Independent Auditor's Report

To The Members of Tata Consumer Products Limited (Formerly Tata Global Beverages Limited) Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Tata Consumer Products Limited (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group") which includes the Group's net share of loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>1.</td><td>Acquisition accounting for the Scheme of merger of Consumer Products Business of Tata Chemicals Limited - During the year, the Parent had acquired the Consumer Product Business of Tata Chemicals Ltd. as set out in note 41 of the financial statements.

Accounting for the acquisition has involved judgment in order to:
• determine whether the acquisition constitutes a business;
• determine the fair value of consideration transferred;
• identify and measure the fair value of the identifiable assets acquired and liabilities assumed;
• allocate the purchase consideration between identifiable assets and liabilities and goodwill;

This is a material acquisitions for the Group and given the level of estimation and judgement required, we considered it to be a key audit matter.

The most significant judgements relate to the identification and valuation of intangible assets acquired. The identified intangible assets are the brands and distribution rights.

This includes complex valuation considerations and requires the use of specialists.

Refer Note 2.2(a) and note 2.3 to the Financial Statements</td><td>Our procedures included but were not limited to:
• We examined the terms and conditions of the scheme of arrangement in order to challenge the Company's assessment of whether the acquisition comprises a business.
• We tested the completeness of the identified assets and liabilities acquired by comparison to the scheme of arrangement, through discussions with the Company.
• We assessed the Company's determinations of fair values for assets and liabilities acquired and the methods used to value the underlying assets by:
o Reading the valuation report prepared by the appointed external valuation specialists.
o Evaluating the competence, objectivity and integrity of the appointed external valuation specialists.
o Involving our internal valuation specialists in assessing the appropriateness of the methods used to determine the fair values of the brands and distribution rights and including assumptions such as the discount rates applied.
• Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.</td></tr>
<tr><td>2.</td><td>Impairment of the carrying value of Goodwill on consolidation - On account of competitive pressure and decline in black tea demand in developed markets there is a risk that the Group's goodwill, may be impaired.

The Group annually carries out an impairment assessment of goodwill using a value-in-use model which is based on the net present value of the forecast earnings of the cash-generating units. This is calculated using certain assumptions around discount rates, growth rates and cash flow forecasts.

Focus was on the goodwill carried in books for cash generating units with lower headroom.

Refer Note 6 and note 2.3 of the financial statements</td><td>The goodwill has been recorded in the books of an overseas component. The Principal Auditors have used the work of Component Auditors. The Component Auditor has reported that they have performed these procedures:

Besides obtaining an understanding of Management's processes and controls with regard to testing the goodwill for impairment the Component Auditor's procedures included the following:
• Engaged internal fair valuation experts to challenge management's underlying assumptions and appropriateness of the valuation model used.
• Compared the Group's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates.
• Assessed the appropriateness of the forecast cash flows within the budgeted period based on their understanding of the business and sector experience.
• Considered historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved.
• Performed a sensitivity analysis in relation to key assumptions.

We also assessed whether the Group's disclosures regarding the sensitivity of the impairment assessment to changes in key assumptions, appropriately reflected the risk inherent in the valuation of Goodwill.</td></tr>
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Independent Auditor’s Report (continued)

Sr. No.	Key Audit Matter	Auditor’s Response
3.	**Inventory of raw tea, blended tea and salt (Existence) –** Parent Company – Management’s physical verification of raw tea, blended tea and salt was not physically observed by us subsequent to the year-end due to the restrictions imposed on account of COVID-19. Refer Note 11 of the financial statements	We have carried out following procedures with respect to the existence of tea and salt as at the year-end: • Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls during the interim periods. • Management had carried out the physical verification of inventory on February 29, 2020. On account of COVID – 19 related nationwide lockdown, we were unable to carry out inventory verification at the year end. Consequently, we have performed the following alternate procedures to audit the existence of inventory: o Participated in the physical verification of inventory of tea and salt conducted by the management subsequent to the year end, through video calls and performed roll back procedures. o In case of tea and salt, for the stock held at third party locations, obtained direct confirmation of the inventory held by third party locations subsequent to the year end and performed roll back procedures. o Obtained verification reports of the independent chartered accountant firms which were engaged by the Company for the Management inventory verification process. Verified the instructions provided by the management to those independent firms. Evaluated the differences identified by these independent firms during their physical verification of inventories and it was noted that there were no major deviations found.
4	**Inventory of raw / cured coffee beans (“green coffee beans”), tea and pepper (Existence and Valuation)** – Tata Coffee Limited - Physical verification of green coffee beans, tea and pepper was performed by the management subsequent to the year-end due to the restrictions imposed on account of COVID-19. Finished goods inventory are valued at lower of cost and net realizable value (estimated selling price less estimated cost to sell). Considering that there is always a volatility in the selling price of green coffee beans, tea and pepper, which is dependent upon various market conditions and the possible impact of COVID-19, determination of the net realizable value for green coffee beans, tea and pepper involves significant management judgement and therefore has been considered as a key audit matter.	This matter is in respect of the Tata Coffee Limited component. The Principal Auditors have used the work of Component Auditors. The Component Auditor has reported that they have performed the following procedures: With respect to the existence of green coffee beans, tea and pepper as at the year end: • Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls during the interim periods. • Due to the COVID-19 related lock-down we were not able to participate in the physical verification of inventory that was carried out by the management subsequent to the year end. Consequently, we have performed the following alternate procedures to audit the existence of inventory:

