.62</b>	<b>14.09</b>	<b>6.65</b>

## Maturity Profile of Defined Benefit Obligation:

Rs. in Crores

	Pension		Gratuity		Medical		Others	
	2017	2016	2017	2016	2017	2016	2017	2016
Within next 12 months	2.40	2.02	9.08	8.61	1.24	1.10	3.99	3.36
Between 2 and 5 years	5.44	6.30	17.56	16.49	5.46	4.86	17.74	15.60
Between 6 and 9 years	3.05	3.38	18.86	15.85	4.71	5.56	21.11	17.93
10 years and above	4.99	5.48	63.64	53.31	36.45	33.65	127.62	103.22

## Principal Actuarial assumptions used:

	2017	2016
Discount rates	6.85%	7.80%
Salary escalation rate	8% for management staff 7% for workers/staff	7% for management staff 6% for workers/staff
Annual increase in health care costs	8%	8%
Mortality rates	LIC 1994-96 mortality tables	LIC 1994-96 mortality tables

# Notes to Financial Statements

## Quantitative sensitivity analysis for significant assumptions is as below:

Rs. in Crores

	Pension	Gratuity	Medical	Others
	2017	2017	2017	2017
Impact of increase in 50 basis point in discount rate on Defined Benefit Obligation	(0.21)	(2.09)	(3.28)	(3.34)
Impact of decrease in 50 basis point in discount rate on Defined Benefit Obligation	0.22	2.25	3.72	3.65
Impact of increase in 50 basis point in salary escalation on Defined Benefit Obligation	-	2.22	-	-
Impact of decrease in 50 basis point in salary escalation on Defined Benefit Obligation	-	(2.09)	-	-
Impact of increase in 100 basis point in health care cost on Defined Benefit Obligation	-	-	7.68	0.10
Impact of decrease in 100 basis point in health care cost on Defined Benefit Obligation	-	-	(6.08)	(0.09)
Impact of increase in 100 basis point in pension rate on Defined Benefit Obligation	0.13	-	-	1.96
Impact of decrease in 100 basis point in pension rate on Defined Benefit Obligation	(0.11)	-	-	(1.89)

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.

## Major Categories of Plan Assets:

Rs. in Crores

	Pension		Gratuity	
	2017	2016	2017	2016
Govt of India Securities	1.01	1.21	-	0.12
PSU bonds	1.01	0.93	-	-
Insurance managed Funds	4.79	4.83	44.52	37.67
Others	-	-	0.18	0.18
<b>Total</b>	<b>6.81</b>	<b>6.97</b>	<b>44.70</b>	<b>37.97</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, 2017 and March 31, 2016, the plan assets have been primarily invested in insurance managed funds.

## Expected contribution over the next financial year:

The Company is expected to contribute **Rs. 10.95 Crores** to defined benefit obligations funds for the year ending March 31, 2018.



## Notes to Financial Statements

### (iii) Provident Fund

The Company operates Provident Fund Schemes and the contributions are made to recognised 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 there is no shortfall as on March 31, 2017 and March 31, 2016.

The details of fund and plan asset position are given below:

	Rs. in Crores	
	Provident Fund	
	2017	2016
Plan Assets as at period end	114.53	98.42
Present Value of Funded Obligations at period end	114.53	98.42
Amount Recognised in the Balance Sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	Provident Fund	
	2017	2016
Guaranteed Rate of Return	8.65%	8.75%
Discount Rate for remaining term to Maturity of Investment	7.05%	7.77%
Expected Rate of Return on Investment	8.81%	8.97%

### 44. Audit fees

	Rs. in Crores	
	2017	2016
Statutory Audit	0.66	0.60
Tax Audit	0.14	0.13
Arrears for Previous Year	0.20	0.14
Other Services	0.67	0.69
Reimbursement of Expenses (including Service tax)	0.39	0.27
	<b>2.06</b>	<b>1.83</b>

### 45. First-time adoption of Ind AS

The Company has prepared financial statements which comply with Ind AS for periods ending on or after March 31, 2016, together with the comparative period data for the year ended March 31, 2016. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP balance sheet as at April 1, 2015 and its previously published Indian GAAP financial statements as at and for the year ended March 31, 2016.

# Notes to Financial Statements

## Exemptions availed on First time Adoption

### (a) Investments in subsidiaries, joint ventures and associates

The Company has elected to adopt the carrying value under previous GAAP as on the date of transition i.e. April 1, 2015 in its separate financial statements.

### (b) Business Combinations

The Company has elected not to apply Ind AS 103 'Business Combinations' retrospectively to its past business combinations.

### (c) Property, Plant and Equipment/Investment Property/Intangibles

The Company has elected to adopt the carrying value under previous GAAP as deemed costs as on the date of transition i.e. April 1, 2015 in its separate financial statements.

## Reconciliation between previous GAAP and Ind AS:

		Rs. in Crores	
(i) Equity reconciliations	Notes	2016	April 1, 2015
<b>Total Equity as per previous GAAP</b>		<b>2895.90</b>	<b>2500.38</b>
Impact of Ind AS			
Reversal of Proposed Dividend	A	171.72	171.72
Changes in fair value of equity Instruments through Other Comprehensive Income	B	359.53	822.88
Amortised cost adjustment on long-term borrowings	C	10.78	27.26
Others		(1.25)	(2.28)
<b>Total Ind AS Transition adjustments</b>		<b>540.78</b>	<b>1019.58</b>
<b>Equity under Ind AS</b>		<b>3436.68</b>	<b>3519.96</b>

		Rs. in Crores	
(ii) Comprehensive Income reconciliation	Notes	2016	
Profit after tax as per previous GAAP		563.67	
Profit on sale of equity instruments carried at fair value through Other Comprehensive Income	B	(327.79)	
Amortised cost adjustments on long-term borrowings	C	(25.20)	
Remeasurement of defined benefit plans	E	11.33	
Others		(2.43)	
Tax Adjustments	D	6.91	
<b>Total Ind AS Transition adjustments</b>		<b>(337.18)</b>	
<b>Profit after tax as per Ind AS</b>		<b>226.49</b>	
<b>Other Comprehensive Income</b>		<b>(146.67)</b>	
<b>Total Comprehensive Income as per Ind AS</b>		<b>79.82</b>	

# Notes to Financial Statements

## Notes to reconciliation:

### A) Reversal of Proposed Dividend

Under the previous GAAP, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the General Meeting. This has resulted in an increase in equity by Rs. 171.72 Crores and Rs. 171.72 Crores as at March 31, 2016 and April 1, 2015 respectively.

### B) Fair value of equity investments through Other Comprehensive Income

Under previous GAAP, current investments were measured at lower of cost or fair value and long-term investments were measured at cost less diminution in the value which is other than temporary. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments were recognised in equity.

### C) Amortised cost adjustment on long-term borrowings

Under previous GAAP, redemption premium payable on Debentures were adjusted with Securities Premium in accordance with Section 52 of Companies Act, 2013. Under Ind AS, these Debentures being financial liabilities are measured at amortised cost using the effective interest method and the resultant difference is accounted in the Statement of Profit and Loss. This has resulted in increase in equity by Rs. 10.78 Crores and Rs. 27.26 Crores as at March 31, 2016 and April 1, 2015 respectively.

### D) Tax adjustments

Tax adjustments include deferred tax impact on account of differences between previous GAAP and Ind AS. These adjustments have resulted in increase in net profit by Rs. 6.91 Crores for the year ended March 31, 2016.

### E) Remeasurement of defined benefit plans

Under Ind AS, remeasurements of defined benefit plans i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of the statement of profit and loss. Under the previous GAAP, these remeasurements were accounted in the statement of profit and loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increased by Rs. 11.33 Crores. There is no impact on the total equity as at March 31, 2016.

## Statement of Cash Flow:

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

46. Unless otherwise stated, figures in brackets relate to the previous year. All the numbers have been rounded off to nearest Crore.

For **Lovelock & Lewes**  
Firm Registration No. 301056E  
Chartered Accountants

**Dibyendu Majumder**  
Partner  
Membership No. 057687

Mumbai, May 30, 2017

For and on behalf of the Board

**Harish Bhat**  
Chairman  
(DIN 00478198)

**Ajoy Misra**  
Managing Director  
(DIN 00050557)

**John Jacob**  
Chief Financial Officer

**V Leeladhar**  
Director  
(DIN 02630276)

**L KrishnaKumar**  
Executive Director  
(DIN 00423616)

**V Madan**  
Company Secretary

**Ranjana Kumar**  
Director  
(DIN 02930881)

# Independent Auditors' Report

## TO THE MEMBERS OF TATA GLOBAL BEVERAGES LIMITED

### Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Tata Global Beverages Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its joint ventures and associate companies; (refer Note 35 to the attached consolidated Ind AS financial statements), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group including its associates and joint ventures in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2017, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

### Other Matter

8. We did not audit the financial statements/financial information of 41 subsidiaries whose financial statements/financial information reflect total assets of Rs. 6,890.65 Crores and net assets of Rs. 5,107.65 Crores as at March 31, 2017, total revenue of Rs.3,998.90 Crores, net profit of Rs. 241.74 Crores and net increase in cash flows amounting to Rs. 195.23 Crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 2.88 Crores and net loss of Rs. 11.73 Crores for the year ended March 31, 2017 as considered in the consolidated Ind AS financial statements, in respect of 4 associate companies and 6 joint ventures respectively, whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate companies and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements 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.

9. The comparative financial information of the Company for the year ended March 31, 2016 and the transition date

opening balance sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 24, 2016 and May 28, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

### Report on Other Legal and Regulatory Requirements

10. As required by Section 143 (3) of the Act, 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 Ind AS financial statements.
  - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, associate companies and joint ventures incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, associate companies and joint ventures incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.
  - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies and joint ventures incorporated in India is disqualified as on March 31, 2017 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 Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group, its associates and joint ventures– Refer Note 29 and 30 to the consolidated Ind AS financial statements.
  - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2017.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India during the year ended March 31, 2017.
  - iv. The Group, its associate and joint ventures have provided requisite disclosures in the consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company, and its subsidiary companies, associate companies and joint ventures incorporated in India and as produced to us by the Management – Refer Note 42. Further, based on the disclosures made by the Holding Company and one of the joint venture in the group, as stated in Note 42 to the consolidated Ind AS financial statements transactions amounting of Rs.149,500 in respect of the Holding Company and Rs.85,000 in respect of one of Joint Venture as represented to us by the Management have been received in non-permitted Specified Bank Notes.

For **Lovelock & Lewes**

Firm Registration Number: 301056E

Chartered Accountants

**Dibyendu Majumder**

Partner

Membership Number: 057687

Place: Mumbai

Date: May 30, 2017

# Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Tata Global Beverages Limited on the consolidated Ind AS financial statements for the year ended March 31, 2017

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Tata Global Beverages Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 (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 Act.

## Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and

both issued by the ICAI. 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.

4. 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.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. 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**

8. In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, 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, 2017, 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.

### **Other Matters**

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies, 3 associate companies and 2 jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For **Lovelock & Lewes**

Firm Registration Number: 301056E

Chartered Accountants

**Dibyendu Majumder**

Partner

Place: Mumbai

Date: May 30, 2017

Membership Number: 057687



# Consolidated Balance Sheet

as at March 31, 2017

Rs. in Crores

	Note	2017	2016	April 1, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	3	698.17	731.37	666.57
Capital Work in Progress		60.36	33.12	33.91
Investment Property	4	68.66	70.09	71.18
Goodwill	5	3497.91	3709.55	3804.30
Other Intangible Assets	5	307.85	220.88	269.72
Intangible Assets under Development		2.83	6.30	4.19
Investments accounted for using Equity method	35(c)	345.36	438.30	426.51
<b>Financial Assets</b>				
Investments	6	939.33	684.22	1157.23
Loans	7	58.70	58.72	109.70
Other Financial Assets	8	37.67	39.87	36.49
Deferred Tax Assets (Net)	19	61.98	116.84	71.18
Non-Current Tax Assets (Net)	19	62.89	44.64	33.28
Other Non-Current Assets	9	81.69	115.18	74.74
		<b>6223.40</b>	<b>6269.08</b>	<b>6759.00</b>
<b>Current assets</b>				
Inventories	10	1452.96	1629.01	1562.10
<b>Financial Assets</b>				
Investments	6	166.35	173.33	11.71
Trade Receivables	11	592.45	592.43	581.09
Cash and Cash Equivalents	12	565.72	492.87	554.80
Other Bank Balances	12	9.10	8.16	7.71
Loans	7	277.57	601.18	585.12
Other Financial Assets	8	81.08	79.47	81.14
Current Tax Assets (Net)	19	13.98	7.99	9.70
Other Current Assets	9	150.44	158.08	126.63
		<b>3309.65</b>	<b>3742.52</b>	<b>3520.00</b>
Assets of disposal group	41	51.83	-	-
<b>TOTAL ASSETS</b>		<b>9584.88</b>	<b>10011.60</b>	<b>10279.00</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	13	63.11	63.11	61.84
Other Equity		6202.39	6184.06	6422.42
<b>Equity attributable to the equity holders of the company</b>		<b>6265.50</b>	<b>6247.17</b>	<b>6484.26</b>
Non Controlling Interest		919.50	861.77	890.74
<b>TOTAL EQUITY</b>		<b>7185.00</b>	<b>7108.94</b>	<b>7375.00</b>
<b>Share Suspense Account</b>	13	-	-	1.27
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	14	450.10	504.12	914.36
Others Financial Liabilities	15	6.71	7.33	11.63
Provisions	16	208.97	291.76	249.28
Deferred Tax Liabilities (Net)	19	207.36	195.41	160.98
		<b>873.14</b>	<b>998.62</b>	<b>1336.25</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	14	320.23	408.56	385.92
Trade Payables	17	737.76	677.30	688.62
Other Financial Liabilities	15	244.08	636.86	303.67
Other Current Liabilities	18	78.57	74.79	75.43
Provisions	16	115.85	100.64	94.43
Current Tax Liabilities (Net)	19	4.50	5.89	18.41
		<b>1500.99</b>	<b>1904.04</b>	<b>1566.48</b>
Liabilities of disposal group	41	25.75	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9584.88</b>	<b>10011.60</b>	<b>10279.00</b>

The accompanying notes are an integral part of the Consolidated Financial Statements.

This is the Consolidated Balance Sheet referred to in our Report of even date.

For **Lovelock & Lewes**

Firm Registration No. 301056E  
Chartered Accountants

**Dibyendu Majumder**

Partner  
Membership No. 057687

Mumbai, May 30, 2017

For and on behalf of the Board

**Harish Bhat**

Chairman  
(DIN 00478198)

**Ajoy Misra**

Managing Director  
(DIN 00050557)

**John Jacob**

Chief Financial Officer

**V Leeladhar**

Director  
(DIN 02630276)

**L KrishnaKumar**

Executive Director  
(DIN 00423616)

**V Madan**

Company Secretary

**Ranjana Kumar**

Director  
(DIN 02930881)

# Consolidated Statement of Profit and Loss

For the year ended March 31, 2017

Rs. in Crores

	Note	2017	2016
<b>INCOME</b>			
Revenue from Operations	20	6779.55	6636.54
Other Income	21	83.10	82.00
<b>Total Income</b>		<b>6862.65</b>	<b>6718.54</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	22	3205.82	3312.52
Purchase of Stock in Trade		356.44	288.97
Change in Inventories of Finished Goods/Work-in-progress/ Stock in Trade	23	(0.69)	20.11
Employee Benefits Expense	24	834.95	805.06
Finance Costs	25	91.53	116.90
Depreciation and Amortisation Expense		126.04	116.79
Advertisement and Sale Charges		584.65	577.52
Other Expenses	26	1007.25	978.03
<b>Total Expenses</b>		<b>6205.99</b>	<b>6215.90</b>
<b>Profit before Exceptional Items and Tax</b>		<b>656.66</b>	<b>502.64</b>
Exceptional Items (Net)	27	5.30	(332.88)
<b>Profit before Tax</b>		<b>661.96</b>	<b>169.76</b>
<b>Tax Expenses</b>			
Current Tax	19	228.09	178.07
Deferred Tax		(29.78)	21.94
		<b>198.31</b>	<b>200.01</b>
<b>Profit / (Loss) after Taxation before share of results of investments accounted using equity method</b>		<b>463.65</b>	<b>(30.25)</b>
Share of net profit/(loss) in Associates and Joint Ventures using equity method		(8.85)	(6.84)
<b>Profit / (Loss) for the year</b>		<b>454.80</b>	<b>(37.09)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of the defined benefit plan		12.66	(64.98)
Changes in fair valuation of equity instruments		259.37	(137.10)
		<b>272.03</b>	<b>(202.08)</b>
Tax impact on above items		(2.42)	13.49
		<b>269.61</b>	<b>(188.59)</b>
<b>Items that will be reclassified to profit or loss</b>			
Exchange differences on translation of foreign operations		(567.36)	150.50
Gains/(loss) on Effective portion of cash flow hedges		22.66	(0.97)
		<b>(544.70)</b>	<b>149.53</b>
Tax impact on above items		(2.88)	(8.18)
		<b>(547.58)</b>	<b>141.35</b>
<b>Total - Other Comprehensive Income</b>		<b>(277.97)</b>	<b>(47.24)</b>
<b>Total Comprehensive Income</b>		<b>176.83</b>	<b>(84.33)</b>

Rs. in Crores

	Note	2017	2016
<b>Net Profit / (Loss) for the year - attributable to :</b>			
Owners of Parent		389.44	(5.52)
Non Controlling Interest		65.36	(31.57)
<b>Net profit / (Loss) for the period</b>		<b>454.80</b>	<b>(37.09)</b>
<b>Other Comprehensive Income - attributable to :</b>			
Owners of Parent		(198.83)	(67.16)
Non Controlling Interest		(79.14)	19.92
<b>Total - Other Comprehensive Income</b>		<b>(277.97)</b>	<b>(47.24)</b>
<b>Total Comprehensive Income - attributable to :</b>			
Owners of Parent		190.61	(72.68)
Non Controlling Interest		(13.78)	(11.65)
<b>Total Comprehensive Income</b>		<b>176.83</b>	<b>(84.33)</b>
<b>Earnings Per Share</b>			
Equity share of nominal value of Re. 1 each			
Basic and Diluted	34	6.17	(0.09)

The accompanying notes are an integral part of the Consolidated Financial Statements

This is the Consolidated Statement of Profit and Loss referred to in our Report of even date.

For **Lovelock & Lewes**

Firm Registration No. 301056E  
Chartered Accountants

**Dibyendu Majumder**

Partner  
Membership No. 057687

Mumbai, May 30, 2017

For and on behalf of the Board

**Harish Bhat**

Chairman  
(DIN 00478198)

**Ajoy Misra**

Managing Director  
(DIN 00050557)

**John Jacob**

Chief Financial Officer

**V Leeladhar**

Director  
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**L KrishnaKumar**

Executive Director  
(DIN 00423616)

**V Madan**

Company Secretary

**Ranjana Kumar**

Director  
(DIN 02930881)

# Consolidated Statement of Changes in Equity

as at March 31, 2017

## Equity Share Capital and Other Equity (Refer Note 13)

Rs. in Crores

	Equity Share Capital	Reserves and Surplus					Other Comprehensive Income					Total Other Equity	Non Controlling Interests	Total Equity		
		Capital Reserve	Securities Premium Account	Debt Redemption Reserve	Capital Redemption Reserve	Contingency Reserve	Amalgamation Reserves	Revaluation Surplus	General Reserve	Retained Earnings	Effective portion of Cash flow Hedge				Fair value gains/(loss) on Equity Instruments	Foreign Currency Translation Reserve
<b>Balance as at April 1, 2015</b>	61.84	15.79	361.05	81.25	0.10	1.00	8.33	21.86	1051.06	4059.34	7.99	814.65	-	6422.42	890.74	7375.00
Profit / (Loss) for the year							(5.52)			(5.52)				(5.52)	(31.57)	(37.09)
Other Comprehensive Income							(46.47)			(46.47)	(10.77)	(136.62)	126.70	(67.16)	19.92	(47.24)
<b>Total Comprehensive Income for the year</b>							(51.99)			(51.99)	(10.77)	(136.62)	126.70	(72.68)	(11.65)	(84.33)
Shares issued during the year	1.27															1.27
<b>Transaction with owners in their capacity as owners</b>																
Dividends (including tax on dividend)							(165.68)			(165.68)				(165.68)	(17.32)	(183.00)
Realised gains on equity shares carried at fair value through OCI							327.79			327.79	(327.79)			-	-	-
Transfer to General Reserve								67.35	(67.35)							
<b>Balance as at March 31, 2016</b>	63.11	15.79	361.05	81.25	0.10	1.00	8.33	21.86	1118.41	4102.11	(2.78)	350.24	126.70	6184.06	861.77	7108.94
Profit for the year							389.44			389.44				389.44	65.36	454.80
Other Comprehensive Income							8.27			8.27	16.65	257.81	(481.56)	(198.83)	(79.14)	(277.97)
<b>Total Comprehensive Income for the year</b>							397.71			397.71	16.65	257.81	(481.56)	190.61	(13.78)	176.83
<b>Transaction with owners in their capacity as owners</b>																
Dividends (including tax on dividend)							(167.18)			(167.18)				(167.18)	(17.76)	(184.94)
Transfer to Retained earnings							(81.25)			(81.25)				-	-	-
Transfer to General Reserve								12.70	(12.70)					-	-	-
Share of non-controlling interest on acquisition														-	102.58	102.58
Adjustment on change in ownership (Refer Note 35)							(5.10)			(5.10)				(5.10)	(13.31)	(18.41)
<b>Balance as at March 31, 2017</b>	63.11	15.79	361.05	-	0.10	1.00	8.33	21.86	1131.11	4396.09	13.87	608.05	(354.86)	6202.39	919.50	7185.00

The accompanying notes are an integral part of the Consolidated Financial Statements

This is the Consolidated Statement of Changes in Equity referred to in our Report of even date.

For and on behalf of the Board

For **Lovelock & Lewes**

Firm Registration No. 301056E  
Chartered Accountants

**Harish Bhat**  
Chairman  
(DIN 00478198)

**Ajoy Misra**  
Managing Director  
(DIN 00050557)

**John Jacob**  
Chief Financial Officer

**V Leeladhar**  
Director  
(DIN 02630276)

**L Krishnakumar**  
Executive Director  
(DIN 00423616)

**V Madan**  
Company Secretary

**Ranjana Kumar**  
Director  
(DIN 02930881)

# Consolidated Statement of Cash Flow

For the year ended March 31, 2017

Rs. in Crores

	2017	2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	661.96	169.76
Adjusted for :		
Depreciation and amortisation	126.04	116.79
Dividend Income	(19.63)	(22.42)
Profit on sale of current investments (net)	(7.24)	(0.14)
Unrealised foreign exchange (gain) / loss	2.73	1.05
Finance Cost	91.53	116.90
Interest Income	(46.34)	(47.96)
Provision for doubtful debts and advances	2.02	3.24
Liabilities no longer required written back	(4.01)	(18.17)
Debts and advances written off	0.90	0.68
Provision for doubtful debts and advances no longer required written back	(3.50)	(0.00)
(Profit) / Loss on sale of Property, Plant & Equipment (net)	1.12	(2.28)
Rental Income from Investment Property	(1.02)	(0.12)
Other Exceptional Expense / (Income) (net)	(5.30)	332.88
	<b>137.30</b>	<b>480.45</b>
Operating Profit before working capital changes	<b>799.26</b>	<b>650.21</b>
Adjustments for:		
Trade Receivables & Other Financial Assets	(60.47)	(48.48)
Inventories	157.78	(70.23)
Trade payables & Other Financial Liabilities	55.19	(153.23)
	<b>152.50</b>	<b>(271.94)</b>
Cash generated from operations before Exceptionals	<b>951.76</b>	<b>378.27</b>
Outflow on account of Exceptional Items	-	<b>(28.06)</b>
Direct taxes paid	<b>(210.56)</b>	<b>(234.23)</b>
<b>Net Cash from Operating Activities</b>	<b>741.20</b>	<b>115.98</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for Property, Plant and Equipment including Intangibles	(138.19)	(154.45)
Sale of Property, Plant and Equipment	5.78	8.19
Rental Income from Investment Property	0.99	0.10
Purchase of Long Term Investments	-	(0.31)
Sale of Non Current Investments carried at Fair value through OCI	-	336.64
Investments in Joint Ventures	(28.00)	(50.85)
(Purchase) / Sale of Current Investments (net)	14.21	(161.47)
Dividend Income received (including dividend from associates & JVs)	28.77	52.58
Interest Income received	28.58	17.01
Inter Corporate Loans and Deposits (net)	312.76	73.44
<b>Net Cash from / (used in) Investing Activities</b>	<b>224.90</b>	<b>120.88</b>

Rs. in Crores

	2017	2016
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Redemption of Debentures (including premium)	(397.54)	-
Repayment of Non current borrowings	(87.30)	(79.62)
Working capital facilities (net)	(80.53)	51.23
Dividend & Dividend Tax paid	(188.99)	(187.09)
Finance Cost paid	(61.48)	(66.32)
<b>Net Cash used in Financing Activities</b>	<b>(815.84)</b>	(281.80)
Net increase / (decrease) in Cash and Cash Equivalents	<b>150.26</b>	(44.94)
<b>D. CASH AND CASH EQUIVALENTS</b>		
Balances at the beginning of the year	<b>333.67</b>	354.87
Cash & Cash equivalent of the acquired company (Refer Note 40)	<b>11.71</b>	-
Exchange difference on translation of foreign currency cash/cash equivalents	<b>(91.56)</b>	23.74
<b>Balances at the end of the year</b>	<b>404.08</b>	333.67
<b>Cash and Cash Equivalents comprises of:</b>		
Cash and Cash Equivalents	<b>404.08</b>	333.67
Less: Cash and cash equivalent relating to disposal group	<b>(1.57)</b>	-
<b>Balances at the end of the year</b>	<b>402.51</b>	333.67

The accompanying notes are an integral part of the Consolidated Financial Statements

This is the Consolidated Statement of Cash Flow referred to in our Report of even date.

For **Lovelock & Lewes**

Firm Registration No. 301056E  
Chartered Accountants

**Dibyendu Majumder**

Partner  
Membership No. 057687

Mumbai, May 30, 2017

For and on behalf of the Board

**Harish Bhat**

Chairman  
(DIN 00478198)

**Ajoy Misra**

Managing Director  
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Executive Director  
(DIN 00423616)

**V Madan**

Company Secretary

**Ranjana Kumar**

Director  
(DIN 02930881)

# Notes to Consolidated

## Financial Statements

### 1. General Information

Tata Global Beverages Limited ("the Holding 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 Tea, Coffee and Water. The Group has branded beverage business operations mainly in India, Europe, US, Canada and Australia, plantation business in India/Sri Lanka and extraction business mainly in India and US.

The Holding Company is a public limited company incorporated and domiciled in India and has its registered office at Kolkata, West Bengal, India. The Holding 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, 2017 were approved for issue by Company's Board of Directors on May 30, 2017.

### 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) Basis of preparation and presentation of consolidated financial statements

##### (i) Accounting convention

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, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

For all periods upto and including the year ended March 31 2016, the Holding Company prepared its consolidated financial statements in accordance with the accounting standards notified earlier under Section 133 of the Companies Act, 2013, read together with Companies (Accounts) Rules, 2014 (Indian GAAP).

These are the Holding Company's first annual consolidated financial statements prepared in accordance with Ind AS. The Group has adopted all applicable standards and adoptions were carried out in accordance with Ind AS 101 – First time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Group is provided in Note 44 of these financials.

#### (ii) 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.

#### (b) Scope 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. They are deconsolidated from the date that control ceases. Fully consolidated means recognition of like items of assets, liabilities, equity, income and expense. Thereafter, the portion of net profit 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 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.

# Notes to Consolidated

## Financial Statements

### Joint Ventures

The Group applies Ind AS - 111 to all joint arrangements. Under Ind AS - 111, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method. When necessary, amounts reported by joint ventures have been adjusted to conform to the Group's accounting policies.

### Associates

Associates include all companies where the Group has the power to exercise a significant influence are accounted for using the equity method. The carrying amount of goodwill arising from the acquisition of associates is included in the carrying value of the investments in associates.

### Equity method

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.

## (c) Foreign Currency and translations

### (i) Functional and presentation currency

Items included in the consolidated financial statements of the Group's subsidiaries, 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 (Rs.), which is the functional currency of the Holding Company.

### (ii) Foreign currency transactions and balances

In standalone entities, transactions in foreign currencies are recorded at the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the year-end rate. Any resultant exchange differences are taken to the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

### (iii) Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency of the Group are translated as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit and loss are translated at monthly exchange rates and
- all resulting exchange differences are recognised in other comprehensive income.

On disposal of a foreign operation, the associated exchange differences are reclassified to the statement of profit and loss, as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income



# Notes to Consolidated

## Financial Statements

### (d) Business Combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises the;

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business, and
- equity interests issued by the Group.
- fair value of any asset or liability resulting from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the fair value of consideration over the identifiable net asset acquired is recorded as goodwill, if the consideration is lower the gain is recognised directly in equity as capital reserve. In case, business acquisition is classified as bargain purchase, the aforementioned gain is recognised in the other comprehensive income and accumulated in equity as capital reserve. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis 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.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss or other comprehensive income, as appropriate.

If the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the business combination

is accounted for using provisional amounts. Adjustments to provisional amounts, and the recognition of newly identified asset and liabilities, must be made within the 'measurement period' where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date. The measurement period cannot exceed one year from the acquisition date and no adjustments are permitted after one year except to correct an error.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the statement of profit and loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

### (e) 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 loss, if any. Historical cost includes expenditure directly attributable to the acquisition of the items. Subsequent expenditure related to an item of fixed asset 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. The carrying amount of the replaced part is 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

# Notes to Consolidated

## Financial Statements

development are disclosed under capital work in progress and not depreciated till asset is ready to use.

The residual values and useful lives of 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 or useful life
Buildings	28 to 60 years
Plant and Machinery	3 to 25 years
Furniture and Fixtures	7 to 16 years
Office Equipment	3 to 16 years
Motor vehicles	4 to 10 years

### (f) 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.

Group recognises tea bushes, coffee bushes, pepper vines and shade trees as bearer plant, bearer plants with further classification as mature bearer plants and immature bearer plants. 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 [refer Note 44(d)(ii)].

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 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.

### (g) 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 50 years.

### (h) Intangible Assets

#### (i) Goodwill

Goodwill arising on the acquisition of subsidiaries 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

# Notes to Consolidated

## Financial Statements

assets acquired represents the fair value of the identifiable assets acquired and liability assumed.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the 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. 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 or impairment losses. 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/trademark 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/trademark

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 have been ascribed a useful life within a range of 20 – 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 15 – 30 years.

### (iv) Patent / knowhow

Product development cost incurred on new products having enduring benefits is recognised as Intangible Assets and are amortised over a period of 10 years.

### (v) Non-compete fees

Non-compete fees paid on acquisition of business is being 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 Group has an

# Notes to Consolidated Financial Statements

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, costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which range between 3 to 5 years.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 5 years.

## (vii) Research and Development

Research expenditure is recognised in the statement of profit or loss as incurred. Development expenditure is capitalised only if the costs can be reliably measured, future economic benefits are probable, the product is technically feasible and the Group has the intent and the resources to complete the project. Development assets are amortised based on the estimated useful life, as appropriate.

## (i) Impairment of tangible and intangible assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest possible levels for which there are independent cash inflows (cash-generating units). Prior impairment of non-financial assets (other

than goodwill) are reviewed for possible reversal 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.

## (j) 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 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.

## (k) Financial Instruments Financial assets

The Group classifies its financial assets in the following categories:

- i) **Financial assets at amortised cost-** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

These are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently, if maturing after 12 months period, using the effective interest method, less any impairment loss.

Debt instruments which do not meet the criteria of amortised cost are measured at fair value and classified as fair value through profit and loss or through other comprehensive income, as applicable.

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Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalent, employee and other advances.

- ii) **Financial assets at fair value through other comprehensive income (FVOCI)** - All equity investments are measured at fair values. Investments which are not held for trading purposes and where the Group has exercised the option to classify the investment as at FVOCI, all fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments.
- iii) **Financial assets at fair value through profit or loss (FVTPL)** - Financial assets which are not classified in any of the categories above are FVTPL.
- iv) **Impairment of financial assets** - The Group assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Group's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### Financial liabilities

#### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in case of loans and borrowings net of directly attributable costs.

Financial liabilities are subsequently measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these investments.

### Derivative financial instruments and hedging activities

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- (a) hedges of the fair value of recognised assets or liabilities (fair value hedge); or
- (b) hedges of a particular risk associated with a firm commitment or a highly probable forecast 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 shown within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining 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 income statement, 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.

# Notes to Consolidated Financial Statements

## (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, swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast hedged transaction is ultimately recognised in the statement of profit and loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/losses than 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).

## (l) Inventories

Raw materials, work in progress, traded and finished goods are stated at the lower of cost and net realisable value, net realisable value represents the estimated selling price less all estimated cost of completion and selling expenses. Stores and spares are carried at cost. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

Cost is determined on weighted average method for all categories of inventories other than for auction/privately bought teas in which case cost is considered as actual cost for each lot. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition, where applicable, include appropriate overheads based on normal level of activity. Agricultural produce included within inventory largely comprises stock of tea and coffee and in accordance with Ind AS 41, on initial recognition, agricultural produce is required to be measured at fair value less estimated point of sale costs.

Provision is made for obsolescence and other anticipated losses wherever considered necessary.

## (m) 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 holding Group to a Self-Administered Trust, Group is generally liable for annual contributions and for any shortfall in the fund assets based, on the government specified minimum rates

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## Financial Statements

of return and recognises such contribution and shortfall, if any, as an expense in the year incurred.

Post retirement defined benefits including gratuity, pension and medical benefits for qualifying executives/whole time directors as provided by the Group are determined through independent actuarial valuation at year end and charge recognised in the statement of profit and loss. Interest costs on employee benefit schemes have been classified within finance cost. For schemes, where funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. Such accumulated re-measurement balances are never reclassified into the statement of profit and loss subsequently.

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.

### (n) Provisions

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.

### (o) 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/Deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

#### iii) Minimum Alternate Tax:

According to section 115JAA of the Income Tax Act, 1961, Minimum Alternative Tax ('MAT')

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paid over and above the normal income tax in a subject year is eligible for carry forward for fifteen succeeding assessment years for set-off against normal income tax liability. The MAT credit asset is assessed against the Company's normal income tax during the specified period.

**(p) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts inclusive of excise duty receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**i) Sale of goods and services**

Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per terms of contract, which generally coincide with delivery of the product. Income and fees from services are accounted as per terms of relevant contractual agreements /arrangements. The products are often sold with sales related discounts such as volume discounts, customer rebates, trade support and listing costs and consumer promotional activities as billed by customers. Sales are recorded based on the price specified in the sales contracts, net of the estimated discounts/rebates and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns.

**ii) Interest and dividend income**

Interest income is recognised 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. Income from investments are accounted on an accrual basis.

**(q) 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, for 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.

**(r) Leases  
As a lessee**

Lease of assets, where the Group, as a lessee, has substantially assumed all the risks and rewards of ownership are classified as finance leases. Assets acquired on finance lease are capitalised and depreciated as per Group's policy on Property, Plant and Equipment. Finance lease are measured at the lease's inception at the lower of fair value of the leased property and the present value of the minimum lease payments. The corresponding lease rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability 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 year.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any



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incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

### (s) Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Group incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

### (t) 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.

### (u) 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 Group by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

### (v) 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 other than goodwill.

### (w) Contingent Liabilities

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.

### (x) 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.

### (y) Offsetting instruments

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 counter-party.

# Notes to Consolidated Financial Statements

## (z) 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.

## (aa) Key accounting judgement, estimates and assumptions

The preparation of the consolidated financial statements required Group management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affect only that period, or in the period of the revision and future periods if the revision affects both current and future period.

### The areas involving critical estimates or judgements are:

#### Goodwill and Intangibles

The Group records all intangible assets acquired as part of a business combination at fair value. Goodwill is assigned an indefinite useful life whilst intangible assets are assigned an indefinite or definite useful life. Goodwill and intangible assets assigned an indefinite useful life are as a minimum subject to annual tests of impairment in line with the accounting policy stated in Note 2 of these financial statements. (Refer Note 5)

#### Depreciation and amortisation

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the

depreciation and amortisation charges. (Refer Note 3, 4 and 5)

#### Taxation

The Group is subject to taxes in numerous jurisdictions. Significant judgement is required in determining worldwide provisions for taxes. There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain.

#### 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 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 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)

#### 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 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.

## (bb) Changes in Accounting Standard and recent accounting pronouncements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards)

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(Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable from April 1, 2017.

### **Amendments to Ind AS 7:**

The amendment to Ind AS 7 requires the entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The Group will analyse the impact on the statement of cash flow and the notes to the financial statements.

### **Amendment to Ind AS 102:**

The amendment to Ind AS 102, "Share-based payments" is not applicable to the Group.

### **(cc) Transition to Ind AS**

For the purpose of reporting as set out in Note 2(a), Basis of preparation and presentation of consolidated financial statements, we have transitioned our basis of accounting from Indian Generally Accepted Accounting Principles ("IGAAP") to Indian Accounting Standards (Ind AS). The significant accounting policies as disclosed in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and opening statement of financial position as at April 1, 2015 (the "transition date").

In preparing the opening Ind AS statement of financial position, the Group has made adjustments to amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in Note 44. On transition, the Group did not revise estimates previously made under IGAAP except where required by Ind AS.

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## Financial Statements

### 3. Property, Plant and Equipment

Rs. in Crores

	Land	Bearer Assets	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipment	Motor Vehicles	Total Tangibles
<b>Cost</b>								
<b>As at April 1, 2015</b>	<b>67.65</b>	<b>-</b>	<b>249.21</b>	<b>1293.48</b>	<b>163.25</b>	<b>8.22</b>	<b>25.87</b>	<b>1807.68</b>
Additions	0.15	-	13.74	116.13	11.64	0.46	2.43	144.55
Disposal	(0.52)	-	(2.19)	(51.23)	(7.89)	(0.01)	(5.12)	(66.96)
Translation Exchange difference	0.30	-	5.35	28.54	4.08	(0.11)	0.17	38.33
<b>As at March 31, 2016</b>	<b>67.58</b>	<b>-</b>	<b>266.11</b>	<b>1386.92</b>	<b>171.08</b>	<b>8.56</b>	<b>23.35</b>	<b>1923.60</b>
Additions	-	0.36	13.79	73.36	11.53	0.65	2.98	102.67
Disposal	-	-	(4.37)	(24.15)	(3.12)	(0.60)	(2.55)	(34.79)
Adjustment	(0.01)	-	-	-	-	-	-	(0.01)
Transferred to disposal group	(6.45)	-	(37.88)	(46.26)	(0.57)	(2.94)	(0.23)	(94.33)
Translation Exchange difference	(1.09)	-	(9.08)	(85.28)	(13.78)	(0.38)	0.01	(109.60)
<b>As at March 31, 2017</b>	<b>60.03</b>	<b>0.36</b>	<b>228.57</b>	<b>1304.59</b>	<b>165.14</b>	<b>5.29</b>	<b>23.56</b>	<b>1787.54</b>
<b>Accumulated Depreciation</b>								
<b>As at April 1, 2015</b>	<b>0.97</b>	<b>-</b>	<b>91.54</b>	<b>911.62</b>	<b>116.38</b>	<b>6.05</b>	<b>14.55</b>	<b>1141.11</b>
Depreciation/Amortisation for the year	0.13	-	9.65	57.40	13.35	0.51	2.12	83.16
Disposal	-	-	(1.09)	(47.29)	(7.99)	(0.24)	(4.90)	(61.51)
Translation Exchange difference	0.02	-	2.09	23.89	3.17	0.18	0.12	29.47
<b>As at March 31, 2016</b>	<b>1.12</b>	<b>-</b>	<b>102.19</b>	<b>945.62</b>	<b>124.91</b>	<b>6.50</b>	<b>11.89</b>	<b>1192.23</b>
Depreciation/Amortisation for the year	0.13	0.01	10.69	64.13	11.42	0.74	1.85	88.97
Disposal	-	-	(0.44)	(22.99)	(3.18)	(0.61)	(1.78)	(29.00)
Transferred to disposal group	(1.15)	-	(19.48)	(46.23)	(0.52)	(2.45)	(0.21)	(70.04)
Translation Exchange difference	(0.10)	-	(4.20)	(76.47)	(11.78)	(0.30)	0.06	(92.79)
<b>As at March 31, 2017</b>	<b>-</b>	<b>0.01</b>	<b>88.76</b>	<b>864.06</b>	<b>120.85</b>	<b>3.88</b>	<b>11.81</b>	<b>1089.37</b>
<b>Net Carrying Value</b>								
As at April 1, 2015	66.68	-	157.67	381.86	46.87	2.17	11.32	666.57
As at March 31, 2016	66.46	-	163.92	441.30	46.17	2.06	11.46	731.37
<b>As at March 31, 2017</b>	<b>60.03</b>	<b>0.35</b>	<b>139.81</b>	<b>440.53</b>	<b>44.29</b>	<b>1.41</b>	<b>11.75</b>	<b>698.17</b>

On transition to Ind AS as at April 1, 2015, the Group has elected to measure all its property, plant and equipment at the previous GAAP's carrying value.

Land includes leasehold land of **Rs. 2.02 Crores** (Rs. 2.02 Crores) belonging to the Holding Company and an Indian subsidiary. Building 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 plantation and for ancillary activities has been leased by the Holding Company to its associate company Kanan Devan Hills Plantation Company Private Limited for a period of 30 years as part of restructure of its South India Plantation Operation in 2005.

The additions in bearer assets represents capitalisation of coffee plants which have attained maturity during the year. Capital work-in-progress includes immature plants amounting to **Rs. 17.12 Crores** (Rs. 5.53 Crores).

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### 4. Investment Property

Investment Properties of the Group comprises of land, commercial property and residential property.

	Rs. in Crores	
	2017	2016
<b>Cost</b>		
Opening Balance	71.82	71.47
Additions	-	0.35
Adjustment	0.01	-
Closing Balance	71.83	71.82
<b>Accumulated Depreciation</b>		
Opening Balance	1.73	0.29
Depreciation/Amortisation for the year	1.44	1.44
Closing Balance	3.17	1.73
<b>Net Carrying Value</b>	<b>68.66</b>	<b>70.09</b>

On transition to Ind AS as at April 1, 2015, the Group has elected to measure all its investment properties at the previous GAAP's carrying value.

<b>Amount recognised in statement of profit and loss for investment Property:</b>	Rs. in Crores	
	2017	2016
Rental Income	1.07	0.21
Direct operating expenses	(0.59)	(0.10)
Profit from investment property before depreciation	0.48	0.11
Depreciation/Amortisation for the year	(1.44)	(1.44)
<b>Profit/(loss) from Investment Property</b>	<b>(0.96)</b>	<b>(1.33)</b>

During the year, a portion of unutilised land belonging to one of the Indian subsidiary of the Holding Company has been classified as investment property.

#### Fair value:

Fair value of the investment properties is Rs. 281.31 Crores based on valuation (sales comparable approach – level 2) by a recognised independent valuer. There is no material change in the fair values as compared to the previous year.

#### Leasing arrangements:

Certain investment property is leased to tenants under long-term operating lease. Minimum lease payment receivable under non-cancellable operating lease:

	Rs. in Crores	
	2017	2016
Within one year	2.26	0.34
Later than one year but not later than five years	1.87	1.02
Later than five years	-	-

# Notes to Consolidated Financial Statements

## 5. Other Intangible Assets

Rs. in Crores

	Goodwill	Brands / Trademarks	Customer Intangibles	Patent / Knowhow	Capitalised Software	Non Compete Fee	Total Other Intangible Assets
<b>Cost</b>							
<b>As at April 1, 2015</b>	<b>3939.15</b>	<b>294.50</b>	<b>-</b>	<b>17.64</b>	<b>135.27</b>	<b>3.00</b>	<b>450.41</b>
Additions	-	-	-	-	11.75	-	11.75
Disposal	-	-	-	-	(5.59)	-	(5.59)
Translation Exchange difference	137.48	19.07	-	-	4.09	-	23.16
<b>As at March 31, 2016</b>	<b>4076.63</b>	<b>313.57</b>	<b>-</b>	<b>17.64</b>	<b>145.52</b>	<b>3.00</b>	<b>479.73</b>
Additions	-	-	-	-	14.86	-	14.86
Disposal	-	-	-	-	(0.55)	-	(0.55)
Acquisition through business combination	131.30	10.66	106.58	-	-	-	117.24
Translation Exchange difference	(363.49)	(13.28)	(2.82)	-	(11.67)	-	(27.77)
<b>As at March 31, 2017</b>	<b>3844.44</b>	<b>310.95</b>	<b>103.76</b>	<b>17.64</b>	<b>148.16</b>	<b>3.00</b>	<b>583.51</b>
<b>Accumulated Amortisation/Impairment</b>							
<b>As at April 1, 2015</b>	<b>134.85</b>	<b>96.79</b>	<b>-</b>	<b>5.44</b>	<b>76.11</b>	<b>2.35</b>	<b>180.69</b>
Depreciation/Amortisation for the year	-	11.80	-	1.76	18.33	0.30	32.19
Disposal	-	-	-	-	(5.57)	-	(5.57)
Impairment	226.64	36.53	-	7.00	-	-	43.53
Translation Exchange difference	5.59	5.92	-	-	2.09	-	8.01
<b>As at March 31, 2016</b>	<b>367.08</b>	<b>151.04</b>	<b>-</b>	<b>14.20</b>	<b>90.96</b>	<b>2.65</b>	<b>258.85</b>
Depreciation/Amortisation for the year	-	11.49	3.59	1.16	19.09	0.30	35.63
Disposal	-	-	-	-	(0.38)	-	(0.38)
Impairment	27.34	-	-	-	-	-	-
Translation Exchange difference	(47.89)	(9.95)	(0.13)	-	(8.36)	-	(18.44)
<b>As at March 31, 2017</b>	<b>346.53</b>	<b>152.58</b>	<b>3.46</b>	<b>15.36</b>	<b>101.31</b>	<b>2.95</b>	<b>275.66</b>
<b>Net Carrying Value</b>							
As at April 1, 2015	3804.30	197.71	-	12.20	59.16	0.65	269.72
As at March 31, 2016	3709.55	162.53	-	3.44	54.56	0.35	220.88
<b>As at March 31, 2017</b>	<b>3497.91</b>	<b>158.37</b>	<b>100.30</b>	<b>2.28</b>	<b>46.85</b>	<b>0.05</b>	<b>307.85</b>

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets as at April 1, 2015 as per the previous GAAP and use that carrying value as the deemed cost.