Sr. No.	Key Audit Matter	Auditor's Response
	The total value of finished goods (commodities) as at 31 March, 2020 is Rs.114.76 crore.	• Participated in the physical verification of inventory of green coffee beans, tea and pepper conducted by the management subsequent to the year end, through video calls and performed roll back procedures. • Compared the sum of disaggregated data of quantity of fruit coffee and pepper that was picked by the workers during the season ongoing as at the balance sheet date, with the aggregate quantity of harvested produce of fruit coffee and pepper considered by the management and obtained and tested the explanations for material differences, if any, between the two sets of data. • Compared the sum of disaggregated data of quantity of raw coffee transferred by the plantations to the curing unit and obtained and tested the explanations for material differences, if any, between such data and the quantity considered as physical inventory as at the Balance Sheet date. • Verified the following conversions: (a) the quantity of fruit coffee picked into raw coffee and (b) the raw coffee received at curing unit into cured coffee and (c) the quantity of fruit coffee into cured coffee, each by applying the established conversion norms and ensured that the quantity of coffee considered as inventory by the management agreed with such converted quantities. • In case of pepper, verified the management estimate of grades of the harvested produce of pepper and compared the same with the historical pattern of grades of harvested pepper and developed a sensitivity analysis to understand whether a material variation to the value of inventory would be caused due to changes in grades. • In case of tea, for the stock held at estates, which have been subsequently despatched to third party warehouses, obtained direct confirmation of the inventory held by third party warehouses subsequent to the year end and performed roll back procedures. • For stock held at third party warehouses, obtained direct confirmation of the inventory held by them as at the year end. With respect to the net realisable value: • Obtained an understanding of the determination of the net realizable values of green coffee beans, tea and pepper and assessed and tested the reasonableness of the significant judgements applied by the management. • Evaluated the design of internal controls relating to the valuation of green coffee beans, tea and pepper and also tested the operating effectiveness of the aforesaid controls. • To assess the reasonableness of the net realisable value that was estimated and considered by the management: • With respect to the committed stock of green coffee beans for which the Company has entered into contracts with the respective customers, on a sample basis, compared the net realisable value with the rates as per the said contracts; • With respect to the uncommitted stock of green coffee beans, obtained the market information relating to coffee prices and assessed the reasonableness of the adjustments that were made to such market prices to estimate the net realisable value;

Independent Auditor's Report (continued)

Sr. No.	Key Audit Matter	Auditor's Response
		• With respect to the uncommitted stock of tea and pepper, obtained the latest realization rates / market information relating to prices and assessed the reasonableness of the adjustments that were made to such market prices to estimate the net realisable value; • Verified the publicly available market information to assess if there has been significant decrease in the rates subsequent to the year end. • Compared the actual costs incurred to sell based on the latest sale transactions to assess the reasonableness of the cost to sell that was estimated and considered by the management. • Compared the cost of the finished goods with the estimated net realisable value and checked if the finished goods were recorded at net realisable value where the cost was higher than the net realisable value. • Tested the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures is traced from their financial statements audited by the other auditors.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such business activities included in the consolidated financial statements of which we are the independent auditors. For the business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

Independent Auditor's Report (continued)

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 37 subsidiaries whose financial statements reflect total assets of Rs. 9,965.64 crore as at March 31, 2020, total revenues of Rs. 3,479.23 crore and net cash inflows amounting to Rs. 273.54 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 2.91 crore for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of 4 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V Pilgaonkar
Partner
(Membership No.039826)
Mumbai, May 14, 2020 UDIN: 20039826AAAACL2036

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Tata Consumer Products Limited (hereinafter referred to as the "Parent") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V Pilgaonkar
Partner
(Membership No.039826)
Mumbai, May 14, 2020
UDIN: 20039826AAAACL2036