### Impairment of Goodwill and intangible assets

Management reviews the carrying value of goodwill and intangible assets annually to determine whether there has been any impairment. This involves making an assessment of the value of goodwill and intangible assets 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. It has identified India, Canada, US, UK, Poland, Czech Republic, Russia, Rest of Europe and Australia as its main CGU for the purpose of goodwill allocation.

Goodwill is monitored by the management at each CGU level as mentioned above.

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The following is a summary of the goodwill allocation to each CGU as mentioned above:

Rs. in Crores

2017	Opening	Addition	Impairment	Foreign exchange	Closing
GB	1654.97	-	-	(251.98)	1402.99
US	1237.14	131.30	-	(29.64)	1338.80
Canada	580.44	-	-	(29.52)	550.92
Australia	140.11	-	(27.34)	(3.08)	109.69
Other Europe	9.09	-	-	(1.38)	7.71
India	87.80	-	-	-	87.80
	<b>3709.55</b>	<b>131.30</b>	<b>(27.34)</b>	<b>(315.60)</b>	<b>3497.91</b>

Rs. in Crores

2016	Opening	Addition	Impairment	Foreign exchange	Closing
GB	1602.18	-	-	52.79	1654.97
US	1283.03	-	(106.14)	60.25	1237.14
Canada	561.95	-	-	18.49	580.44
Australia	139.55	-	-	0.56	140.11
Other Europe	129.79	-	(120.50)	(0.20)	9.09
India	87.80	-	-	-	87.80
	<b>3804.30</b>	<b>-</b>	<b>(226.64)</b>	<b>131.89</b>	<b>3709.55</b>

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 performance achieved and medium term strategic plans. Any major variations to strategic plan is based on experience are incorporated in the calculations. Cash flows beyond the 5 year period are extrapolated using a long-term growth rate. For certain cash generating units, variable growth is considered even beyond five years, given the potential of the business.

Key assumptions in the budgets and 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 and the markets and geographies in which they operate.

Other key assumptions applied in determining value in use are:

- Long term growth rate – Cash flows beyond the five-year period are extrapolated using the estimated long-term growth rate applicable for the geographies in which the CGUs operate, with reference to historical economic growth rates.
- 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.

The long-term growth rates and discount rates applied in the value in use calculations as at March 31, 2017 have been set out below:

	Pre-tax discount rate	Long-term growth rate
GB	7.0%	2.0%
US	9.3%	2.0%
Canada	8.1%	2.0%
Australia	9.1%	2.0%
Other Europe	6.6%	2.0%

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### Impairment charges

During the year, the Group recognised an impairment loss totalling Rs. 27.34 Crores relating to its branded businesses in Australia. While the Group is actively pursuing various growth opportunities, impairment has been recognised due to underperformance as compared to plan, explained by category de-growth and competitive intensity. A change of 50 basis points in the pre-tax discount rate or 50 basis point change in long-term growth rates would result in changes to the impairment charge by Rs. 13.25 Crores.

In the previous year, the Group recognised a non-cash impairment on goodwill and brands amounting to Rs. 120.50 Crores and Rs. 36.53 Crores respectively relating to its branded businesses in Eastern European markets [Russia (coffee segment), Poland (tea segment) and Czech (tea segment) (pre-tax discount rate within the range of 7.1% to 14.9%)] and US amounting to Rs. 106.14 Crores (pre-tax discount rate of 8.0%). The Group also recognised an impairment loss in the carrying value of its Patent/Knowhow amounting to Rs. 7.00 Crores having a pre-tax discount rate of 22.3%.

### Sensitivity Analysis

We have performed sensitivity analysis around the base assumptions and have concluded that no reasonable possible changes in key assumptions would cause the recoverable amount of the CGUs, with the exception of Australia to be less than the carrying value.

## 6. Investments

Rs. in Crores

		2017	2016	April 1, 2015
<b>Non-current Investments</b>				
Quoted Equity Instruments	a	689.79	431.20	900.56
Unquoted Equity Instruments	b	131.90	131.15	131.15
Unquoted Preference Shares	c	117.64	121.87	121.47
Quoted Debentures	d	-	-	4.05
Unquoted Debentures	d	-	-	-
Unquoted Government Securities	d	-	-	-
		<b>939.33</b>	<b>684.22</b>	<b>1157.23</b>
<b>Current Investments</b>				
Mutual Funds	e	166.35	173.33	11.71
		<b>166.35</b>	<b>173.33</b>	<b>11.71</b>
<b>Total Investments</b>		<b>1105.68</b>	<b>857.55</b>	<b>1168.94</b>

Quoted investments are carried in the financial statements at market value.

### Details of investments are as follows:

#### a) Quoted Equity Instruments

Carried at fair value through Other Comprehensive Income

	Face Value	Nos.			Rs. in Crores		
		2017	2016	2015	2017	2016	April 1, 2015
Tata Chemicals Ltd.	Rs. 10	11345522	11345522	11345522	679.42	423.47	501.50
Titan Industries Ltd.	Re. 1	-	-	9248060	-	-	362.52
The Indian Hotels Co. Ltd.	Re. 1	-	-	1687742	-	-	19.72
Tata Motors Ltd.	Rs. 2	-	-	116665	-	-	6.42
Tata Motors Ltd - 'A' Ordinary Shares	Rs. 2	-	-	16665	-	-	0.55
Tata Investment Corporation Ltd.	Rs. 10	158469	158469	160000	10.03	7.44	9.17
Tata Steel Ltd.	Rs. 10	-	-	12021	-	-	0.38
Joonktolle Tea & Industries Ltd.	Rs. 10	12602	12602	12602	0.22	0.18	0.19
SBI Home Finance Ltd. \$	Rs. 10	100000	100000	100000	-	-	-
Industrial Development Bank of India	Rs. 10	16160	16160	16160	0.12	0.11	0.11
					<b>689.79</b>	<b>431.20</b>	<b>900.56</b>

\$ Investment carrying values are below Rs. 0.01 Crores.

A part of the investment in Tata Chemicals Ltd (3723648 shares) were pledged against 3% Non-Convertible privately placed Debentures, the said debenture were repaid during the year.



# Notes to Consolidated

## Financial Statements

### b) Unquoted Equity Instruments

Carried at fair value through other comprehensive income

	Face Value	Nos.			Rs. in Crores		
		2017	2016	2015	2017	2016	April 1, 2015
Tata Sons Ltd.*	Rs. 1000	1755	1755	1755	9.75	9.75	9.75
Tata Capital Ltd.	Rs. 10	613598	613598	613598	2.25	1.85	1.85
Tata Services Ltd.	Rs. 1000	475	475	475	0.05	0.05	0.05
Tata Industries Ltd.*	Rs. 100	6519441	6519441	6519441	115.82	115.82	115.82
Taj Air Ltd.	Rs. 10	22200000	22200000	22200000	-	-	-
Chembra Peak Estates Ltd.	Rs. 10	-	3481	3481	-	0.01	0.01
Wartyhully Estates Ltd.	Rs. 10	24748	24748	24748	0.01	0.01	0.01
Southern Scribe Instruments Pvt Ltd #	Rs. 100	7280	7280	7280	0.07	0.07	0.07
Armstrong Power Private Limited # \$	Rs. 100	375	375	-	-	-	-
Armstrong Power Systems Private Limited # \$	Rs. 100	460	460	-	-	-	-
ABC Tea Workers Welfare Services	Rs. 10	20000	20000	20000	0.02	0.02	0.02
Assam Hospitals Ltd	Rs. 10	200000	200000	200000	3.01	2.57	2.57
GNRC Ltd	Rs. 10	50000	50000	50000	0.18	0.18	0.18
IFCI Venture Capital Funds Ltd	Rs. 10	250000	250000	250000	0.74	0.82	0.82
The Annamallais Ropeways Company Ltd.	Rs. 10	2092	2092	2092	-	-	-
The Valparai Co-operative Wholesale Stores Ltd.\$	Rs. 10	350	350	350	-	-	-
Suryakiran Apartment Services Private Ltd.	Rs. 10	2146	2146	2146	-	-	-
Jalpaiguri Club Ltd. (Cost Re 1) \$	Rs. 10	60	60	60	-	-	-
Ritspin Synthetics Ltd.	Rs. 10	200000	200000	200000	-	-	-
Coorg Orange Growers Co-operative Society Ltd	Rs. 100	4	4	4	-	-	-
Tata Coffee Co-operative Stores Ltd.	Rs. 5	20	20	20	-	-	-
Coorg Cardamom Co-operative Marketing Society Ltd.	Rs. 100	1	1	1	-	-	-
TEASERVE \$ (The Tamil Nadu Tea Manufacturers' Service Industrial Co-Op Society Ltd)	Rs. 5000	1	1	1	-	-	-
Woodlands Hospital & Medical Research Centre Ltd. \$	Rs. 10	12280	12280	12280	-	-	-
					<b>131.90</b>	<b>131.15</b>	<b>131.15</b>

\$ Investment carrying values are below Rs. 0.01 Crores.

# relating to power purchase agreement entered into by an Indian subsidiary.

\* Costs of these unquoted equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

# Notes to Consolidated

## Financial Statements

### c) Unquoted Preference Shares

	Face Value	Nos.			Rs. in Crores		
		2017	2016	2015	2017	2016	April 1, 2015
<b>Investment in Associates</b>							
Amalgamated Plantations Pvt Ltd.	Rs. 10	67000000	67000000	67000000	50.89	55.12	54.72
TRIL Constructions Ltd.	Rs. 10	66751852	66751852	66751852	66.75	66.75	66.75
<b>Other</b>							
Thakurbari Club Ltd (Cost Re. 1) \$	Rs. 100	26	26	26	-	-	-
					<b>117.64</b>	<b>121.87</b>	<b>121.47</b>

§ Investment carrying values are below Rs. 0.01 Crores.

Investment in preference shares of Amalgamated Plantation Pvt. Ltd, are redeemable with a special redemption premium, on fulfillment of certain conditions, within 10-12 years from the date of the issue and is designated as fair value through the statement of profit and loss. Preference shares of TRIL Construction Ltd are non-cumulative and mandatorily fully convertible within six years from the issue date, the same is carried at cost.

### d) Quoted Debentures, Unquoted Debentures & Government Securities

Carried at fair value through other comprehensive income

	Face Value	Nos.			Rs. in Crores		
		2017	2016	2015	2017	2016	April 1, 2015
<b>Quoted Debentures</b>							
The Indian Hotels Co. Ltd.	Rs. 55	-	-	379741	-	-	4.05
					-	-	<b>4.05</b>
<b>Unquoted Debentures</b>							
The Bengal Chamber of Commerce & Industry - 6 1/2% Debentures \$	Rs. 1000	7	7	7	-	-	-
Shillong Club Ltd - 5% Debentures - (Cost Rs. 2) \$	Rs. 100	31	31	31	-	-	-
					-	-	-
<b>Unquoted Government Securities</b>							
W.B. Estates Acquisition Compensation Bond \$					-	-	-
					-	-	-

§ Investment carrying values are below Rs. 0.01 Crores.

# Notes to Consolidated

## Financial Statements

### e) Mutual funds -unquoted

Carried at fair value through statement of profit and loss

	No. of Units	2017	2016	Rs. in Crores April 1, 2015
DSP Blackrock Liquidity Fund - Direct Plan Growth	272088	63.29	-	-
Tata - Money Market MF - Direct Plan Growth	200441	51.37	-	-
AXIS Liquid Fund -Direct-Growth	88874	16.03	-	-
ICICI Prudential Liquid Fund - Direct - Growth	270449	6.51	-	-
UTI Liquid Cash Plan - Direct - Growth	52641	14.02	-	-
Tata Ultra Short Term Fund -Direct-Growth	40570	10.07	-	-
DSP Blackrock Ultra Short Term Fund- Direct - Growth	4245311	5.06	-	-
DSP Blackrock Liquidity Fund-IP - Daily Dividend Reinvestment	150168	-	15.03	-
HDFC Liquid Fund - Regular Plan - Daily Dividend Reinvestment	98229	-	10.02	-
Kotak Floater Short Term - Daily Dividend Reinvestment	198075	-	20.03	-
L&T Liquid Fund - Regular - Daily Dividend Reinvestment	69267	-	7.01	-
ICICI Prudential Money Market Fund - Daily Dividend Reinvestment	2000950	-	20.04	-
Tata Money Market Fund Direct Plan -A- Daily Dividend Reinvestment	290039	-	29.05	-
UTI Money Market Fund - IP - Daily Dividend Reinvestment	219670	-	22.04	-
Tata Ultra Short Term Fund - Daily Dividend Reinvestment	199840	-	20.05	-
IDFC Ultra Short Term Fund - Direct	15005526	-	15.04	-
Birla Sun Life Floating Rate Fund - LTP - Direct	149658	-	15.02	-
Tata Liquid Fund SHIP - DDR	62833	-	-	7.00
TFLG- Tata Floater Fund Growth	18688	-	-	3.82
HSBC Ultra Short Term Fund - Weekly dividend	887448	-	-	0.89
<b>Total Current Investments</b>		<b>166.35</b>	<b>173.33</b>	<b>11.71</b>

## 7. Loans

	2017	2016	Rs. in Crores April 1, 2015
<b>Non-current Loans</b>			
(unsecured and considered good unless otherwise stated)			
Inter Corporate Loans	33.17	33.87	78.11
Inter Corporate Loans to related party	24.00	24.00	29.97
Employee Loans and Advances	1.53	0.85	1.62
	<b>58.70</b>	<b>58.72</b>	<b>109.70</b>
<b>Current Loans</b>			
(unsecured and considered good unless otherwise stated)			
Inter Corporate Loans	212.36	522.69	523.76
Inter Corporate Loans to related party	61.50	74.00	56.50
Employee Loans and Advances	3.71	4.49	4.86
	<b>277.57</b>	<b>601.18</b>	<b>585.12</b>
<b>Total Loans</b>	<b>336.27</b>	<b>659.90</b>	<b>694.82</b>

Non-current loans – Inter corporate loans are backed by pledge over shares of the borrower and by a corporate guarantee. In addition, creation of mortgage over certain shares is under process. Inter-corporate loan to related party is backed by a mortgage of rights on immovable assets.

Current loans - Inter-corporate loans includes (i) secured loan amounting to Rs. 199.26 Crores (2016 - Rs. 497.05 Crores; 2015 - Rs. 460.00 Crores) is secured with mortgage over movable property and is further backed by pledge of shares of the borrower and by a corporate guarantee and (ii) secured loan amounting to Rs. 4.25 Crores (2016 - Rs. 4.75 Crores; 2015 - Rs. 5.00 Crores) which is backed by mortgage over immovable assets.

# Notes to Consolidated

## Financial Statements

### 8. Other Financial Assets

Rs. in Crores

	2017	2016	April 1, 2015
<b>Non-current</b>			
(unsecured and considered good unless otherwise stated)			
Security Deposit	21.07	20.47	21.63
Other Deposits	16.60	19.40	14.86
<b>Total Investments</b>	<b>37.67</b>	<b>39.87</b>	<b>36.49</b>
<b>Current</b>			
(unsecured and considered good unless otherwise stated)			
Interest Accrued	23.04	14.02	3.56
Export Incentive receivable	18.82	18.42	15.74
Insurance Claim Receivables	0.10	4.29	5.57
Deposits	9.19	5.52	4.56
Advance to related parties	4.32	4.32	4.62
Derivative Financials Assets			
Forward exchange contract - cashflow hedge	4.61	-	5.16
Forward contract - Commodity	16.51	17.40	25.14
Interest rate swap	0.88	-	-
Others	3.61	15.50	16.79
	<b>81.08</b>	<b>79.47</b>	<b>81.14</b>
<b>Total Other Financial Assets</b>	<b>118.75</b>	<b>119.34</b>	<b>117.63</b>

Non-current security deposits include deposit to related party - **Rs. 1.23 Crores** (2016: Rs. 1.23 Crores; 2015: Rs. 1.23 Crores) and doubtful deposits which are fully provided - **Rs. 0.28 Crores** (2016: Rs. 0.28 Crores; 2015: Rs. 0.28 Crores).

Non-current other deposits include doubtful balances which are fully provided - Nil (2016: Rs. 0.03 Crores; 2015: Rs. 0.12 Crores). Current deposits include doubtful balances which are fully provided - **Rs. 0.38 Crores** (2016: Rs. 0.38 Crores; 2015: Rs. 0.38 Crores).

### 9. Other Assets

Rs. in Crores

	2017	2016	April 1, 2015
<b>Non current Assets</b>			
Property rights pending development	70.50	70.50	70.50
Capital Advance	9.14	2.00	2.02
Advance for purchase of shares in a subsidiary	-	39.82	-
Others	2.05	2.86	2.22
	<b>81.69</b>	<b>115.18</b>	<b>74.74</b>
<b>Current Assets</b>			
Prepaid Expenses	34.76	41.71	30.28
Other Trade Advances	124.16	116.37	96.35
Less: Transferred to disposal group	(8.48)	-	-
	<b>150.44</b>	<b>158.08</b>	<b>126.63</b>
<b>Total Other Assets</b>	<b>232.13</b>	<b>273.26</b>	<b>201.37</b>

Property rights pending development represents constructed office space to be delivered to the Holding Company by TRIL Constructions Limited, consequent to a development agreement entered in 2013-14.

# Notes to Consolidated

## Financial Statements

### 10. Inventories

Rs. in Crores

	2017	2016	April 1, 2015
(At lower of cost and net realisable value)			
Raw Material	791.21	958.50	850.72
Finished Goods	630.43	628.14	667.11
Stock in Trade	5.04	4.21	4.37
Work in Progress	6.67	9.10	8.20
Stores and Spare Parts	30.36	29.06	31.70
Less: Transferred to disposal group	(10.75)	-	-
<b>Total Inventories</b>	<b>1452.96</b>	<b>1629.01</b>	<b>1562.10</b>

Raw material includes in-transit inventory of **Rs. 13.04 Crores** (2016 - Rs. 12.99 Crores; 2015 - Rs. 13.50 Crores) and finished goods includes in-transit inventory of **Rs. 8.57 Crores** (2016 - Rs. 6.54 Crores; 2015 - Rs. 5.61 Crores)

During the year ended March 31 2017 - **Rs. 4.94 Crores** (2016: Rs. 28.94 Crores) was charged to the statement of profit and loss for slow moving and obsolete inventories.

Agricultural produce during the year mainly comprised of Coffee - **7628 Tonnes** (8121 Tonnes) and Tea - **7649 Tonnes** (7876 Tonnes).

### 11. Trade Receivables

Rs. in Crores

	2017	2016	April 1, 2015
Trade Receivables	581.66	585.27	566.44
Receivable from related parties	17.53	7.16	14.65
Less: Transferred to disposal group	(6.74)	-	-
<b>Total Trade Receivables</b>	<b>592.45</b>	<b>592.43</b>	<b>581.09</b>

#### Classification of Trade Receivables:

Rs. in Crores

	2017	2016	April 1, 2015
Unsecured, considered good	579.36	571.48	561.05
Secured, considered good	13.09	20.95	20.04
Doubtful	4.85	6.43	7.81
	<b>597.30</b>	<b>598.86</b>	<b>588.90</b>
Less : Provision for Doubtful Debts	(4.85)	(6.43)	(7.81)
	<b>592.45</b>	<b>592.43</b>	<b>581.09</b>

#### Movements on the provision for impairment of trade receivables are as follows:

Rs. in Crores

	2017	2016
As at April 1	6.43	7.81
Provision for impairment	1.69	1.78
Unused amounts reversed	(3.61)	(3.19)
Exchange differences	0.34	0.03
<b>As at March 31</b>	<b>4.85</b>	<b>6.43</b>

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## Financial Statements

### 12. Cash and Cash Equivalent and Other Bank Balances

Rs. in Crores

	2017	2016	April 1, 2015
<b>Cash and Cash Equivalents</b>			
Balances with Bank			
Current Account	230.18	219.50	108.33
Deposit Account	336.91	273.25	446.30
Cash/Cheques in hand	0.20	0.12	0.17
Less: Transferred to disposal group	(1.57)	-	-
	<b>565.72</b>	<b>492.87</b>	<b>554.80</b>
<b>Other Bank Balances</b>			
Unclaimed Dividend Account	9.10	8.16	7.71
	<b>9.10</b>	<b>8.16</b>	<b>7.71</b>
	<b>574.82</b>	<b>501.03</b>	<b>562.51</b>

Cash held in bank deposits includes Nil (Rs. 0.62 Crores) of restricted cash which may only be used to service the external debt.

#### Cash and cash equivalents include the following for the purposes of the Statement of Cash Flows:

Rs. in Crores

	2017	2016	April 1, 2015
Cash and Cash Equivalents	565.72	492.87	554.80
Bank Overdraft	(163.21)	(159.20)	(199.93)
	<b>402.51</b>	<b>333.67</b>	<b>354.87</b>

### 13. Equity Share Capital

Rs. in Crores

	2017	2016	April 1, 2015
<b>AUTHORISED</b>			
1100000000 (2016-1100000000; 2015-750000000) Equity Shares of Re.1 each (refer note d below)	110.00	110.00	75.00
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>			
631129729 (2016 - 631129729; 2015 - 618398570) Equity Shares of Re.1 each, fully paid-up (refer note d below)	63.11	63.11	61.84
	<b>63.11</b>	<b>63.11</b>	<b>61.84</b>

#### a) Details of Shareholders holding more than 5% shares is set out as below :

Name of shareholder	No. of shares / % of holding		
	2017	2016	April 1, 2015
Tata Sons Limited	142854570 22.63%	142854570 22.63%	142854570 23.10%
Life Insurance Corporation of India	57792481 9.16%	54416998 8.62%	31213954 5.05%
Tata Chemicals Limited	43175140 6.84%	43175140 6.84%	43175140 6.98%

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### b) Reconciliation of the number of shares as at March 31, 2017 is set out below :

Particulars	2017	2016	April 1, 2015
Number of shares as at the beginning of the year	631129729	618398570	618398570
Add: Shares issued during the year consequent to amalgamation (Refer note d below)	-	12731159	-
Number of shares as at the end of the year	631129729	631129729	618398570

### c) Rights, preferences and restrictions of equity shares

The Holding 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 Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

### d) Consequent to and as part of the amalgamation of the erstwhile Mount Everest Mineral Water Limited with the Holding Company, the Authorised Share Capital of the Holding Company stand increased to Rs. 110 Crores made up of 1100000000 Equity Shares of Re. 1/- each with effect from May 18, 2015 (effective date of amalgamation).

Pursuant to the amalgamation, the Holding Company had issued 12731159 equity shares in 2015-16 which was earlier accounted in Shares Suspense Account.

### e) Dividend paid:

	2017	2016
Dividend paid (Rs. in Crores)	142.00	142.00
Dividend per share (Rs.)	2.25	2.25

The Board of Directors in its meeting held on May 30, 2017 has recommended a final dividend payment of Rs. 2.35 per share for the financial year ended March 31, 2017. The Board has also approved transfer of 10% of the year's profit of the Holding Company to the General Reserves.

### f) Nature and purpose of reserves:

#### i) Capital Reserve

Capital Reserve was created consequent to the acquisition of certain plantation businesses.

#### ii) Securities Premium Account

Security 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) Debenture Redemption Reserves

Debenture redemption reserve had been created in accordance with Section 71(4) of Companies Act 2013.

#### iv) Contingency Reserve

Contingency Reserve is in the nature of free reserves.

#### v) Amalgamation Reserves

Amalgamation reserve was created pursuant to the scheme of amalgamation of Asian Coffee Ltd., Coffee Land Ltd. and Tata Coffee Ltd.

#### vi) Revaluation Reserve

Revaluation Reserve was created on acquisition of shares of an Indian subsidiary.

# Notes to Consolidated

## Financial Statements

### 14. Borrowings

Rs. in Crores

	2017	2016	April 1, 2015
(secured unless otherwise stated)			
<b>Non Current</b>			
Debentures	-	382.67	357.48
Loan From Banks			
Term Loan	462.28	542.11	579.77
External Commercial Borrowing	4.05	20.71	35.16
	<b>466.33</b>	<b>945.49</b>	<b>972.41</b>
Less : Maturing within the next 12 months	(16.23)	(441.37)	(58.05)
<b>Total Non current Borrowings</b>	<b>450.10</b>	<b>504.12</b>	<b>914.36</b>
<b>Current</b>			
Loan from Banks			
Bank Overdraft	163.21	159.20	199.93
Working Capital Facilities	169.25	249.36	185.99
Less: Transferred to disposal group	(12.23)	-	-
<b>Total Current Borrowings</b>	<b>320.23</b>	<b>408.56</b>	<b>385.92</b>
<b>Total Borrowings</b>	<b>770.33</b>	<b>912.68</b>	<b>1300.28</b>

#### Non-Current Borrowings

##### Debentures

3250 units of 3% Non-convertible privately placed debentures of Rs. 0.10 Crores each, redeemable at a premium of Rs. 223205 per debenture, were repaid during the year. These were secured by way of a first mortgage on certain immovable assets and partly by pledge of shares of certain companies held as investments by the Holding Company.

##### Term Loan

Debt amounting to **Rs. 451.75 Crores** (Rs. 522.33 Crores) is repayable within March 28, 2022 and is secured over all assets of an overseas subsidiary, interest being charged at the Libor plus a margin. Covenant requires compliance with various restrictive financial covenants, including restrictions on capital expenditures, additional indebtedness, acquisitions and distributions to stockholders.

Debts amounting to **Rs. 10.53 Crores** (Rs. 16.16 Crores) is repayable in equal instalments and is secured by way of mortgage on certain immovable property of an overseas subsidiary, interest being charged at the Libor plus a margin. Covenant requires a debt service coverage of 1.25 and to maintain a minimum tangible net worth.

Debt amounting to Nil (Rs. 3.62 Crores) is repayable in quarterly instalments, last instalment was due September 2016, secured by way of mortgage of certain immovable and movable properties of an overseas subsidiary and guarantee given by the Holding Company, repaid during the year.

##### External Commercial Borrowing

External commercial borrowing is repayable in sixteen equal quarterly instalments commencing from September 3, 2013. The borrowing is secured by deposit of title deeds of an immovable property and a charge over the machinery of an expansion project of an Indian subsidiary.



# Notes to Consolidated

## Financial Statements

### Current Borrowings

#### Bank Overdraft

A bank overdraft totalling **Rs. 8.28 Crores** (Rs. 5.90 Crores) matures on June 30, 2017 with interest charged at 1 month WIBOR plus a margin. The overdraft is denominated in Polish Zloty and is secured by a corporate guarantee given by an overseas subsidiary.

Bank overdraft amounting to **Rs. 11.76 Crores** (Rs. 12.61 Crores) is secured by way of hypothecation of raw materials, finished goods, stores and spares and book debts on pari passu basis.

The remaining bank overdrafts totalling **Rs. 143.17 Crores** (Rs. 140.69 Crores) are part of a Group's cash-pooling arrangement with interest charged at a margin over I.C.E. benchmark administration settlement rate.

#### Working Capital Facilities

Working capital facility from bank amounting to **Rs. 63.52 Crores** (Rs. 35.80 Crores) have various tranches all maturing between April 4, 2017 and September 27, 2017 with interest being charged at the bank internal rate plus a margin. The borrowings are denominated in Russian Roubles and are secured by a corporate guarantee given by an overseas subsidiary. Covenants require maintenance of minimum tangible net worth.

The remaining working capital facilities totalling **Rs. 105.73 Crores** (Rs. 213.56 Crores) are repayable on demand and secured by way of hypothecation of inventories, book debts of the Holding Company. For an Indian subsidiary, working capital facility is secured by hypothecation of coffee crop, stocks and receivables, whilst a part of the working capital facilities is also secured by deposit of title deeds of a coffee estate. For an overseas subsidiary working capital facilities are secured by specific security over certain assets and in an instance by a guarantee given by the Holding Company.

### 15. Other Financial Liabilities

Rs. in Crores

	2017	2016	April 1, 2015
<b>Non-Current</b>			
Deposits	1.66	1.11	1.20
Others	5.05	4.74	5.73
Derivative Financial Liabilities			
Put Option	-	1.25	4.64
Interest rate swap	-	0.23	0.06
	<b>6.71</b>	<b>7.33</b>	<b>11.63</b>
<b>Current</b>			
Current Maturities of Long Term Borrowings (Refer Note 14)	16.23	441.37	58.05
Security Deposits from Customers	38.16	34.97	33.01
Unpaid Dividends	9.10	8.16	7.71
Interest Accrued but not due	0.21	4.94	5.34
Derivative Financial Liabilities			
Forward exchange contract - cash flow hedge	2.08	2.90	27.31
Forward exchange contract - fair value hedge	-	2.90	3.51
Forward contract - Commodity	10.88	3.11	19.52
Interest rate swap	-	0.76	1.79
Other Payables	168.21	137.75	147.43
Less: Transferred to disposal group	(0.79)	-	-
	<b>244.08</b>	<b>636.86</b>	<b>303.67</b>
<b>Total Financial Liabilities</b>	<b>250.79</b>	<b>644.19</b>	<b>315.30</b>

There are no amounts due to and outstanding to be credited to the Investor Education and Protection Fund.

# Notes to Consolidated Financial Statements

## 16. Provisions

Rs. in Crores

	2017	2016	April 1, 2015
<b>Non-Current</b>			
Employee Benefits	208.97	291.76	249.28
	<b>208.97</b>	<b>291.76</b>	<b>249.28</b>
<b>Current</b>			
Employee Benefits	78.82	64.82	66.62
Wealth Tax	-	0.29	0.42
Other Provisions	37.03	35.53	27.39
	<b>115.85</b>	<b>100.64</b>	<b>94.43</b>
<b>Total Provisions</b>	<b>324.82</b>	<b>392.40</b>	<b>343.71</b>

### Movement of Other Provisions - current

Rs. in Crores

	2017	2016
<b>Reorganisation Cost</b>		
Opening balance	16.41	14.30
Provision made during the year	-	9.98
Amount paid / adjusted during the year	(5.31)	(7.87)
<b>Closing balance</b>	<b>11.10</b>	<b>16.41</b>
<b>Provisions for Trade Obligation</b>		
Opening balance	19.12	13.09
Provision during the year	6.81	6.03
Amount paid/adjusted during the year	-	-
<b>Closing balance</b>	<b>25.93</b>	<b>19.12</b>
<b>Total Closing balance</b>	<b>37.03</b>	<b>35.53</b>

## 17. Trade Payables

Rs. in Crores

	2017	2016	April 1, 2015
Trade Payables	724.16	653.79	670.48
Trade Payables to related parties	26.33	23.51	18.14
Less: Transferred to disposal group	(12.73)	-	-
<b>Total Trade Payables</b>	<b>737.76</b>	<b>677.30</b>	<b>688.62</b>

Trade payables include dues to Micro and Small Enterprises – **Rs 2.17 Crores** (2016 – Rs. 4.09 Crores; 2015 – Rs. 1.53 Crores). 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 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, 2017.

# Notes to Consolidated

## Financial Statements

### 18. Other Current Liabilities

Rs. in Crores

	2017	2016	April 1, 2015
Statutory Liabilities	13.55	13.60	11.25
Advance from Customers	6.25	3.06	2.18
Others	58.77	58.13	62.00
<b>Total Other Current Liabilities</b>	<b>78.57</b>	<b>74.79</b>	<b>75.43</b>

### 19. Taxation

#### (a) Tax charge in the Statement of Profit and Loss:

Rs. in Crores

	2017	2016
<b>Current tax</b>		
Current year	249.12	232.98
Adjustment relating to earlier years	(21.03)	(15.91)
Adjustment for MAT Credit through deferred tax	-	(39.00)
	<b>228.09</b>	<b>178.07</b>
Deferred tax charge / (credit)	(29.78)	21.94
Income tax expenses for the year	<b>198.31</b>	<b>200.01</b>

#### (b) Reconciliation of tax expense and tax based on accounting profit:

Rs. in Crores

	2017	2016
<b>Profit before income tax expenses</b>	<b>661.96</b>	<b>169.76</b>
Tax at Indian tax rate of 34.608%	229.09	58.75
<b>Effects of:</b>		
Difference in tax rate	29.02	69.73
Non-deductible tax expenses	5.02	56.86
Income exempt from income taxes	(24.60)	5.10
Tax reversals of previous years	(20.77)	(20.43)
Current-year losses for which no deferred tax asset is recognised	22.17	29.48
Recognition of tax effect of previously unrecognised tax losses	(40.49)	-
Others	(1.13)	0.52
	<b>198.31</b>	<b>200.01</b>

# Notes to Consolidated

## Financial Statements

### (c) Income tax asset / liabilities

Rs. in Crores

	2017	2016	April 1, 2015
<b>Non-current</b>			
Income Tax	49.47	31.22	19.86
Dividend Distribution Tax Credit	13.42	13.42	13.42
	<b>62.89</b>	<b>44.64</b>	<b>33.28</b>
<b>Current</b>			
Income Tax	13.98	7.99	9.70
	<b>13.98</b>	<b>7.99</b>	<b>9.70</b>
<b>Total Tax Assets</b>	<b>76.87</b>	<b>52.63</b>	<b>42.98</b>
<b>Income tax Liabilities (Net)</b>			
Current Tax	4.50	5.89	18.41
	<b>4.50</b>	<b>5.89</b>	<b>18.41</b>
<b>Net Income tax assets / (liabilities)</b>	<b>72.37</b>	<b>46.74</b>	<b>24.57</b>

### (d) The analysis of deferred tax assets and deferred tax liabilities:

Rs. in Crores

	2017	2016	April 1, 2015
Deferred Tax Liabilities	207.36	195.41	160.98
Deferred Tax Assets	(61.98)	(116.84)	(71.18)
<b>Net Deferred Tax (Assets) / Liabilities</b>	<b>145.38</b>	<b>78.57</b>	<b>89.80</b>

### (e) The movement in deferred income tax assets and liabilities during the year:

Rs. in Crores

	Property, Plant & Equipment	Intangibles	Employee Benefits Obligation	Tax losses and other timing differences	MAT Credit	Total
<b>As at April 1, 2015</b>	<b>87.16</b>	<b>121.79</b>	<b>(83.23)</b>	<b>(35.92)</b>	<b>-</b>	<b>89.80</b>
Statement of Profit and Loss (charge) /credit	13.53	0.42	0.14	7.85	-	21.94
(Charge)/credit relating to Other Comprehensive Income	-	-	(8.00)	(1.05)	-	(9.05)
MAT Credit adjustment	-	-	-	-	(39.00)	(39.00)
Exchange difference	1.46	15.73	(0.09)	(2.22)	-	14.88
<b>As at March 31, 2016</b>	<b>102.15</b>	<b>137.94</b>	<b>(91.18)</b>	<b>(31.34)</b>	<b>(39.00)</b>	<b>78.57</b>
Statement of Profit and Loss (charge) /credit	9.76	(8.66)	(4.07)	(26.81)	-	(29.78)
(Charge)/credit relating to Other Comprehensive Income	-	-	16.58	2.40	-	18.98
Deferred tax liabilities on acquisition	-	41.03	-	-	-	41.03
MAT Credit adjustment	-	-	-	-	39.00	39.00
Exchange difference	(0.25)	(1.63)	0.03	(0.57)	-	(2.42)
<b>As at March 31, 2017</b>	<b>111.66</b>	<b>168.68</b>	<b>(78.64)</b>	<b>(56.32)</b>	<b>-</b>	<b>145.38</b>

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.

# Notes to Consolidated

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### (f) Unrecognised tax items

The Group has tax losses which arose in the USA of **Rs. 79.36 Crores** (Rs. 126.78 Crores) that are available for up to 20 years, tax losses in a number of Eastern European countries of **Rs. 33.93 Crores** (Rs. 39.75 Crores) that are available for up to 5 and 10 years and tax losses in Australia of **Rs. 32.64 Crores** (Rs. 27.73 Crores) that are available indefinitely. These losses are available for offset against future taxable profits of the companies in which the losses arose. However, as these losses relate to subsidiaries that have a history of losses, deferred tax assets have not been recognised as these losses may not be used to offset taxable profits elsewhere in the Group.

### (g) Deferred tax of unremitted earnings

As at March 31, 2017, deferred tax liability amounting to **Rs. 12.79 Crores** (Rs. 14.47 Crores) was recognised for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associates or joint ventures. The deferred tax liability is based on Group's estimate of distribution of the profits in the foreseeable future and the tax incidence on the same.

## 20. Revenue from Operations

Rs. in Crores

	2017	2016
Sale of Products	6672.97	6523.20
Sale of Services	7.58	9.68
Other Operating Revenues		
Miscellaneous Receipts	28.05	28.85
Royalty Income	41.07	47.31
Export Incentive	29.88	27.50
	<b>6779.55</b>	<b>6636.54</b>

## 21. Other Income

Rs. in Crores

	2017	2016
Interest Income on Advances and Deposits valued at amortised cost	46.34	47.96
Dividend income		
- Non-current investments designated at fair value through OCI	11.37	21.11
- Non-current investments designated at fair value through profit or loss	0.01	0.01
- Mutual Funds designated at fair value through profit or loss	8.25	1.30
Profit on sale of Current Investments (net)	7.24	0.14
Other non operating income	9.89	11.48
	<b>83.10</b>	<b>82.00</b>

Dividend from equity investments sold during the year – Nil (Rs. 2.15 Crores).

## 22. Cost of Materials Consumed

Rs. in Crores

	2017	2016
Raw Materials Consumed	2809.21	2907.71
Consumption of Packing Materials	396.61	404.81
	<b>3205.82</b>	<b>3312.52</b>

Raw materials consumed includes excise duty amounting to **Rs. 8.34 Crores** (Rs. 7.19 Crores)

# Notes to Consolidated

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<b>23. Change in Inventories of Finished Goods/Work-in-progress/Stock-in-trade</b>		Rs. in Crores	
	<b>2017</b>	<b>2016</b>	
Stock as at April 1			
Finished Goods	628.14	667.11	
Stock-in-Trade	4.21	4.37	
Work-in-Progress	9.10	8.20	
	<b>641.45</b>	<b>679.68</b>	
Stock as at March 31			
Finished Goods	630.43	628.14	
Stock-in-Trade	5.04	4.21	
Work-in-Progress	6.67	9.10	
	<b>642.14</b>	<b>641.45</b>	
	<b>(0.69)</b>	<b>38.23</b>	
Less: Inventory write down accounted in Exceptional Items (Refer Note 27)	-	18.12	
	<b>(0.69)</b>	<b>20.11</b>	

<b>24. Employee Benefits Expense</b>		Rs. in Crores	
	<b>2017</b>	<b>2016</b>	
Salaries, Wages and Bonus	756.43	727.64	
Contribution to Provident Fund and other Funds	45.79	37.37	
Workmen and Staff Welfare Expenses	32.73	40.05	
	<b>834.95</b>	<b>805.06</b>	

<b>25. Finance Costs</b>		Rs. in Crores	
	<b>2017</b>	<b>2016</b>	
Interest Expense on financial liabilities valued at amortised cost	68.95	89.83	
Fair valuation adjustment on Inter Corporate loans/investments	4.23	5.97	
Net Interest on defined benefit plans	15.54	16.54	
Other Borrowing Cost	0.81	0.96	
Exchange differences (net)	2.00	3.60	
	<b>91.53</b>	<b>116.90</b>	

<b>26. Other Expenses</b>		Rs. in Crores	
	<b>2017</b>	<b>2016</b>	
Manufacturing and Contract Packing Expenses	91.56	79.79	
Consumption of Stores and Spare Parts	47.79	50.12	
Power and Fuel	83.19	81.26	
Repairs and Maintenance	61.65	60.41	
Rent	83.70	79.61	
Freight	142.88	143.81	
Legal and Professional Expenses	115.69	121.94	
Miscellaneous Expenses	380.79	361.09	
	<b>1007.25</b>	<b>978.03</b>	

Miscellaneous expenses include exchange differences of **Rs. 12.35 Crores** against which offsets are available elsewhere in the Statement of Profit and Loss (2016 - Gain - Rs. 6.37 Crores).

# Notes to Consolidated

## Financial Statements

### 27. Exceptional Items

Rs. in Crores

	2017	2016
<b>Income</b>		
Gain on conversion of joint venture into a subsidiary (Note 40)	49.53	-
	<b>49.53</b>	<b>-</b>
<b>Expenditure</b>		
Impairment of Intangible / Other Assets	(27.34)	(288.28)
Re-organisation/Business Restructure costs	(7.30)	(18.48)
Loss on non-current assets held for sale	(7.29)	-
Acquisition related Expenditure	-	(13.07)
Provision for retrospective amendment of legislation relating to employee benefits	-	(5.13)
Levy relating to past demerged business	-	(3.00)
Others	(2.30)	(4.92)
	<b>(44.23)</b>	<b>(332.88)</b>
<b>Exceptional Items (Net)</b>	<b>5.30</b>	<b>(332.88)</b>

Impairment of intangibles/ other assets includes partial diminution in the value of inventory – Nil (2016 - Rs. 18.12 Crores). Others include settlement of legal claims – Nil (2016 – Rs. 2.51 Crores).

Exceptional income in the previous year, 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.

### 28. Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2017 :

Rs. in Crores

	2017	2016
Estimated amounts of contracts remaining to be executed on capital account	27.41	11.73
	<b>27.41</b>	<b>11.73</b>

### 29. Contingent Liabilities / Assets not accounted for :

#### Contingent Liabilities

#### a) Claims under adjudication not acknowledged as debts:

Rs. in Crores

	2017	2016
(i) Taxes, Statutory Duties/ Levies etc.	27.19	53.33
(ii) Commercial and other Claims	3.14	9.24
	<b>30.33</b>	<b>62.57</b>

b) Labour disputes under adjudication relating to some staff – amount not ascertainable for Holding Company and **Rs. 0.94 Crores** (Rs. 0.90 Crores) for an Indian subsidiary.

c) Bank and other guarantees - **Rs. 8.96 Crores** (Rs. 9.70 Crores).

#### Contingent Assets

Certain insurance/commercial claims are in the final stages of recovery for which amounts are not quantifiable and hence, not reported.

# Notes to Consolidated

## Financial Statements

### 30. Litigations

- i) Stamp duty claim yet to be reassessed – amount not ascertainable;
- ii) Commercial liability claims not established – amounts not ascertainable; and
- iii) Holding 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 a 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 it is roasted. The subsidiary is part of a Joint Defence Group that is arguing the case on behalf of several leading coffee companies as defendants. 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.

### 31. Research & Development Expenditure:

Rs. in Crores

	2017	2016
i. Capital	1.11	0.97
ii. Revenue	9.34	10.20
	<b>10.45</b>	<b>11.17</b>

32. As per Section 135 of the Companies Act 2013, the amount contributed for Corporate Social Responsibility (CSR) causes are as follows:

- (a) Gross amount required to be spent by the qualifying entities within the Group during the year **Rs. 7.51 Crores** (Rs. 6.85 Crores).
- (b) Amount spent during the year ended March 31, 2017:

#### 2017

Rs. in Crores

	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	9.79	0.21	10.00
	9.79	0.21	10.00

#### 2016

Rs. in Crores

	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	7.91	0.10	8.01
	7.91	0.10	8.01

Expenses in CSR are included in Salary, wages and bonus – **Rs. 1.82 Crores** (Rs. 1.51 Crores) and in Miscellaneous Expenses – **Rs. 8.18 Crores** (Rs. 6.50 Crores)



# Notes to Consolidated

## Financial Statements

### 33. Leases

#### Operating Lease

Group's leasing arrangements are for premises (residential, office, factory, godown and stores), equipment and vehicles, these ranges between 5 months to 15 years and are usually renewable on mutually agreed terms.

#### Disclosure in respect of operating leases:

	Rs. in Crores	
	2017	2016
Minimum lease payments under Non-cancellable operating lease		
Within one year	23.32	29.26
Later than one year and not later than five years	79.10	82.16
Later than five years	64.48	71.65
<b>Total</b>	<b>166.90</b>	<b>183.07</b>
Lease payments recognised in the Statement of Profit and Loss	<b>83.70</b>	<b>79.61</b>

### 34. Earnings Per Share

	2017	2016
Group Net Profit (Rs. in Crores)	389.44	(5.52)
Numbers of Equity Shares Outstanding	631129729	631129729
Earnings Per Share (Rs.)		
Basic	6.17	(0.09)
Diluted	6.17	(0.09)

### 35. Interest in other entities

#### a) Subsidiaries

The Group's subsidiaries as at March 31, 2017 are set out 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 is set out below:

Sl No.	Name of entity	Country of incorporation	Principal Activities	Effective ownership (%)		Interest held by non-controlling interests (%)	
				2017	2016	2017	2016
1	Tata Global Beverages Group Ltd.	U K	Holding company	89.10	88.65	10.90	11.35
<b>Subsidiaries of Tata Global Beverages Group Ltd.</b>							
2	Tata Global Beverages Holdings Ltd.	U K	Holding company	89.10	88.65	10.90	11.35
3	Tata Global Beverages Services Ltd.	U K	Provision of services	89.10	88.65	10.90	11.35
4	Tata Global Beverages GB Ltd.	U K	Manufacturing, marketing and distribution of tea	89.10	88.65	10.90	11.35
5	Tata Global Beverages Overseas Holdings Ltd.	U K	Holding company	89.10	88.65	10.90	11.35
6	Tata Global Beverages Overseas Ltd.	U K	Holding company	89.10	88.65	10.90	11.35
7	Lyons Tetley Ltd.	U K	Dormant	89.10	88.65	10.90	11.35
8	Drassington Ltd.	U K	Dormant	89.10	88.65	10.90	11.35
9	Teapigs Ltd.	U K	Marketing and distribution of tea	89.10	88.65	10.90	11.35

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Sl No.	Name of entity	Country of incorporation	Principal Activities	Effective ownership (%)		Interest held by non-controlling interests (%)	
				2017	2016	2017	2016
10	Teapigs US LLC	USA	Marketing and distribution of tea	89.10	88.65	10.90	11.35
11	Stansand Ltd.	U K	Dormant	89.10	88.65	10.90	11.35
12	Stansand (Brokers) Ltd.	U K	Dormant	89.10	88.65	10.90	11.35
13	Stansand (Africa) Ltd.	Kenya	Purchase and sale of tea	89.10	88.65	10.90	11.35
14	Stansand (Central Africa) Ltd.	Malawi	Purchase and sale of tea	89.10	88.65	10.90	11.35
15	Tata Global Beverages Polska sp.zo.o	Poland	Marketing and distribution of tea	89.10	88.65	10.90	11.35
16	Tata Global Beverages Czech Republic a.s.	Czech Republic	Manufacturing, marketing and distribution of tea	89.10	88.65	10.90	11.35
17	Tata Global Beverages US Holdings Inc.	USA	Holding company	89.10	88.65	10.90	11.35
18	Tetley USA Inc.	USA	Marketing and distribution of tea	89.10	88.65	10.90	11.35
19	Empirical Group LLC (w.e.f October 1, 2016)	USA	Marketing and distribution of tea	49.90	-	50.10	-
20	Tata Water LLC (w.e.f August 28, 2016)	USA	Marketing and distribution of water	89.10	-	10.90	-
21	Good Earth Corporation.	USA	Holding company	89.10	88.65	10.90	11.35
22	Good Earth Teas Inc.	USA	Marketing and distribution of tea	89.10	88.65	10.90	11.35
23	Tata Global Beverages Canada Inc.	Canada	Marketing and distribution of tea	89.10	88.65	10.90	11.35
24	Tata Global Beverages Australia Pty Ltd.	Australia	Marketing and distribution of tea	89.10	88.65	10.90	11.35
25	Earth Rules Pty Ltd.	Australia	Marketing and distribution of coffee	89.10	88.65	10.90	11.35
26	Tata Global Beverages Investments Ltd.	U K	Holding company	89.10	88.65	10.90	11.35
27	Campestres Holdings Ltd.	Cyprus	Holding company	89.10	88.65	10.90	11.35
28	Kahutara Holdings Ltd.	Cyprus	Holding company	57.92	57.62	42.08	42.38
29	Suntycy Holding Ltd.	Cyprus	Holding company	57.92	57.62	42.08	42.38
30	Onomento Co. Ltd.	Cyprus	Holding and assignment of Trademark	57.92	57.62	42.08	42.38
31	OOO Tea Trade LLC	Russia	Commission trade of Tea and Coffee	57.92	57.62	42.08	42.38
32	OOO Sunty LLC	Russia	Manufacturing, marketing and distribution of tea and Coffee	57.92	57.62	42.08	42.38
33	Tata Global Beverages Capital Ltd	UK	Holding company	100.00	100.00	-	-
34	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>							
35	Tata Coffee Vietnam Company Ltd. (w.e.f March 28, 2016)	Vietnam	Manufacturing, marketing and distribution of Coffee	57.48	-	42.52	-
36	Consolidated Coffee Inc.	USA	Holding company	78.70	78.70	21.30	21.30
<b>Subsidiaries of Consolidated Coffee Inc.</b>							
37	Eight O'Clock Holdings Inc.	USA	Holding company	78.70	78.70	21.30	21.30
38	Eight O'Clock Coffee Inc.	USA	Manufacturing, marketing and distribution of Coffee	78.70	78.70	21.30	21.30
39	Tata Tea Extractions Inc.	USA	Manufacturing, marketing and distribution of tea	100.00	100.00	-	-
40	Zhejiang Tata Tea Extraction Company Ltd.	China	Manufacturing, marketing and distribution of tea	89.75	81.46	10.25	18.54
41	Tata Tea Holdings Private Ltd.	India	Investment company	100.00	100.00	-	-

During the year, Tata Global Beverages Capital Limited a 100% overseas subsidiary of the Holding Company has increased its shareholding in Tata Global Beverages Group Limited from 47.98% to 48.43%, consequently effective holding has increased from 88.65% to 89.10%, the said transaction with non-controlling interest is reflected in Statement of Changes in Equity.

During the year, the Holding Company has increased its stake in Zhejiang Tata Tea Extractions Company Ltd., consequently shareholding has increase from 81.46% to 89.75%.

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### (b) Non-Controlling Interest (NCI)

The material non-controlling interests in the Group arise from the Group's 89.10% stake in the Tata Global Beverages Group Ltd (intermediate Holding Company in the UK) and 57.48% share in the Tata Coffee Group (which includes Consolidated Coffee Inc. and its subsidiaries).

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

	TGB Group Ltd (CFS)		Tata Coffee Ltd (CFS)	
	2017	2016	2017	2016
Non-current assets	3410.47	3770.02	1869.09	1877.99
Current assets	1615.53	1826.05	761.69	671.78
<b>Total Assets</b>	<b>5026.00</b>	<b>5596.07</b>	<b>2630.78</b>	<b>2549.77</b>
Non-current liabilities	38.57	169.86	878.57	908.20
Current liabilities	754.99	744.30	395.61	418.29
<b>Total Liabilities</b>	<b>793.56</b>	<b>914.16</b>	<b>1274.18</b>	<b>1326.49</b>
Net Assets	4232.44	4681.91	1356.60	1223.28
<b>Accumulated Non Controlling Interest</b>	<b>473.13</b>	<b>465.75</b>	<b>449.47</b>	<b>396.02</b>

#### Summarised Statement of Profit and Loss:

Rs. in Crores

	TGB Group Ltd (CFS)		Tata Coffee Ltd (CFS)	
	2017	2016	2017	2016
Revenue	2348.89	2314.71	1598.35	1551.06
Profit for the year	65.09	(299.14)	209.56	125.10
Other Comprehensive Income	(608.22)	75.52	(8.60)	46.11
<b>Total Comprehensive Income</b>	<b>(543.13)</b>	<b>(223.62)</b>	<b>200.96</b>	<b>171.21</b>
Profit allocated to NCI	(74.56)	(57.55)	61.48	43.81
Dividend paid to NCI (including dividend tax)	8.89	6.80	8.87	10.52

#### Summarised Statement of Cash Flows:

Rs. in Crores

	TGB Group Ltd (CFS)		Tata Coffee Ltd (CFS)	
	2017	2016	2017	2016
Cash Flows from operating activities	(121.63)	(247.21)	327.25	235.70
Cash Flows from investing activities	340.63	64.77	(126.65)	(82.05)
Cash Flows from financing activities	5.38	(87.21)	(210.13)	(144.34)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>224.38</b>	<b>(269.65)</b>	<b>(9.53)</b>	<b>9.31</b>

# Notes to Consolidated

## Financial Statements

### (c) Interest in Joint Ventures and Associates

Rs. in Crores

	2017	2016	April 1, 2015
Investment in Joint Ventures	175.76	256.53	236.94
Investment in Associates	169.60	181.77	189.57
	<b>345.36</b>	<b>438.30</b>	<b>426.51</b>

#### Joint Ventures

A list of Group's joint ventures is given below. All joint ventures are included in the Group's Consolidated Financial Statements using the equity method of accounting:

SI No.	Name of entity	Country of incorporation	Principal Activities	Holding (%)	
				2017	2016
1	NourishCo Beverages Ltd.	India	Marketing and distribution of Water	50.00	50.00
2	Tata Starbucks Private Ltd.	India	Operating Starbucks Cafes in India	50.00	50.00
3	Empirical Group LLC	USA	Marketing and distribution of tea	-	56.00
4	Southern Tea LLC	USA	Manufacturing and distribution of tea	50.00	50.00
5	Tetley ACI (Bangladesh) Ltd.	Bangladesh	Manufacturing, marketing and distribution of tea	50.00	50.00
6	Tetley Clover (Pvt) Ltd.	Pakistan	Manufacturing, marketing and distribution of tea	50.00	50.00
7	Joekels Tea Packers (Proprietary) Ltd.	South Africa	Manufacturing, marketing and distribution of tea	51.70	51.70

Empirical Group LLC was converted into a subsidiary with effect from October 1, 2016. Refer Note 40 for business combination disclosure.

#### An analysis of the Group's investments in joint ventures is as follows:

Rs. in Crores

	2017	2016
April 1	256.53	236.94
Addition	28.00	50.85
Disposal	(86.37)	-
Share of Profits / (Loss)	(11.73)	(14.49)
Share of Other Comprehensive Income	(0.08)	0.05
Dividend Received	(11.87)	(20.99)
Currency Difference	1.28	4.17
<b>March 31</b>	<b>175.76</b>	<b>256.53</b>

The addition of Rs. 28 Crores during the year relates to additional equity investment in NourishCo Beverages Ltd - Rs. 16 Crores and Tata Starbucks Private Ltd. - Rs. 12 Crores.

# Notes to Consolidated

## Financial Statements

### 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

	2017	2016
Profit / (loss) after tax	(25.99)	(33.80)
Other Comprehensive Income	(0.16)	0.09
<b>Total Comprehensive Income</b>	<b>(26.15)</b>	<b>(33.71)</b>

Other Comprehensive Income mainly represents re-measurement losses on defined benefits obligation

The joint ventures have no significant contingent liabilities to which the Group is exposed, and the Group has no significant contingent liabilities in relation to its interest in the joint ventures and associates. The Group has no outstanding capital commitments with respect to joint ventures.

The risks associated with the Group's interest in joint ventures are the same as those identified for the Group.

### Associates

A list of Group's associates is given below. All associates are included in the Group's Consolidated Financial Statements using the equity method of accounting:

Sl No.	Name of entity	Country of incorporation	Principal Activities	Holding (%)	
				2017	2016
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	Estate Management Services Pvt. Ltd.	Sri Lanka	Provision of expert management services	31.85	31.85
4	TRIL Construction Ltd.	India	Development of real estate and infrastructure facilities	32.50	32.50

### An analysis of the Group's investments in associates is as follows:

Rs. in Crores

	2017	2016
April 1	181.77	189.57
Share of Profits for the year	2.88	7.65
Share of Other Comprehensive Income	(5.92)	(6.20)
Dividend Received (including dividend tax)	(9.13)	(9.25)
<b>March 31</b>	<b>169.60</b>	<b>181.77</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

	2017	2016
Profit / (loss) after tax	33.26	22.48
Other Comprehensive Income	(11.48)	(14.92)
<b>Total Comprehensive Income</b>	<b>21.78</b>	<b>7.56</b>

Other Comprehensive Income mainly represents re-measurement losses on defined benefits obligation.

# Notes to Consolidated

## Financial Statements

### 36. Financial instruments

#### A. Accounting classification and fair values

Rs. in Crores

2017	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Investments								
Quoted Equity Investments	-	689.79	-	689.79	689.79	-	-	689.79
Unquoted Equity Investments *	-	131.90	-	131.90	-	6.33	125.57	131.90
Unquoted Preference Shares	50.89	-	-	50.89	-	-	50.89	50.89
Units of Mutual Funds	166.35	-	-	166.35	166.35	-	-	166.35
Loans								
Non-current	-	-	58.70	58.70	-	-	-	-
Current	-	-	277.57	277.57	-	-	-	-
Trade Receivables	-	-	592.45	592.45	-	-	-	-
Cash and Cash Equivalent	-	-	565.72	565.72	-	-	-	-
Other Bank balances	-	-	9.10	9.10	-	-	-	-
Other Financial Assets								
Non-current	-	-	37.67	37.67	-	-	-	-
Current	-	22.00	59.08	81.08	-	22.00	-	22.00
	<b>217.24</b>	<b>843.69</b>	<b>1600.29</b>	<b>2661.22</b>	<b>856.14</b>	<b>28.33</b>	<b>176.46</b>	<b>1060.93</b>
<b>Financial Liabilities</b>								
Borrowings								
Non-current	-	-	450.10	450.10	-	-	-	-
Current	-	-	320.23	320.23	-	-	-	-
Trade payables	-	-	737.76	737.76	-	-	-	-
Other Financial Liabilities								
Non-current	-	-	6.71	6.71	-	-	-	-
Current	-	-	244.08	244.08	-	-	-	-
	-	-	<b>1758.88</b>	<b>1758.88</b>	-	-	-	-

Rs. in Crores

2016	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Investments								
Quoted Equity Investments	-	431.20	-	431.20	431.20	-	-	431.20
Unquoted Equity Investments *	-	131.15	-	131.15	-	5.58	125.57	131.15
Unquoted Preference Shares	55.12	-	-	55.12	-	-	55.12	55.12
Units of Mutual Funds	173.33	-	-	173.33	173.33	-	-	173.33
Loans								
Non-current **	-	-	58.72	58.72	-	-	-	-
Current	-	-	601.18	601.18	-	-	-	-
Trade Receivables	-	-	592.43	592.43	-	-	-	-
Cash and Cash Equivalent	-	-	492.87	492.87	-	-	-	-
Other Bank balances	-	-	8.16	8.16	-	-	-	-
Other Financial Assets								
Non-current	-	-	39.87	39.87	-	-	-	-
Current	-	17.40	62.07	79.47	-	17.40	-	17.40
	<b>228.45</b>	<b>579.75</b>	<b>1855.30</b>	<b>2663.50</b>	<b>604.53</b>	<b>22.98</b>	<b>180.69</b>	<b>808.20</b>
<b>Financial Liabilities</b>								
Borrowings								
Non-current	-	-	504.12	504.12	-	-	-	-
Current	-	-	408.56	408.56	-	-	-	-
Trade payables	-	-	677.30	677.30	-	-	-	-
Other Financial Liabilities								
Non-current	-	-	7.33	7.33	-	-	-	-
Current	2.90	6.77	627.19	636.86	-	9.67	-	9.67
	<b>2.90</b>	<b>6.77</b>	<b>2224.50</b>	<b>2234.17</b>	-	<b>9.67</b>	-	<b>9.67</b>

# Notes to Consolidated Financial Statements

Rs. in Crores

April 1, 2015	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Investments								
Quoted Equity Investments	-	900.56	-	900.56	900.56	-	-	900.56
Unquoted Equity Investments *	-	131.15	-	131.15	-	5.58	125.57	131.15
Unquoted Preference Shares	54.72	-	-	54.72	-	-	54.72	54.72
Quoted Debentures	-	4.05	-	4.05	4.05	-	-	4.05
Units of Mutual Funds	11.71	-	-	11.71	11.71	-	-	11.71
Loans								
Non-current	-	-	109.70	109.70	-	-	-	-
Current	-	-	585.12	585.12	-	-	-	-
Trade Receivables	-	-	581.09	581.09	-	-	-	-
Other Financial Assets								
Non-current	1.25	0.23	35.01	36.49	-	1.48	-	1.48
Current	-	30.30	50.84	81.14	-	30.30	-	30.30
	<b>67.68</b>	<b>1066.29</b>	<b>1361.76</b>	<b>2495.73</b>	<b>916.32</b>	<b>37.36</b>	<b>180.29</b>	<b>1133.97</b>
<b>Financial Liabilities</b>								
Borrowings								
Non-current	-	-	914.36	914.36	-	-	-	-
Current	-	-	385.92	385.92	-	-	-	-
Trade payables	-	-	688.62	688.62	-	-	-	-
Other Financial Liabilities								
Non-current	4.64	0.06	6.93	11.63	-	4.70	-	4.70
Current	3.51	48.62	251.54	303.67	-	52.13	-	52.13
	<b>8.15</b>	<b>48.68</b>	<b>2247.37</b>	<b>2304.20</b>	<b>-</b>	<b>56.83</b>	<b>-</b>	<b>56.83</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.

\*\* Includes loans amounting to Rs. 24 Crores classified from FVTPL (Level 3) to amortised cost in the Financial Year 2015-16.

## Measurement of fair values

The basis of measurement in respect to each class of financial asset / liability is disclosed in Note 2(k) of the Consolidated Financial Statement.

The fair value of liquid mutual funds and long-term equity investment is based on quoted price. Fair values of certain non-current investment are valued based on discounted cash flow/book value / EBITDA multiple approach. Derivative financial instruments are valued based on Black-Scholes-Merton approach/Dollar offset principles.

## Gross Financial Liabilities

- Under the shareholders' agreement between the Group and the European Bank for Reconstruction and Development ("EBRD"), EBRD has invested during 2009 in a 35% stake in the subsidiary, Kahutara Holdings Limited.

Under the shareholders' agreement, the Group has the option, without the consent of EBRD to purchase the remaining 35% shareholding as from August 2018 based on an agreed formula. Similarly EBRD has the right, without the consent of the Group, to sell to the Group the remaining 35% stake in the particular subsidiary as from August 2017 based on an agreed formula. The agreed formula is estimated by management to approximate the fair value of the shares to be acquired through these options. As a result, the values of these derivatives are estimated by the management not to be significant and are shown at nil carrying amounts as at March 31, 2017 (2016: nil).

- The Holding Company had entered into a put option agreement with International Finance Corporation (IFC) in relation to its investment in Amalgamated Plantations Private Limited (APPL) under which IFC could exercise a put option by April 29, 2016, with an obligation on the Company to purchase a maximum of 300 Lakhs shares. This option was not exercised by IFC.

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## Financial Statements

### 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 management 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 counter-party 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. In such case 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 company 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.

Ageing of trade receivables that were not impaired are as follows:

	Rs. in Crores	
<b>Ageing of trade receivables*</b>	<b>2017</b>	<b>2016</b>
Of which:		
Not yet due	509.25	475.21
Past due 1-90 days	82.55	104.78
Past due 91-180 days	0.84	1.15
Past due more than 180 days	6.55	11.29
<b></b>	<b>599.19</b>	<b>592.43</b>

\* Includes balances pertaining to disposal group



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Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment pattern and analysis of customer credit risk.

### (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 counter-parties and within the limits assigned to each counter-parties. 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 at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Rs. in Crores

2017*	Contractual cash flows			
	Within 1 year	Due from 1 to 2 years	Due from 2 to 5 years	After 5 Years
Borrowings	348.69	19.95	430.15	-
Trade payables	750.49	-	-	-
Other financial liabilities	228.64	6.71	-	-
	<b>1327.82</b>	<b>26.66</b>	<b>430.15</b>	-

\* Includes balances pertaining to disposal group

Rs. in Crores

2016	Contractual cash flows			
	Within 1 year	Due from 1 to 2 years	Due from 2 to 5 years	After 5 Years
Borrowings	849.93	504.12	-	-
Trade payables	677.30	-	-	-
Other financial liabilities	195.49	7.33	-	-
	<b>1722.72</b>	<b>511.45</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 arrangement in place. The Group is also confident that if the need arises debt can be raised from the market at attractive terms. The Holding 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 in 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.

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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 counter-party for these contracts is generally a bank. The Group reports periodically to sub-committee of the board, which monitors foreign exchange risks and policies implemented to manage its foreign exchange exposures.

During the year ended March 31, 2017, the Group 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 that the relationship exists between the hedged items and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedged items.

The currency profile of financial assets and financial liabilities:

Rs. in Crores					
2017	USD	GBP	CAD	Other Currencies	Total
Trade Receivable and Other Financial Assets including loans/advances	244.27	0.54	0.13	18.45	263.39
Borrowings	4.05	-	-	-	4.05
Trade Payables and Other Financial Liabilities	64.70	-	2.14	29.37	96.21

Rs. in Crores					
2016	USD	GBP	CAD	Other Currencies	Total
Trade Receivable and Other Financial Assets including loans/advances	569.04	0.07	0.07	22.23	591.41
Borrowings	20.70	-	-	-	20.70
Trade Payables and Other Financial Liabilities	75.31	-	1.91	17.92	95.14

The following table gives details in respect of outstanding foreign currency forward contracts:

Type of Contract	Currency Pair	2017		2016	
		Notional Amount in FCY Mn	Equivalent Amount in Rs. in Crores*	Notional Amount in FCY Mn	Equivalent Amount in Rs in Crores*
<b>Forward Contracts Outstanding</b>					
i) Exports	GBP / EUR	-	-	0.74	5.58
	GBP / CAD	4.83	23.51	25.27	129.45
	USD / INR	28.30	183.54	28.95	191.79
	AUD / INR	5.50	27.29	6.05	30.83
	EUR / INR	0.21	1.38	0.10	0.64
ii) Payables	GBP / USD	25.00	162.12	20.99	139.06
	USD / RUB	5.30	34.37	5.30	35.11
iii) Loans given	GBP / USD	36.52	236.85	80.93	536.15
iv) Loan to subsidiaries	GBP / USD	58.38	378.57	60.67	401.95
	USD / RUB	4.35	28.21	4.35	28.82
v) Receivables from Subsidiaries	GBP / PLN	19.50	32.04	16.00	28.32
	GBP / CZK	78.00	20.01	64.89	18.09
	GBP / AUD	13.20	65.49	13.30	67.78
	GBP / CAD	2.17	10.53	3.73	19.13
	GBP / USD	-	-	9.63	63.83
	GBP / RUB	130.15	14.95	94.42	9.34

\* converted at the year-end exchange rates

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### Foreign exchange options:

The Group also enters into foreign exchange option contracts with the intention to reduce foreign exchange risk of expected purchases denominated in USD. These option contracts are measured at fair value through profit and loss. The Group has committed to purchase between USD 12 million to USD 36 million over the period of the option contracts.

Following table summarises approximate gain / (loss) on the Group's profit before tax and pre-tax equity on account of appreciation / depreciation of underlying foreign currencies:

Rs. in Crores

Details	2017		2016	
	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	(5.54)	(1.98)	1.55	9.40
5% depreciation of the underlying foreign currencies	5.54	2.72	(1.52)	(9.30)

### 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 swaps contracts to manage interest rate exposure on its long-term debt obligations. The Group has entered into an interest rate swap whereby the Group pays a fixed rate of interest and receives a floating rate of interest on approximately half of the balance of term debt. These derivatives have been designated as cash flow hedges. In addition, the interest rate risk, can also impact the provision for retiral benefits.

Details of Interest rate swap which the Group has entered into for hedging its interest rate exposure on borrowing:

Rs. in Crores

Details of Borrowings	Currency	2017		2016	
		Foreign Currency in Mn	Equivalent Amount in Rs. in Crores*	Foreign Currency in Mn	Equivalent Amount in Rs. in Crores*
Term Loan / External Commercial Borrowings **	USD	40.15	260.39	48.13	318.88

\* converted at the year exchange rates

\*\* to the extent of swap entered

The following table demonstrates the sensitivity on the Group's profit before tax, to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting, with all other variables held constant:

Rs. in Crores

	2017	2016
Change	Effect on Profit before tax	Effect on Profit before tax
25 basis points increase	(0.70)	(0.91)
25 basis points decrease	<b>0.70</b>	<b>0.91</b>

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### Price Risk

#### Commodity Price risk

The Group is exposed to fluctuations in price of certain commodities mainly tea and coffee. Mismatch in demand and supply, adverse weather conditions, market expectations etc, which can lead to price fluctuations. The Group manages these fluctuations by actively managing the sourcing of tea, distribution of source of supply, private purchases and alternate blending strategies without impacting the quality of the blend.

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 unrealized 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	Rs. in Crores			
			2017		2016	
			Notional Value in USD Mn	Equivalent Amount in Rs. in Crores*	Notional Value in USD Mn	Equivalent Amount in Rs. in Crores*
a)	Coffee	Futures	37.57	243.62	18.19	120.55
b)	Coffee	Options	3.78	24.52	4.46	29.55

\* converted at the year-end exchange rate

#### 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 in units of liquid mutual fund and these are not exposed to significant price risk.

#### Capital Management

The Group's objective for capital management is to maximize shareholder's 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, 2017 was as follows:

	Rs. in Crores	
	2017	2016
Total Borrowings	786.56	1354.05
Less : Cash and cash equivalent	565.72	492.87
Less : Current investments	166.35	173.33
Less : Inter-corporate Loans	331.03	654.56
Adjusted net (cash) / debt	<b>(276.54)</b>	<b>33.29</b>
Total equity	<b>7185.00</b>	<b>7108.94</b>

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### 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. 45.85 Crores** (Rs. 41.97 Crores).

#### ii) Defined benefit plans

##### (a) 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.

##### (b) Pension benefits

The Group also operates defined benefits pension plans in India and UK. The defined benefit schemes in India, which are closed to future accruals, offer specified benefits to the employees on retirement. Annual actuarial valuations are carried out by independent actuaries. Wherever funds have been set up, annual contributions are also made by the Group. Employees are not required to make any contribution.

The Group sponsors a defined benefit pension plan, the Tetley GB Final Salary Scheme (the "Scheme"), in the UK with benefits based on final salary. The Group closed the Scheme to future accrual with effect from 6 April 2005. The final salary pension plans provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on the members' length of service and their salary in the schemes' final year. Payments to 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 must be composed of representatives of the Group and plan participants in accordance with the plan's regulations.

##### (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) 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.

##### (e) Other post-retirement benefits

There are superannuation 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 ("Others").

##### (f) 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.

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The table below outlines where the Group's post-employment amounts and activity are included in the financial statements:

	Rs. in Crores		
	2017	2016	April 1, 2015
Defined benefits - India			
Pension	4.25	4.45	3.53
Gratuity	20.55	12.69	8.77
Post employment medical benefits	54.40	47.15	40.27
Others	86.24	65.55	56.70
Defined benefits - Overseas			
Pension	84.98	189.02	168.25
Life Assurance benefits	4.35	5.49	5.40
Post employment medical benefits	5.52	6.59	6.40
Liability in the Balance Sheet	<b>260.29</b>	<b>330.94</b>	<b>289.32</b>

### Net Liabilities / (Assets) recognised in Balance Sheet for defined benefits:

	Rs. in Crores									
	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Present Value of Funded defined benefit obligation at the year end	5.99	5.74	115.15	96.24	-	-	-	-	1232.77	1302.15
Fair value of plan assets at the end of the year	6.81	6.97	94.60	83.55	-	-	-	-	1147.79	1113.13
	<b>(0.82)</b>	<b>(1.23)</b>	<b>20.55</b>	<b>12.69</b>	-	-	-	-	<b>84.98</b>	<b>189.02</b>
Present Value of Unfunded defined benefit obligation at the year end	4.72	5.26	-	-	54.40	47.15	86.24	65.55	-	-
Asset ceiling	0.35	0.42	-	-	-	-	-	-	-	-
Amount recognised in Balance Sheet	<b>4.25</b>	<b>4.45</b>	<b>20.55</b>	<b>12.69</b>	<b>54.40</b>	<b>47.15</b>	<b>86.24</b>	<b>65.55</b>	<b>84.98</b>	<b>189.02</b>

### Changes in the Defined Benefit Obligation:

	Rs. in Crores									
	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Opening Defined Benefit Obligation	11.00	12.02	96.24	85.34	47.15	40.27	65.55	56.70	1302.15	1271.17
Current Service cost	-	-	5.68	5.14	2.11	2.46	1.87	1.50	-	-
Past Service Cost	-	-	-	-	1.17	-	-	-	-	-
Interest on Defined Benefit Obligation	1.03	0.88	7.00	6.35	3.63	3.25	4.96	4.51	39.78	45.21
Actuarial changes arising from change in experience	(0.69)	(0.45)	0.60	5.50	(5.15)	1.00	10.07	6.01	(1.59)	(11.84)
Actuarial changes arising from change in demographic assumption	-	-	-	-	-	-	-	-	(13.52)	3.95
Actuarial changes arising from changes in financial assumption	0.69	0.07	14.18	1.04	6.54	1.20	8.41	1.15	149.50	(7.89)
Benefits Paid	(1.31)	(1.52)	(8.84)	(8.38)	(1.05)	(1.03)	(4.62)	(4.32)	(48.62)	(40.30)
Liability assumed/(settled)	-	-	0.29	1.25	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-	-	-	(194.93)	41.85
Closing Defined Benefit Obligation	<b>10.72</b>	<b>11.00</b>	<b>115.15</b>	<b>96.24</b>	<b>54.40</b>	<b>47.15</b>	<b>86.24</b>	<b>65.55</b>	<b>1232.77</b>	<b>1302.15</b>

**Changes in the Fair Value of Plan Assets during the year:**

Rs. in Crores

	India				Overseas	
	Pension		Gratuity		Pension	
	2017	2016	2017	2016	2017	2016
Opening Fair Value of Plan Assets	6.97	8.49	83.55	76.57	1113.13	1102.92
Employers contribution	-	(0.99)	12.86	8.97	30.94	34.40
Interest on Plan Assets	0.64	0.43	6.23	5.60	34.48	39.31
Administrative cost	-	-	-	-	(0.88)	(1.97)
Actuarial changes arising from change in demographic assumption	-	-	-	-	-	-
Actuarial changes arising from changes in financial assumption	-	-	-	-	-	-
Actual return on plan assets less interest on plan assets	(0.03)	(0.09)	0.51	(0.46)	186.08	(58.20)
Benefits Paid	(0.77)	(0.87)	(8.84)	(8.38)	(48.62)	(40.30)
Assets acquired on Acquisition / (settled on Divestiture)	-	-	0.29	1.25	-	-
Exchange difference	-	-	-	-	(167.34)	36.97
<b>Closing Fair Value of Plan Assets</b>	<b>6.81</b>	<b>6.97</b>	<b>94.60</b>	<b>83.55</b>	<b>1147.79</b>	<b>1113.13</b>

**Expense recognised in the Statement of Profit and Loss for the year:**

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Current Service Cost	-	-	5.68	5.14	2.11	2.46	1.87	1.50	-	-
Interest cost on defined benefit obligation (net)	0.39	0.45	0.77	0.75	3.63	3.25	4.96	4.51	5.30	5.90
Past Service Cost	-	-	-	-	1.17	-	-	-	-	-
<b>Total recognised in the Statement of Profit and Loss</b>	<b>0.39</b>	<b>0.45</b>	<b>6.45</b>	<b>5.89</b>	<b>6.91</b>	<b>5.71</b>	<b>6.83</b>	<b>6.01</b>	<b>5.30</b>	<b>5.90</b>

**Amounts recognised in Other Comprehensive Income for the year:**

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Actuarial changes arising from change in demographic assumption	-	-	-	-	-	-	-	-	(13.52)	3.95
Actuarial changes arising from changes in financial assumption	0.69	0.07	14.18	1.04	6.54	1.20	8.41	1.15	149.50	(7.89)
Actuarial changes arising from changes in experience assumption	(0.69)	(0.45)	0.60	5.50	(5.15)	1.00	10.07	6.01	(1.59)	(11.84)
Return on plan asset excluding interest income	0.03	0.09	(0.51)	0.46	-	-	-	-	(186.08)	58.20
Adjustment to recognise the effect of asset ceiling	(0.07)	(0.62)	-	-	-	-	-	-	-	-
<b>Total recognised in Other Comprehensive Income</b>	<b>(0.04)</b>	<b>(0.91)</b>	<b>14.27</b>	<b>7.00</b>	<b>1.39</b>	<b>2.20</b>	<b>18.48</b>	<b>7.16</b>	<b>(51.69)</b>	<b>42.42</b>

**Principal Actuarial assumptions used:**

	2017	2016
<b>India</b>		
Discount rates	6.85%/7.50%	7.80%/7.90%
Salary escalation rate	8% for Management Staff 7% for Staff/Workers	7% for Management Staff 6% for Staff/Workers
Annual increase in health care costs	8%	8%
Mortality rates	LIC 1994-96 mortality tables	LIC 1994-96 mortality tables
<b>Overseas</b>		
Discount rate	2.65%	3.40%
Inflation assumptions		
- RPI	3.15%	2.90%
- CPI	2.25%	2.00%
Rate of increase in pensions in payment	3.45%	3.35%
Rate of increase in pensions in deferment	3.15%	3.00%

**Quantitative sensitivity analysis for significant assumption as at the year ended March 31, 2017 is as below:**

	Rs. in Crores				
	India				Overseas
	Pension	Gratuity	Medical	Others	Pension
Impact of increase in 50 basis point in discount rate on Defined Benefit Obligation	(0.23)	(4.64)	(4.01)	(4.12)	(96.32)
Impact of decrease in 50 basis point in discount rate on Defined Benefit Obligation	0.25	4.97	4.55	4.49	109.27
Impact of increase in 50 basis point in salary escalation rate on Defined Benefit Obligation	-	4.91	-	-	-
Impact of decrease in 50 basis point in salary escalation rate on Defined Benefit Obligation	-	(4.63)	-	-	-
Impact of increase in 100 basis point in health care costs on Defined Benefit Obligation	-	-	9.07	0.10	-
Impact of decrease in 100 basis point in health care costs on Defined Benefit Obligation	-	-	(7.17)	(0.09)	-
Impact of increase in 25 basis point in RPI inflation rate on Defined Benefit Obligation	-	-	-	-	23.47
Impact of decrease in 25 basis point in RPI Inflation Rate on Defined Benefit Obligation	-	-	-	-	(12.14)
Impact of increase in 100 basis point in pension rate on Defined Benefit Obligation	0.13	-	-	2.46	-
Impact of decrease in 100 basis point in pension rate on Defined Benefit Obligation	(0.11)	-	-	(2.37)	-

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.



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### Major Categories of Plan Assets:

Rs. in Crores

	India				Overseas	
	Pension		Gratuity		Pension	
	2017	2016	2017	2016	2017	2016
Govt of India Securities	1.01	1.21	-	0.12	-	-
PSU bonds	1.01	0.93	-	-	-	-
Insurance managed Funds	4.79	4.83	94.42	83.25	-	-
Equities	-	-	-	-	562.57	393.31
Liability Driven Investments (LDI)	-	-	-	-	328.63	-
Multi asset credit	-	-	-	-	160.27	-
Corporate bonds	-	-	-	-	-	603.35
Property	-	-	-	-	84.18	97.38
Cash & Insurance policies	-	-	-	-	12.14	19.09
Others	-	-	0.18	0.18	-	-
<b>Total</b>	<b>6.81</b>	<b>6.97</b>	<b>94.60</b>	<b>83.55</b>	<b>1147.79</b>	<b>1113.13</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, 2017 and March 31, 2016, the plan assets have been primarily invested in insurer managed funds.

#### Overseas

The nature of the Scheme exposes the Group to the risk of paying unanticipated additional contributions to the Scheme in times of adverse experience. The most financially significant risks are likely to be:

##### – Asset volatility

The Scheme's liabilities are calculated using a discount rate set with reference to corporate bond yields in line with the requirements of Ind AS 19. If the Scheme assets underperform this yield, it will increase the deficit. The plan holds investments across a range of asset classes which are expected to outperform corporate bonds in the long-term but provide volatility and risk 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 50%.

##### – Inflation risk

The Group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. The hedging strategy in place means through the use of inflation swaps and derivatives the scheme assets hedge approximately 90% of this risk.

##### – Life expectancy

The Scheme's obligation is to provide benefits for the life of the members. An increase in life expectancy will result in an increase in the Scheme's liabilities.

#### Asset-liability matching strategies used by the overseas scheme

The scheme implemented a revised investment strategy during the financial year. This consists of a reduction in corporate bonds held to nil, a new 25% allocation to liability driven investment strategy which involves hedging the fund's exposure to changes in interest rates and inflation through use of liability driven investments (LDI) which typically involves swaps and derivatives and a new 16% exposure to multi-asset credit with the remaining portfolio invested in equities and property.

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### Expected contributions over the next financial year:

The Group expects to contribute approximately **Rs. 68.66 Crores** to the Schemes in the year ending March 31, 2018.

### Maturity Profile of Defined Benefit Obligation (undiscounted basis):

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Within next 12 months	2.58	2.28	13.49	13.99	1.73	1.58	5.15	4.44	34.01	40.09
Between 2 and 5 years	6.02	7.06	37.84	35.08	7.49	6.88	22.75	20.13	169.18	205.24
Between 6 and 9 years	3.43	3.84	42.80	37.07	6.84	7.78	26.90	22.60	202.37	246.29
10 years and above	5.44	5.99	151.32	119.25	52.64	53.59	158.61	123.62	1688.50	2051.55

### Post-employment medical benefits - Overseas

The Group operates post –employment medical benefits scheme to eligible employees in the UK and the US. These plans are unfunded and the valuation method is similar to those used for defined benefit pension schemes with the addition of actuarial assumptions relating to the long-term increase in healthcare costs in the US of 5.0% p.a. and in the UK of 5.4% p.a.

The liability recognised in the balance sheet as at March 31, 2017 was **Rs. 5.20 Crores** (Rs. 6.59 Crores). The movement in the year can be attributed to benefit payments.

### 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, 2017 was **Rs. 4.35 Crores** (Rs. 5.49 Crores).

### iii) Provident Fund

The Holding Company operates Provident Fund Schemes and the contributions are made to recognised funds maintained by the Holding Company and for certain categories contributions are made to State Plans. The Holding Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered rates on an annual basis. There are no shortfalls as at March 31, 2017 and March 31, 2016.

## 38. Segment Report

### A. General Information

For management purposes, the Group has organised its businesses into Branded Segment and Non Branded Segment. Branded Segment is further sub-categorised as Branded Tea, Branded Coffee and the residual as Branded Others. Description of each category is as follows:

#### i) Branded Business -

Branded Tea: Sale of branded tea and various value added forms

Branded Coffee: Sale of coffee in various value added forms

Branded Others: Sale of water products

#### 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. In addition, the CODM also reviews Group's performance through a regional structure which is based on geographical markets, accordingly geographical revenue information is disclosed as an additional information.

# Notes to Consolidated

## Financial Statements

### B. Information about reportable segments

#### a) Segment Revenue

	Rs. in Crores	
	2017	2016
Branded		
Tea	4803.48	4715.58
Coffee	1117.84	1118.82
Others	35.96	28.87
Total Branded	<b>5957.28</b>	<b>5863.27</b>
Non Branded	890.05	815.58
Total Segments Revenue	<b>6847.33</b>	<b>6678.85</b>
Less: Inter-Segment Revenue	(67.78)	(42.31)
Revenue from External Customer	<b>6779.55</b>	<b>6636.54</b>

#### b) Segment Results

	Rs. in Crores	
	2017	2016
Branded		
Tea	577.72	578.58
Coffee	178.92	129.51
Others	(22.11)	(27.57)
Total Branded	<b>734.53</b>	<b>680.52</b>
Non Branded	136.97	72.00
Total Segments	<b>871.50</b>	<b>752.52</b>
Add/Less:		
Other Income	83.10	82.00
Finance Cost	(91.53)	(116.90)
Other Unallocable items	(206.41)	(214.98)
Exceptional Items	5.30	(332.88)
Profit before Income Tax	<b>661.96</b>	<b>169.76</b>

#### c) Segment Assets and Liabilities

	Rs. in Crores	
	2017	2016
<b>Segment Assets</b>		
Branded		
Tea	4145.91	4403.46
Coffee	1763.13	1843.32
Others	44.81	32.59
Total Branded	<b>5953.85</b>	<b>6279.37</b>
Non Branded	965.55	901.79
Total Segments	<b>6919.40</b>	<b>7181.16</b>
Unallocable Corporate Assets	2665.48	2830.44
Total Assets	<b>9584.88</b>	<b>10011.60</b>

# Notes to Consolidated Financial Statements

	Rs. in Crores	
<b>Segment Liabilities</b>	<b>2017</b>	<b>2016</b>
Branded		
Tea	795.74	796.93
Coffee	178.62	164.39
Others	40.42	13.08
Total Branded	<b>1014.78</b>	<b>974.40</b>
Non Branded	111.25	100.10
Total Segments Liabilities	<b>1126.03</b>	<b>1074.50</b>
Unallocable Corporate Liabilities	1273.85	1828.16
Total Liabilities	<b>2399.88</b>	<b>2902.66</b>

## d) Addition to non-current assets

	Rs. in Crores	
	<b>2017</b>	<b>2016</b>
Branded		
Tea	303.27	67.79
Coffee	25.99	43.14
Others	1.67	2.63
Total Branded	<b>330.93</b>	<b>113.56</b>
Non Branded	62.37	41.95
Total Segments	<b>393.30</b>	<b>155.51</b>

Non-current assets do not include financial instruments, deferred tax assets, post-employment benefit assets.

## e) Depreciation and Amortisation Expense

	Rs. in Crores	
	<b>2017</b>	<b>2016</b>
Branded		
Tea	54.51	47.46
Coffee	39.78	37.08
Others	1.66	3.25
Total Branded	<b>95.95</b>	<b>87.79</b>
Non Branded	30.09	29.00
Total Segments	<b>126.04</b>	<b>116.79</b>

# Notes to Consolidated

## Financial Statements

### C. Geographical Information

Geographical Branded Sales Revenue are based on the location of sales

	Rs. in Crores	
	2017	2016
Branded		
Canada America & Australia	1591.82	1481.45
EMEA	1547.60	1637.94
South Asia	2767.18	2702.82
Others	50.68	41.06
<b>Total Branded Revenues</b>	<b>5957.28</b>	<b>5863.27</b>

#### Notes to Segment report

- a) The segment wise revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. Unallocable items include expenses incurred on common services at the corporate level, other income and exceptional items.
- b) Pricing of inter segment transfers are based on benchmark market prices.

### 39. Related Party Transaction

Related parties other than Joint Ventures and Associates with whom Group has transactions are given below, Refer Note 35 for list of Joint Ventures and Associates.

#### Promoter

Tata Sons Ltd.

#### Subsidiaries and Joint Ventures of Tata Sons Ltd.

Tata Consultancy Services Ltd.  
Tata Investment Corporation Ltd.  
Casa Décor Private Ltd.  
Tata Housing Development Co. Ltd.  
Tata Business Support Services Ltd.  
Tata AIG General Insurance Co Ltd  
Tata AIA Life Insurance Co. Ltd.  
Tata Capital Forex Ltd.  
Taj Air Limited  
TC Travel & Services Ltd.  
Infiniti Retail Ltd.  
Tata Interactive System Ltd.  
Tata International Singapore Pte. Ltd.  
Tata Elxsi Ltd.  
Ewart Investments Ltd.

#### Subsidiary of an Associate

Watawala Plantations Plc.

#### Key Management Personnel

Mr. Ajoy Misra - CEO & Managing Director  
Mr. L Krishna Kumar - Executive Director & Group CFO

#### Employee Benefit Funds

Tata Tea Limited Management Staff Gratuity Fund  
Tata Tea Limited Management Staff Superannuation Fund  
Tata Tea Limited Staff Pension Fund  
Tata Tea Limited Gratuity Fund  
Tata Tea Limited Calcutta Provident Fund  
Tata Coffee Staff Provident Fund Trust  
Tata Coffee Superannuation Fund  
Tata Coffee Group Gratuity Fund

# Notes to Consolidated

## Financial Statements

### Particulars of transactions during the year ended March 31, 2017:

	Rs. in Crores	
	2017	2016
<b>Sale of Goods and Services</b>		
- Joint Ventures	42.52	40.36
- Associates	3.75	0.59
- Subsidiaries and Joint Ventures of Promoter	0.30	-
<b>Other Operating Income</b>		
- Joint Ventures	4.14	0.30
- Associates	2.20	-
<b>Purchase of Goods and Services</b>		
- Joint Ventures	160.24	89.47
- Associates	227.68	303.58
- Subsidiaries and Joint Ventures of Promoter	0.03	0.04
<b>Rent Paid</b>		
- Associates	1.90	1.84
<b>Fees paid for Product Development</b>		
- Joint Ventures	7.50	7.57
<b>Other Expenses (Net)</b>		
- Associates	3.38	3.25
- Promoter - Tata Sons Ltd.	13.29	12.42
- Subsidiaries and Joint Ventures of Promoter	26.12	25.17
<b>Directors Remuneration *</b>	8.41	7.00
<b>Dividend Paid</b>		
- Promoter - Tata Sons Ltd.	32.14	32.14
- Subsidiaries and Joint Ventures of Promoter	6.99	6.99
<b>Dividend/Interest Received</b>		
- Associates	10.88	10.44
- Promoter - Tata Sons Ltd.	-	4.21
- Subsidiaries and Joint Ventures of Promoter	8.61	8.99
<b>Sale of Investments</b>		
- Promoter - Tata Sons Ltd.	-	312.31
<b>Reimbursement of Expenditure/(Income)</b>		
- Joint Ventures	(2.06)	(1.51)
- Associates	0.63	3.92
- Promoter - Tata Sons Ltd.	-	0.41
<b>Intercompany Loan/ Deposits Given</b>		
- Subsidiaries and Joint Ventures of Promoter	25.00	90.00
<b>Deposit redeemed</b>		
- Subsidiaries and Joint Ventures of Promoter	37.50	72.50
<b>Investments Made</b>		
- Joint Ventures	28.00	41.00
<b>Contribution to Funds - Employee Benefit Plans</b>	33.33	28.40

\* 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 Consolidated

## Financial Statements

### Details of material transactions with related party:

	Rs. in Crores	
	2017	2016
<b>Sale of Goods and Services</b>		
<b>- Joint Ventures</b>		
Tetley Clover (Private) Ltd.	-	4.59
NourishCo Beverages Ltd.	33.88	28.31
Tata Starbucks Pvt. Ltd.	8.19	6.91
<b>Other Operating Income</b>		
<b>- Joint Ventures</b>		
Tata Starbucks Pvt. Ltd.	3.84	-
<b>- Associates</b>		
Kanan Devan Hills Plantation Company Pvt. Ltd.	2.20	-
<b>Purchase of Goods and Services</b>		
<b>- Joint Ventures</b>		
Southern Tea LLC.	157.37	87.31
<b>- Associates</b>		
Kanan Devan Hills Plantation Company Pvt. Ltd.	89.89	82.64
Amalgamated Plantations Pvt Ltd.	125.75	206.89
<b>Rent Paid</b>		
<b>- Associates</b>		
Amalgamated Plantations Pvt Ltd.	1.39	1.35
<b>Fees paid for Product Development</b>		
<b>- Joint Ventures</b>		
NourishCo Beverages Ltd.	7.50	7.57
<b>Other Expenses (Net)</b>		
<b>- Promoter - Tata Sons Ltd.</b>	13.29	12.42
<b>- Subsidiaries and Joint Ventures of Promoter</b>		
Taj Air Limited	3.80	3.67
Tata AIG General Insurance Limited	9.17	6.26
Tata Consultancy Services Limited	9.09	12.83
<b>Dividend Paid</b>		
<b>- Promoter - Tata Sons Ltd.</b>	32.14	32.14
<b>- Subsidiaries and Joint Ventures of Promoter</b>		
Tata Investment Corporation Limited	6.05	6.05
<b>Dividend/Interest Received</b>		
<b>- Promoter - Tata Sons Ltd.</b>	-	4.21
<b>- Subsidiaries and Joint Ventures of Promoter</b>		
Tata Housing Development Company Limited	7.84	7.27
<b>- Associates</b>		
Kanan Devan Hills Plantation Company Pvt. Ltd.	2.91	2.44
Amalgamated Plantations Pvt Ltd.	3.67	3.67
Estate Management Services Pvt Limited	4.31	4.34
<b>Sale of Investments</b>		
<b>- Promoter - Tata Sons Ltd.</b>	-	312.31

# Notes to Consolidated

## Financial Statements

	Rs. in Crores	
	2017	2016
<b>Reimbursement of Expenditure/(Income)</b>		
<b>- Joint Ventures</b>		
NourishCo Beverages Ltd.	(1.92)	(1.44)
<b>- Associates</b>		
Kanan Devan Hills Plantation Company Pvt. Ltd.	(1.53)	(0.04)
Amalgamated Plantations Pvt Ltd.	2.17	3.95
<b>Intercompany Loan/ Deposits Given</b>		
<b>- Subsidiaries and Joint Ventures of Promoter</b>		
Tata Housing Development Company Limited	25.00	90.00
<b>Deposit redeemed</b>		
<b>- Subsidiaries and Joint Ventures of Promoter</b>		
Tata Housing Development Company Limited	35.00	69.00
<b>Investments Made</b>		
<b>- Joint Ventures</b>		
NourishCo Beverages Ltd.	16.00	13.00
Tata Starbucks Pvt. Ltd.	12.00	28.00
<b>Contribution to Funds - Employee Benefit Plans</b>		
Tata Coffee Limited Employees Gratuity Fund	5.13	1.55
Tata Coffee Limited Staff Provident Fund	7.27	5.83
Tata Tea Limited Management Staff Gratuity Fund	2.92	4.99
Tata Tea Limited Calcutta Provident Fund	12.36	11.77

<b>Balance Outstanding as at March 31, 2017</b>		Rs. in Crores	
	2017	2016	
<b>Debit</b>			
- Joint Ventures	15.46	5.98	
- Associates	27.64	25.18	
- Subsidiaries and Joint Ventures of Promoter	10.82	9.05	
<b>Credit</b>			
- Joint Ventures	9.12	1.85	
- Associates	12.00	6.75	
- Promoter - Tata Sons Ltd.	9.04	8.43	
- Subsidiaries and Joint Ventures of Promoter	1.19	1.79	
- Employee Benefit Plans	125.81	114.05	



# Notes to Consolidated

## Financial Statements

### 40. Business Combination

#### Conversion of Empirical Group LLC into a subsidiary

The Group has, with effect from October 1, 2016, pursuant to amendments in the operating agreement, acquired control of Empirical Group LLC. As per requirements of Ind AS 103 'Business Combinations', the Group has fair valued its existing interest and recognised a gain of **Rs. 49.53 Crores** in the Statement of Profit and Loss. Based on fair valuation exercise carried out goodwill and other intangibles were also recognised in the Consolidated Financial Statements. The valuation was carried out by an accredited independent valuer who used techniques like discounted cash flow and comparable multiple method to determine the fair value of the entity.

The fair value of the assets and liabilities acquired is shown below:

	Rs. in Crores		
	Book value	Adjustments	Fair Value
Customer relationships	-	106.58	106.58
Brand / trademark	-	10.66	10.66
<b>Total intangibles assets</b>	<b>-</b>	<b>117.24</b>	<b>117.24</b>
Net working capital	23.04	2.59	25.63
Deferred tax	-	(41.03)	(41.03)
<b>Net identifiable assets acquired</b>	<b>23.04</b>	<b>78.80</b>	<b>101.84</b>
Fair value of consideration transferred			-
Fair value of non-controlling interest			102.58
Fair value of existing interest in the joint venture			130.56
<b>Total purchase consideration</b>			<b>233.14</b>
Less: Net identifiable assets acquired as per above			<b>(101.84)</b>
<b>Goodwill</b>			<b>131.30</b>
Fair value of interest held			130.56
Less: Investment in Joint venture as at September 30, 2016			(86.37)
Add: Cumulative exchange differences recycled from Other Comprehensive Income			5.34
<b>Gain on acquisition recognised in the Statement of Profit and Loss</b>			<b>49.53</b>

The fair value adjustments relate to the recognition of customer relationships; the recognition the brand/trademark (which is the right to use certain product brands owned by both the Group and the non-controlling interest); an adjustment to finished goods inventory to estimated selling price less costs of disposal and the recognition of a deferred tax liability on the recognition of the intangible assets.

The acquired business contributed revenue of **Rs. 127.49 Crores** and net profit of **Rs. 17.32 Crores** to the Group for the period from October 1, 2016 to March 31, 2017.

# Notes to Consolidated

## Financial Statements

### 41. Non-current assets held for sale

Certain assets and liabilities relating to businesses in Eastern Europe and China have been presented as held for sale.

Following assets and liabilities were reclassified as held for sale as at March 31, 2017:

	Rs. in Crores
	<b>2017</b>
<b>Assets</b>	
Non Current Assets	24.29
Others	27.54
	<b>51.83</b>
<b>Liabilities</b>	
Current Liabilities	25.75
	<b>25.75</b>

In accordance with Ind AS 105, the relevant assets and liabilities relating to Eastern Europe held for sale was written down to their fair value less costs to sell of **Rs. 12.11 Crores**. This is a non-recurring fair value based on estimates. The charge arising on account of write down has been accounted under exceptional items (Refer Note 27).

### 42. Disclosure on Specified Bank Notes

During the year, the Holding Company had Specified Bank Notes (SBN) and other denomination notes as defined in the MCA notification G.S.R 308(E) dated March 31, 2017. As required under that notification, the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 are given below:

	Rs. in Crores		
Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	463,000	254,987	717,987
(+) Permitted receipts	-	12,153,184	12,153,184
(+) Other receipts	149,500	-	149,500
(-) Permitted payments	-	9,448,938	9,448,938
(-) Amount deposited in Banks	612,500	2,682,400	3,294,900
Closing cash in hand as on 30.12.2016	-	<b>276,833</b>	<b>276,833</b>

Other receipts consist of Rs. 41,500 received for vehicles requisitioned for public purposes and Rs. 1,08,000 received by the referral hospital operated by the Holding Company in the plantation district of Munnar. These receipts were promptly deposited in the bank.

As disclosed in their respective statutory financial statements, there were no exceptions in any of the Indian subsidiaries, joint venture and associates except in one joint venture, engaged in the business of operating cafes, which has reported other receipts of Rs. 0.85 lakhs, which were promptly deposited in banks.

# Notes to Consolidated

## Financial Statements

### 43. Additional information, as required under Schedule III of the Companies Act, 2013, of entities consolidated as Subsidiary/Associates/Joint Ventures:

		Rs. in Crores							
SI 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 Global Beverages Limited	60.40%	3784.55	70.87%	276.00	-120.80%	240.18	270.80%	516.18
<b>Subsidiaries</b>									
<b>Indian</b>									
1	Tata Coffee Ltd.	14.32%	897.27	35.75%	139.23	0.14%	(0.27)	72.90%	138.96
2	Tata Tea Holdings Private Ltd.	0.00%	0.00	-0.00%	(0.00)	-	-	-0.00%	(0.00)
<b>Foreign</b>									
1	Consolidated Coffee Inc. (Consolidated Financials)	9.58%	599.98	30.05%	117.02	-2.56%	5.09	64.06%	122.11
2	Tata Coffee Vietnam Company Ltd.	-	-	-	-	-	-	-	-
3	Tata Tea Extractions Inc.	4.91%	307.86	3.26%	12.70	-	-	6.66%	12.70
4	Zhejiang Tata Tea Extraction Company Ltd.	0.56%	35.36	-2.78%	(10.84)	-	-	-5.69%	(10.84)
5	Tata Global Beverages Capital Ltd	11.67%	731.28	-1.48%	(5.77)	-	-	-3.03%	(5.77)
6	Tata Global Beverages Group Ltd.	29.62%	1855.59	-14.63%	(56.99)	-	-	-29.90%	(56.99)
7	Tata Global Beverages Holdings Ltd.	22.55%	1412.72	-	-	-	-	0.00%	0.00
8	Tata Global Beverages Services Ltd.	44.29%	2774.82	-6.07%	(23.63)	-	-	-12.40%	(23.63)
9	Tata Global Beverages GB Ltd.	27.38%	1715.19	22.59%	87.96	-25.23%	50.16	72.46%	138.12
10	Tata Global Beverages Overseas Holdings Ltd.	-4.94%	(309.30)	12.81%	49.87	-	-	26.16%	49.87
11	Tata Global Beverages Overseas Ltd.	-0.08%	(5.12)	0.00%	-	-	-	-	-
12	Lyons Tetley Ltd.	-	-	-	-	-	-	-	-
13	Drassington Ltd.	-	-	-	-	-	-	-	-
14	Teapigs Ltd.	1.15%	71.91	1.91%	7.43	-	-	3.90%	7.43
15	Teapigs US LLC	-0.04%	(2.68)	-0.21%	(0.81)	-	-	-0.42%	(0.81)
16	Empirical Group LLC (w.e.f October 1,2016)	0.40%	24.94	4.45%	17.32	-	-	9.09%	17.32
17	Tata Waters LLC	-	-	-	-	-	-	-	-
18	Stansand (Brokers) Ltd.	-	-	-	-	-	-	-	-
19	Stansand (Africa) Ltd.	0.13%	8.20	-0.07%	(0.29)	-	-	-0.15%	(0.29)
20	Stansand (Central Africa) Ltd.	0.04%	2.63	0.21%	0.81	-	-	0.42%	0.81
21	Tata Global Beverages Polska sp.zo.o	-0.73%	(45.87)	-4.14%	(16.12)	-	-	-8.46%	(16.12)
22	Tata Global Beverages Czech Republic a.s.	-0.07%	(4.63)	-1.30%	(5.05)	-	-	-2.65%	(5.05)
23	Tata Global Beverages US Holdings Inc.	6.25%	391.57	-1.36%	(5.28)	-	-	-2.77%	(5.28)
24	Tetley USA Inc.	4.68%	293.47	3.27%	12.74	-	-	6.68%	12.74
25	Good Earth Corporation.	-0.10%	(6.36)	-0.08%	(0.33)	-	-	-0.17%	(0.33)
26	Good Earth Teas Inc.	-0.12%	(7.62)	-5.45%	(21.21)	-	-	-11.13%	(21.21)
27	Tata Global Beverages Canada Inc.	0.47%	29.33	1.64%	6.37	-	-	3.34%	6.37
28	Tata Global Beverages Australia Pty Ltd.	0.28%	17.33	0.38%	1.48	-	-	0.78%	1.48
29	Earth Rules Pty Ltd.	-0.63%	(39.39)	-3.12%	(12.15)	-	-	-6.37%	(12.15)
30	Tata Global Beverages Investments Ltd.	51.65%	3235.91	16.43%	64.00	-	-	33.58%	64.00
31	Campestres Holdings Ltd.	0.12%	7.83	-7.68%	(29.89)	-	-	-15.68%	(29.89)
32	Kahutara Holdings Ltd.	-1.41%	(88.52)	-32.99%	(128.48)	-	-	-67.40%	(128.48)
33	Suntycy Holding Ltd. (Consolidated Financials)	-0.77%	(48.06)	-7.46%	(29.04)	-	-	-15.24%	(29.04)
	Non-Controlling Interest in all Subsidiaries	-14.68%	(919.50)	16.78%	65.36	39.80%	(79.14)	-7.23%	(13.78)

# Notes to Consolidated Financial Statements

Rs. in Crores

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>Associates</b>									
<b>Indian</b>									
1	Amalgamated Plantations Pvt. Ltd.	1.41%	88.12	-3.75%	(14.60)	3.09%	(6.14)	-10.88%	(20.74)
2	Kanan Devan Hills Plantations Co. Pvt. Ltd.	0.38%	23.54	0.02%	0.08	-0.11%	0.22	0.16%	0.30
3	TRIL Constructions Ltd.	0.83%	51.92	-0.01%	(0.05)	-	-	-0.03%	(0.05)
<b>Foreign</b>									
	Estate Management Services Pvt. Ltd.	1.19%	74.37	4.48%	17.45	-	-	9.15%	17.45
<b>Joint Ventures</b>									
<b>Indian</b>									
1	NourishCo Beverages Ltd.	0.18%	11.13	-2.69%	(10.46)	-	-	-5.49%	(10.46)
2	Tata Starbucks Private Ltd.	1.54%	96.49	-4.14%	(16.13)	0.04%	(0.08)	-8.50%	(16.21)
<b>Foreign</b>									
1	Joekels Tea Packers (Proprietary) Ltd.	0.14%	8.78	0.65%	2.54	-	-	1.33%	2.54
2	Empirical Group LLC (till 30.09.2016)	-	-	2.86%	11.12	-	-	5.83%	11.12
3	Southern Tea LLC	0.69%	43.53	0.93%	3.64	-	-	1.91%	3.64
4	Tetley ACI (Bangladesh) Ltd.	-0.04%	(2.72)	-0.49%	(1.89)	-	-	-0.99%	(1.89)
5	Tetley Clover (Pvt) Ltd.	0.00%	(0.01)	-0.14%	(0.55)	-	-	-0.29%	(0.55)
	Consolidation Eliminations/adjustments	-173.18%	(10850.34)	-29.30%	(114.12)	205.63%	(408.85)	-274.37%	(522.97)
<b>TOTAL</b>		<b>100%</b>	<b>6265.50</b>	<b>100%</b>	<b>389.44</b>	<b>100%</b>	<b>(198.83)</b>	<b>100%</b>	<b>190.61</b>

#### 44. First-time adoption of Ind AS

The Group has prepared Consolidated Financial Statements which comply with Ind AS for periods ending on or after March 31, 2016, together with the comparative period data for the year ended March 31, 2016. In preparing these Consolidated Financial Statements, the Group's opening balance sheet was prepared as at April 1, 2015, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP Balance Sheet as at April 1, 2015 and its previously published Indian GAAP Consolidated Financial Statements as at and for the year ended March 31, 2016.

##### Exemptions availed on first time adoption

Ind AS 101 – First-time adoption of Ind AS permits certain optional exemptions from full retrospective application of Ind AS accounting policies and the following options have been adopted as at the date of transition:

- Business combinations prior to the date of transition have not been restated based on Ind AS principles.
- Group has designated long-term equity instruments held at April 1, 2015 as fair value through Other Comprehensive Income.
- Cumulative currency translation differences for all foreign operations are deemed to be zero as at April 1, 2015.
- Group has elected to measure all of its property, plant and equipment, investment properties and other intangible assets at their previous GAAP carrying value.
- Group has elected to apply the exception provided by Para D13AA of Ind AS-101 to its External Commercial Borrowing (ECB). Consequently any exchange differences arising from translation of ECB will continue to be capitalised.

# Notes to Consolidated

## Financial Statements

### Reconciliation between previous GAAP and Ind AS

Rs. in Crores

	Notes	2016	April 1, 2015
Equity as per previous GAAP		<b>6599.61</b>	<b>6367.73</b>
Changes in Fair value of Equity instrument through other comprehensive income	a	336.23	801.57
Reversal of Proposed Dividend	b	186.99	186.99
Amortised cost adjustments on long-term borrowings	c	10.78	27.26
Fair Value of Agricultural Produce	d	1.00	31.67
Hedge accounting adjustment	e	(3.33)	(16.20)
Deferred Tax on Unremitted Earnings and Consolidation adjustments	f	(12.28)	(12.11)
Non Controlling Interest adjustment on Equity Accounting of Joint Ventures	g	(6.20)	(6.37)
Others		(3.86)	(5.54)
Total transition adjustments		<b>509.33</b>	<b>1007.27</b>
Equity as per Ind AS		<b>7108.94</b>	<b>7375.00</b>

### Reconciliation on Total Comprehensive Income for the year ended March 31, 2016:

Rs. in Crores

	Notes	2016
Profit after tax as per previous GAAP before Minority Interest		<b>333.63</b>
Profit on sale of equity instruments carried at fair value through other comprehensive income	a	(327.79)
Fair valuation of Agricultural produce	d	(32.45)
Replanting costs capitalised as bearer plants in progress	d	5.53
Amortised cost adjustments on long-term borrowings	c	(25.20)
Adjustment for change in depreciation methodology	h	(16.97)
Ind AS transition adjustments in Associate entities	i	9.06
Remeasurement of the defined benefit plan	j	4.82
Others		3.93
Tax on above adjustments		8.35
Total transition adjustments		<b>(370.72)</b>
Profit after tax as per Ind AS		<b>(37.09)</b>
Other Comprehensive Income		(47.24)
Total Comprehensive Income as per Ind AS		<b>(84.33)</b>

### Impact of Ind AS transition on the Consolidated Statements of Cash flows for the year ended March 31, 2016:

Rs. in Crores

	Previous GAAP	Adjustments	Ind AS
Cash Flows from operating activities	111.52	4.46	115.98
Cash Flows from investing activities	293.15	(172.27)	120.88
Cash Flows from financing activities	(429.02)	147.22	(281.80)
Net increase / (decrease) in cash & cash equivalent	<b>(24.35)</b>	<b>(20.59)</b>	<b>(44.94)</b>
Cash and cash equivalent as at April 1, 2015	536.53	(181.66)	354.87
Effects of exchange rate changes on cash and cash equivalent	18.59	5.15	23.74
Cash and cash equivalent as at March 31, 2016	<b>530.77</b>	<b>(197.10)</b>	<b>333.67</b>

# Notes to Consolidated

## Financial Statements

Adjustment to cash flow from investing activities mainly relates to current investment considered as cash and cash equivalent under previous GAAP and adjustment to cash flow from financing activities mainly relates to bank overdraft not considered as cash and cash equivalent under previous GAAP.

### Analysis of changes in cash and cash equivalents for the purposes of consolidated statement of cash flows under Ind AS:

	Rs. in Crores	
	2016	April 1, 2015
Cash and cash equivalent as per previous GAAP	530.77	536.53
Current Investments	(173.33)	(10.83)
Bank overdraft	(12.61)	(152.50)
Joint Venture Equity Accounted	(11.16)	(18.33)
Cash and cash equivalent as per Ind AS	<b>333.67</b>	<b>354.87</b>

### Notes to first time adoption:

#### Note (a): Fair value of equity investments through Other Comprehensive Income

Under previous GAAP, current investment were measured at lower of cost or fair value and long-term investment were measured at cost less diminution in the value which is other than temporary, under Ind AS these investments are required to be measured at fair value. The resulting fair value changes of these investments were recognised in equity.

#### Note (b): Reversal of proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the Consolidated Financial Statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting, consequently the liability for proposed dividend has been reversed with corresponding adjustment to retained earnings.

#### Note (c): Borrowings

Under previous GAAP, redemption premium payable on debentures were adjusted with Securities Premium in accordance with Section 52 of Companies Act, 2013. Under Ind AS, these debentures are measured at amortised cost using the effective interest rate method and the resultant difference is accounted in the Statement of Profit and Loss.

#### Note (d): Fair valuation of agricultural produce and bearer plants

- (i) Ind AS adjustment represents fair valuation of agricultural produce at the point of harvest and capitalisation of replanting costs as bearer plant in progress.
- (ii) Bearer assets have been recognised only after the transition date i.e. April 1, 2015.

#### Note (e): Hedge accounting of commodities

Effective portion of cash flow hedge.

#### Note (f): Deferred tax

Under previous GAAP, tax expense in the consolidated financial statements was computed by performing line by line addition of tax expense of the parent and its subsidiaries. No adjustments to tax expense were made on consolidation. Under Ind AS, deferred taxes are recognised on undistributed profits of subsidiaries, joint ventures and associates and consolidation adjustments.

#### Note (g): Equity accounting of investment in Joint Ventures

- i) Under previous GAAP, one entity controls another entity when it has the ownership of more than one-half of the voting power of the other entity or control of the composition of the board of directors so as to obtain economic benefits from its activities, since the Group held 51.70% in Joekels Tea Packers (Proprietary) Limited it was treated as a subsidiary. However, based on the control assessment carried out by the Group in accordance with Ind AS 110, Joekels Tea Packers (Proprietary) Ltd has been assessed to be a Joint Venture and has been accounted using the equity method.

# Notes to Consolidated

## Financial Statements

- ii) Under previous GAAP, following entities were classified as jointly controlled entity and accounted using proportionate consolidation method:

NourishCo Beverages Ltd.  
Tata Starbucks Private Ltd.  
Empirical Group LLC.  
Southern Tea LLC.  
Tetley ACI (Bangladesh) Ltd.  
Tetley Clover (Pvt.) Ltd.

The above entities are accounted using the equity method. For the purpose of applying the equity method the investments in the aforementioned joint ventures, as at the date of transition, has been measured as the aggregate of the carrying value of the assets and liabilities that the Group had previously proportionately consolidated.

### Note (h): Change in depreciation methodology

Under previous GAAP, change in method of depreciation is applied retrospectively from the date of asset coming into use. Under Ind AS, depreciation method change is treated as a change in estimate and any impact is prospectively adjusted. Adjustment represents impact of change of method of depreciation in one of the Indian subsidiary of the Holding Company.

### Note (i): Re-measurement of defined benefits plan

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income instead of the Statement of Profit and Loss. Under the previous GAAP, these re-measurements were accounted in the Statement of Profit and Loss for the year by the Group other than defined benefit pension scheme of overseas subsidiaries.

**Note (j):** Ind AS transition adjustments in the Associates entities mainly relating to fair valuation of agricultural produce and re-measurement of defined benefits plans.

### Note (k): Foreign currency translation reserve

The Group elected to reset the balance appearing in the foreign currency translation reserve to zero as at April 1, 2015. Accordingly, translation reserve balance under previous GAAP of Rs. 678.88 Crores has been transferred to retained earnings. There is no impact on total equity as a result of this adjustment.

- 45.** Unless otherwise stated, figures in brackets relate to the previous year. All the numbers have been rounded off to nearest crore.

#### For Lovelock & Lewes

Firm Registration No. 301056E  
Chartered Accountants

#### Dibyendu Majumder

Partner  
Membership No. 057687

Mumbai, May 30, 2017

For and on behalf of the Board

#### Harish Bhat

Chairman  
(DIN 00478198)

#### Ajoy Misra

Managing Director  
(DIN 00050557)

#### John Jacob

Chief Financial Officer

#### V Leeladhar

Director  
(DIN 02630276)

#### L KrishnaKumar

Executive Director  
(DIN 00423616)

#### V Madan

Company Secretary

#### Ranjana Kumar

Director  
(DIN 02930881)

**Form AOC 1 - Statement Containing Salient Features of the Financial Statement of Subsidiaries / Associate / Joint Ventures  
Part "A" : Subsidiaries**

Sl No	Name of the Subsidiary	Date of acquisition / Incorporation	Reporting Currency	Exchange rate as on last day of relevant financial year (Refer Note 3)	Share Capital		Reserves and Surplus		Total Assets		Total Liabilities		Investments		Turnover		Profit 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	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 in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores		
1	Tata Global Beverages Group Ltd.	03.09.1999	GBP	80.94	1902.79	(36.52)	6449.42	4583.15	6264.68	-	11.67	(46.66)	-	89.10	88.40											
2	Tata Global Beverages Holdings Ltd.	10.03.2000	GBP	80.94	0.00	1412.72	1534.01	121.29	1443.18	-	-	-	-	100.00	88.40											
3	Tata Global Beverages Services Ltd.	10.03.2000	GBP	80.94	-	2797.57	3769.93	972.36	-	194.24	0.33	0.73	-	100.00	88.40											
4	Tata Global Beverages GB Ltd.	10.03.2000	GBP	80.94	0.00	1562.60	1967.21	404.61	8.09	1279.21	65.39	(4.75)	60.64	-	100.00	88.40										
5	Tata Global Beverages Overseas Holdings Ltd.	10.03.2000	GBP	80.94	0.00	(346.09)	374.89	720.98	252.48	-	14.33	(0.61)	13.72	-	100.00	88.40										
6	Tata Global Beverages Overseas Ltd.	10.03.2000	GBP	80.94	0.00	(14.75)	54.27	69.02	-	-	0.07	(0.04)	0.03	-	100.00	88.40										
7	Lyons Tefley Limited (Dormant)	10.03.2000	GBP	80.94	0.16	-	-	0.16	-	-	-	-	-	-	100.00	88.40										
8	Dressington Ltd. (Dormant)	31.10.2003	GBP	80.94	15.83	(15.83)	-	-	-	-	-	-	-	-	100.00	88.40										
9	Teapigs Ltd.	15.04.2005	GBP	80.94	8.09	34.82	90.37	47.46	-	87.84	10.78	(2.27)	8.51	-	100.00	88.40										
10	Teapigs US LLC	27.08.2013	USD	64.85	-	(2.68)	3.36	6.04	-	11.04	(0.79)	(0.03)	(0.82)	-	100.00	67.13										
11	Stansand Ltd. (Dormant)	10.03.2000	GBP	80.94	0.04	-	-	0.04	-	-	-	-	-	-	100.00	88.40										
12	Stansand Brokers Ltd. (Dormant)	10.03.2000	GBP	80.94	0.26	-	-	0.26	-	-	-	-	-	-	100.00	88.40										
13	Stansand (Africa) Ltd.	10.03.2000	KES	0.63	0.03	8.19	34.04	21.09	-	163.50	(0.24)	(0.03)	(0.27)	-	100.00	0.66										
14	Stansand (Central Africa) Ltd.	10.03.2000	MMK	0.09	0.00	0.92	3.86	2.95	-	35.04	1.13	(0.34)	0.79	-	100.00	0.10										
15	Tata Global Beverages Pojskaspzoo	10.03.2000	PLN	16.43	72.05	(117.91)	19.94	65.80	-	53.25	(8.03)	-	(8.03)	-	100.00	16.91										
16	Tata Global Beverages Czech Republic a.s	02.05.2006	CZK	2.57	0.51	(8.99)	24.53	33.01	-	49.67	(4.99)	-	(4.99)	-	100.00	2.73										
17	Tata Global Beverages US Holdings Inc	10.03.2000	USD	64.85	434.51	(42.93)	589.73	198.16	585.40	-	(5.27)	-	(5.27)	-	100.00	67.13										
18	Tetley USA Inc.	10.03.2000	USD	64.85	885.21	(591.74)	326.31	32.84	18.33	129.12	12.82	-	12.82	-	100.00	67.13										
19	Empirical Group LLC	01.10.2016	USD	64.85	-	24.95	60.28	35.33	-	259.82	42.67	-	42.67	-	56.00	67.13										
20	Tata Water LLC (Refer Note 4)	18.08.2016	USD	64.85	-	-	-	-	-	-	-	-	-	-	100.00	67.13										
21	Good Earth Corporation	13.10.2005	USD	64.85	-	(6.36)	0.14	6.50	-	(0.33)	-	-	(0.33)	-	100.00	67.13										
22	Good Earth Teas Inc.	13.10.2005	USD	64.85	117.31	(124.92)	30.58	38.20	14.68	34.79	(21.24)	-	(21.24)	-	100.00	67.13										
23	Tata Global Beverages Canada Inc	10.03.2000	CAD	48.63	7.29	21.29	116.04	87.46	-	281.06	9.48	(3.12)	6.36	-	100.00	51.19										
24	Tata Global Beverages Australia Pty Ltd.	10.03.2000	AUD	49.61	58.54	(40.29)	45.43	27.18	-	117.03	2.06	(0.64)	1.42	-	100.00	50.42										
25	Earth Rules Pty Ltd.	30.04.2015	AUD	49.61	73.61	(113.00)	35.95	75.34	-	74.04	(12.14)	-	(12.14)	-	100.00	50.42										
26	Tata Global Beverages Investment Ltd.	12.09.2006	GBP	80.94	-	3109.42	3125.08	15.65	-	(17.01)	(13.16)	-	(13.16)	-	100.00	88.40										
27	Campestres Holdings Ltd.	03.02.2009	USD	64.85	0.02	7.81	8.47	0.64	-	(0.40)	-	-	(0.40)	-	100.00	67.13										
28	Kahutara Holdings Ltd.	25.03.2009	USD	64.85	0.13	(134.55)	1.38	135.80	-	(56.26)	-	-	(56.26)	-	65.00	67.13										
29	Sunmyco Holdings Ltd.	01.09.2009	USD	64.85	0.45	9.29	10.59	0.86	7.17	-	(52.58)	-	(52.58)	-	100.00	67.13										
30	Onomento Co Ltd	01.09.2009	USD	64.85	0.05	19.25	19.52	0.22	-	2.79	2.49	-	2.49	-	100.00	67.13										
31	OOO Suntly LLC (Refer Note 1)	01.09.2009	RUR	1.11	12.48	(69.34)	105.16	162.01	-	275.42	(30.38)	(0.19)	(30.57)	-	100.00	1.00										
32	OOO Teatrade LLC (Refer Note 1)	01.09.2009	RUR	1.11	-	0.87	51.09	50.21	-	24.86	(1.88)	0.25	(1.63)	-	100.00	1.00										
33	Tata Global Beverages Capital Ltd	12.09.2006	GBP	80.94	725.31	5.96	1315.26	583.99	1310.25	-	(9.92)	4.69	(5.23)	-	100.00	88.40										
34	Tata Coffee Ltd	21.11.1990	INR	-	18.68	878.59	1159.75	262.48	249.31	778.83	181.98	(42.75)	139.23	32.68	57.48	-										
35	Tata Coffee Vietnam Company Ltd (Refer Note 4)	28.03.2017	USD	64.85	-	-	5.70	5.70	-	-	-	-	-	-	100.00	67.13										
36	Consolidated Coffee Inc.	10.07.2006	USD	64.85	388.44	(52.22)	395.77	59.54	388.44	-	91.85	0.67	92.52	-	100.00	67.13										
37	Eight O Clock Holdings Inc.	31.07.2006	USD	64.85	388.44	(0.46)	388.72	0.73	388.44	-	50.07	0.09	50.16	-	100.00	67.13										
38	Eight O Clock Coffee Inc.	31.07.2006	USD	64.85	388.44	12.27	1555.30	1044.59	-	824.03	168.02	(58.70)	109.32	-	100.00	67.13										
39	Tata Tea Extractions Inc.	06.12.1991	USD	64.85	90.79	217.08	332.17	24.30	282.58	102.93	19.43	(6.74)	12.69	-	100.00	67.13										
40	Zhejiang Tata Tea Extraction Company Ltd. (Refer Note 1)	01.12.2007	CNY	9.78	157.49	(116.16)	54.87	13.53	-	1.21	(20.44)	-	(20.44)	-	89.75	10.14										
41	Tata Tea Holdings Private Ltd.	19.03.2009	INR	-	0.05	(0.05)	0.01	0.01	-	(0.00)	-	-	(0.00)	-	100.00	-										

**Note:**

1. Statutory year ends for all subsidiaries are 31.03.2017 except for OOO Suntly LLC, OOO Teatrade LLC and Zhejiang Tata Tea Extraction Company Ltd. which are as at 31.12.2016.
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. Tata Water LLC and Tata Coffee Vietnam Company Ltd are yet to commence operations.
5. The numbers reported above are based on individual financial statements prepared under local GAAP.



**Part "B" : Associates and Joint Ventures**

Sl No.	Name of Associates/ Joint Ventures	Amalgamated Plantation Private Limited	Kanan Devan Hill Plantations Limited	TRIL Construction Limited	Estate Management Services Private Limited	Tetley Clover (Private) Limited	Tetley ACI (Bangladesh) Limited \$	Joekels Tea Packers (Proprietary) Ltd.	Empirical Group, LLC #	Southern Tea, LLC	NourishCo Beverages Limited	Tata Starbucks Private Limited
		Associate	Associate	Associate	Associate	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
1	Latest audited Balance Sheet Date	31.03.2017	31.03.2017	31.03.2017	31.03.2017	30.06.2016	30.06.2016	31.03.2017	31.03.2017	31.12.2016	31.03.2017	31.03.2017
2	Date of acquisition / incorporation	17.04.2009	06.07.2005	20.07.2013	29.01.1996	25.07.2003	17.11.2002	04.10.2006	19.09.2002	19.09.2002	14.03.2011	03.01.2012
3	Shares of Associate /Joint Ventures held by the company on the year-end Equity Shares											
	i) Number	61024400	3976563	11748148	12078406	43750000	2500000	62		Membership Interest-50%	106500000	190000000
	ii) Amount of Investment in Associates/Joint Venture (Rs in Crores)	61.02	12.33	11.75	14.57	29.74	20.54	20.84		34.57	106.50	190.00
	iii) Extent of Holdings	41.03%	28.52%	32.50%	31.85%	50%	50%	51.70%		50%	50%	50%
	Preference Shares											
	i) Number	67000000@	-	66751852	-	3000000	-	-				
	ii) Amount of Investment in Associates/Joint Venture (Rs in Crores)	50.89	-	66.75	-	2.50	-	-				
4	Description of how there is significant influence	Shareholding	Shareholding	Shareholding	Shareholding	Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement		Joint Venture Agreement	Joint Venture Agreement	Joint Venture Agreement
5	Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Applicable	Not Applicable
6	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs in Crs)	88.12	23.54	51.92	74.37	0.09	(1.45)	8.78	-	44.94	11.13	96.49
7	Profit / (Loss) for the year*											
	i) Considered in Consolidated** (Rs in Crores)	(15.24)	(0.37)	(0.05)	16.59	(0.55)	(1.89)	2.54	11.12	3.64	(10.46)	(16.13)
	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 31.03.2017, for consolidation purposes.

\*\* Represents Group's share of profit/(loss)

@ redeemable preference shares, measured as per Ind AS

# Empirical Group LLC has been converted into Subsidiary w.e.f. October 1, 2016

\$ Financial year is of six months as the entity has changed its financial year end from December to June.

For and on behalf of the Board

**Harish Bhat**  
Chairman  
(DIN 00478198)

**V Leeladhar**  
Director  
(DIN 02630276)

**Ranjana Kumar**  
Director  
(DIN 02930881)

**Ajoy Misra**  
Managing Director  
(DIN 00050557)

**L Krishnakumar**  
Executive Director  
(DIN 00423616)

**John Jacob**  
Chief Financial Officer

**V Madan**  
Company Secretary

Mumbai, May 30, 2017

**TATA GLOBAL BEVERAGES LIMITED**

Registered office: 1, Bishop Lefroy Road, Kolkata 700 020  
Corporate Identity Number (CIN) - L15491WB1962PLC031425  
E-mail id - investor.relations@tgb.com Website address – www.tataglobalbeverages.com



**ATTENDANCE SLIP**

(To be presented at the entrance)

I hereby record my presence at the 54<sup>th</sup> Annual General Meeting on Friday, 18<sup>th</sup> August, 2017 at 10.30 a.m. at The Taj Bengal, 34-B Belvedere Road, Alipore, Kolkata – 700 027

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

1. Only member / proxyholder can attend the meeting
2. Member / Proxyholder should bring his / her copy of the annual report for reference at the meeting

**TATA GLOBAL BEVERAGES LIMITED**

Registered office: 1, Bishop Lefroy Road, Kolkata 700 020  
Corporate Identity Number (CIN) - L15491WB1962PLC031425  
E-mail id - investor.relations@tgb.com Website address – www.tataglobalbeverages.com



**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

Email Id : \_\_\_\_\_

Folio No. / DP ID No. / Client ID No. : \_\_\_\_\_

I/We, being the member(s) of -----shares of Tata Global Beverages Limited, hereby appoint

1. Name \_\_\_\_\_ E-mail id: \_\_\_\_\_  
Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Or failing him

2. Name \_\_\_\_\_ E-mail id: \_\_\_\_\_  
Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Or failing him

3. Name \_\_\_\_\_ E-mail id: \_\_\_\_\_  
Address: \_\_\_\_\_

Signature: \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us, and on my /our behalf at the fifty fourth Annual General Meeting of the Company to be held on Friday, 18<sup>th</sup> August, 2017 at 10.30 a.m. at The Taj Bengal, 34-B Belvedere Road, Alipore, Kolkata – 700 027 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended March 31, 2017, together with the reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2017, together with the report of the Auditors thereon.
3. To declare a dividend.
4. Re-appointment of Mr. Harish Bhat as Director.
5. Re-appointment Mr. S. Santhanakrishnan as Director.
6. Appointment of Auditors
7. Appointment of Mr. N. Chandrasekaran as a Director of the Company
8. Appointment of Mr. Siraj Azmat Chaudhry as a Director and as Independent Director of the Company
9. Remuneration of Cost Auditors
10. Revision in terms of remuneration of Mr. Ajoy Misra, Managing Director of the Company
11. Revision in terms of remuneration of Mr. L Krishnakumar, Executive Director of the Company
12. Issue of Non-Convertible Debentures on private placement basis

Affix  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017

Signature of shareholder \_\_\_\_\_ Signature of proxyholder(s) \_\_\_\_\_

- Notes:**
1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 1, Bishop Lefroy Road, Kolkata 700 020, not less than 48 hours before the commencement of the Meeting.
  2. Those Members who have multiple folios may use copies of this Attendance slip/ Proxy.



# Corporate Information

## BOARD OF DIRECTORS

N. Chandrasekaran (w.e.f July 3, 2017) (Chairman)  
Harish Bhat  
Cyrus P. Mistry (upto Dec 19, 2016)  
Mallika Srinivasan (Mrs.)  
Analjit Singh (upto Dec 20, 2016)  
V. Leeladhar  
Ranjana Kumar (Mrs.)  
Darius Pandole (upto Dec 20, 2016)  
S. Santhanakrishnan  
Ireena Vittal (Mrs.)  
Siraj Azmat Chaudhry (w.e.f July 3, 2017)  
Ajoy Misra, Managing Director & Chief Executive Officer  
L. Krishnakumar, Executive Director & Group Chief Financial Officer  
  
V. Madan, Vice President and Company Secretary

## BOARD COMMITTEES

### Audit Committee

V. Leeladhar (Chairman)  
Ranjana Kumar (Mrs.)  
Darius Pandole (upto Dec 20, 2016)  
S. Santhanakrishnan  
Ireena Vittal (Mrs.)  
Harish Bhat (upto Dec 21, 2016)

### Nomination and Remuneration Committee

Ranjana Kumar (Mrs.) (Chairperson)  
N. Chandrasekaran (w.e.f July 3, 2017)  
Cyrus P. Mistry (upto Nov 15, 2016)  
V. Leeladhar  
Darius Pandole (upto Dec 20, 2016)  
Harish Bhat

### Stakeholder Relationship Committee

V. Leeladhar (Chairman)  
S. Santhanakrishnan  
L. Krishnakumar

### Executive Committee

Harish Bhat (Chairman)  
Cyrus P. Mistry (upto Nov 15, 2016)  
Ireena Vittal (Mrs.)  
Ajoy Misra  
L. Krishnakumar

### Corporate Social Responsibility Committee

Ranjana Kumar (Mrs.) (Chairperson)  
V. Leeladhar  
S. Santhanakrishnan  
Ajoy Misra  
Prof. S. Parasuraman (Expert Member)

### Ethics and Compliance Committee

V. Leeladhar (Chairman)  
Ranjana Kumar (Mrs.)  
Ajoy Misra

## REGISTERED OFFICE

1, Bishop Lefroy Road, Kolkata - 700 020  
Telephone : 033-22813779/3891/4422/4747/66053400  
Fax : 033-22811199  
Website : [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com)

## SOLICITORS AND LEGAL ADVISERS

Anand and Anand  
AZB Partners  
Cyril Amarchand Mangaldas  
Dua Associates  
Khaitan & Co.  
Orr Dignam & Co.  
Veritas Legal

## AUDITORS

Lovelock & Lewes

## REGISTRARS

TSR Darashaw Limited  
(Formerly Tata Share Registry Limited)  
(Unit : Tata Global Beverages Ltd.)  
6-10, Haji Moosa Patrawala Ind. Estate,  
20, Dr. E. Moses Road, Mahalaxmi,  
Mumbai - 400 011  
Telephone : 022-66568484  
Fax : 022-66568494  
Website : [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

Kolkata Office  
1st Floor, Tata Centre,  
43, Chowringhee Road,  
Kolkata - 700 071  
Telephone : 033-22883037  
Fax : 033-22883097

## BANKERS

Bank of America  
Citibank N.A.  
Rabobank International  
Cooperative Rabobank U.A.  
Deutsche Bank  
HDFC Bank Limited  
ICICI Bank Limited  
Standard Chartered Bank  
State Bank of India  
State Bank of Travancore  
The Hongkong and Shanghai  
Banking Corporation Limited  
YES Bank Limited



# TATA GLOBAL BEVERAGES



## Tata Global Beverages Limited

1, Bishop Lefroy Road, Kolkata - 700 020  
[www.tataglobalbeverages.com](http://www.tataglobalbeverages.com)



**TATA GLOBAL BEVERAGES LIMITED**

Registered Office: 1 Bishop Lefroy Road, Kolkata - 700020  
Corporate Identity Number (CIN) - L15491WB1962PLC031425  
E-mail id - investor.relations@tgb.com  
Website address - www.tataglobalbeverages.com

11th August, 2017

**ERRATA to the Notice of the 54th Annual General Meeting of Tata Global Beverages Limited**

Dear Members,

Kindly refer to the Notice dated 6th July, 2017 convening the Fifty Fourth Annual General Meeting of Tata Global Beverages Limited (the “**Company**”) scheduled to be held on Friday, 18th August, 2017 at 10.30 a.m. at Taj Bengal, 34-B, Belvedere Road, Alipore, Kolkata – 700 027 (“**Notice**”).

An error was noted in the proposed Resolution at Item No. 8 of the above referred Notice with regard to the appointment of Mr. Siraj Azmat Chaudhry as a Director and Independent Director and in the related Explanatory Statement thereto. The error was due to an inadvertent oversight which is being clarified by issuance of the following errata (“**Errata**”):

- i. In Item No. 8 of the Notice appearing on page 51 of the Annual Report for 2016-17 , please read the period of appointment of Mr. Siraj Azmat Chaudhry as Independent Director as “3rd July, 2017 to 2nd July, 2022” instead of “18th August, 2017 to 17th August, 2022”.
- ii. In the Explanatory Statement in relation to Item No. 8 of the Notice, appearing on page 58 of the Annual Report for 2016-17, please read the ending date of the term of appointment of Mr. Siraj Azmat Chaudhry as Independent Director as “2nd July, 2022” instead of “17th August, 2022”.

For ease of reference of the members, the entire resolution at Item No. 8 of the Notice is given below:

**“8. Appointment of Mr. Siraj Azmat Chaudhry as a Director and as Independent Director of the Company**

To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that Mr. Siraj Azmat Chaudhry, (DIN: 00161853) who was appointed by the Board of Directors as an additional director of the Company with effect from 3rd July, 2017 , and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of director of the Company, be and is hereby appointed 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 and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Siraj Azmat Chaudhry, a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 3rd July 2017 upto 2nd July 2022.”

We sincerely regret the error and request you to read the Notice and the Explanatory Statement in conjunction with this Errata. All other particulars and details mentioned in the Notice and Explanatory Statement remain unchanged.

The Errata to the Notice is being uploaded on the Company's website, viz. www.tataglobalbeverages.com.

Please note that the e-voting period commences on 14th August, 2017 at 9.00 am and ends on 17th August, 2017 at 5.00 pm.

By order of the Board

For **Tata Global Beverages Limited**

**V. Madan**  
Company Secretary