Consolidated Balance Sheet

as at March 31, 2020

Rs in Crores

	Note	2020	2019
ASSETS			
Non-Current Assets			
Property Plant and Equipment	3	1207.50	808.80
Capital Work in Progress		87.56	413.30
Investment Property	4	50.04	51.60
Right of Use Assets	5	293.46	-
Goodwill	6	7333.83	3785.07
Other Intangible Assets	6	2771.21	267.84
Intangible Assets under Development		7.79	11.11
Investments accounted for using Equity method	35(c)	228.19	287.60
Financial Assets			
Investments	7	261.11	316.90
Loans	8	22.50	17.09
Other Financial Assets	9	32.17	28.62
Deferred Tax Assets (net)	20 (d)	29.56	58.04
Non-current Tax Assets (net)	20 (c)	146.06	86.26
Other Non Current Assets	10	349.56	258.52
		12820.54	**6390.75**
Current Assets			
Inventories	11	1712.03	1609.86
Financial Assets			
Investments	7	833.55	583.16
Trade Receivables	12	922.41	680.55
Cash and Cash Equivalents	13	1121.67	967.02
Other Bank balances	13	499.79	66.59
Loans	8	116.54	245.01
Other Financial Assets	9	173.24	131.40
Current Tax Assets (net)	20 (c)	1.17	2.38
Other Current Assets	10	301.66	224.83
		5682.06	**4510.80**
Assets of disposal group	40	-	37.17
TOTAL ASSETS		**18502.60**	**10938.72**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14 (a)	92.16	63.11
Other Equity	14 (b)	13722.70	7268.58
Equity attributable to the equity holders of the company		**13814.86**	**7331.69**
Non Controlling Interest		1092.47	1027.68
Total Equity		**14907.33**	**8359.37**
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	794.67	787.24
Lease Liabilities	34	291.96	-
Other Financial Liabilities	16	13.93	7.61
Provisions	17	183.22	152.21
Deferred Tax Liabilities (net)	20 (d)	316.03	145.45
Non Current Tax Liabilities	20 (c)	16.86	16.90
		1616.67	**1109.41**
Current Liabilities			
Financial Liabilities			
Borrowings	15	387.81	329.66
Lease Liabilities	34	37.97	-
Trade Payables	18	943.99	664.90
Other Financial Liabilities	16	382.55	304.77
Other Current Liabilities	19	100.25	81.38
Provisions	17	92.41	49.51
Current Tax Liabilities (net)	20 (c)	33.62	27.95
		1978.60	**1458.17**
Liabilities of disposal group	40	-	11.77
TOTAL EQUITY AND LIABILITIES		**18502.60**	**10938.72**

The accompanying notes are an integral part of the Consolidated Financial Statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, May 14, 2020

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

S. Santhanakrishnan
Director
(DIN 00032049)

Sunil D'Souza
Managing Director & CEO
(DIN: 07194259)

L. KrishnaKumar
Executive Director
(DIN 00423616)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

Consolidated Statement of Profit and Loss
for the year ended March 31, 2020

Rs in Crores

	Note	2020	2019
INCOME			
Revenue from Operations	21	9637.42	7251.50
Other Income	22	111.59	157.13
Total Income		**9749.01**	**7408.63**
EXPENSES			
Cost of Materials Consumed	23	3606.66	3294.18
Purchase of Stock in Trade		1796.24	727.87
Change in Inventories of Finished Goods/Work-in-progress/ Stock in Trade	24	7.78	(14.41)
Employee Benefits Expense	25	884.80	806.30
Finance Costs	26	77.86	52.47
Depreciation and Amortisation Expense		241.71	122.57
Advertisement and Sale Charges		676.72	547.52
Other Expenses	27	1373.07	1104.13
Total Expenses		**8664.84**	**6640.63**
Profit before Exceptional Items and Tax		**1084.17**	**768.00**
Exceptional Items (net)	28	(274.79)	(33.29)
Profit before Tax		**809.38**	**734.71**
Tax expenses	20 (a)		
Current tax		89.05	256.03
Deferred tax		185.14	4.85
		274.19	**260.88**
Profit after Taxation before share of results of investments accounted using equity method		535.19	473.83
Share of net profit/(loss) in Associates and Joint Ventures using equity method		(75.08)	(16.85)
Profit for the year		**460.11**	**456.98**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plan		31.18	86.47
Changes in fair valuation of equity instruments		12.50	(5.20)
		43.68	**81.27**
Tax impact on above items		(3.31)	(13.27)
		40.37	**68.00**
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		225.69	17.04
Gains/(loss) on Effective portion of cash flow hedges		13.48	(12.06)
		239.17	**4.98**
Tax impact on above items		1.94	0.88
		241.11	**5.86**
Total Other Comprehensive Income		**281.48**	**73.86**
Total Comprehensive Income		**741.59**	**530.84**
Net Profit for the year - attributable to :			
Owners of Parent		459.76	408.19
Non Controlling Interest		0.35	48.79
Net profit for the year		**460.11**	**456.98**
Other Comprehensive Income - attributable to :			
Owners of Parent		233.89	70.58
Non Controlling Interest		47.59	3.28
Other Comprehensive Income		**281.48**	**73.86**
Total Comprehensive Income - attributable to :			
Owners of Parent		693.65	478. 77
Non Controlling Interest		47.94	52.07
Total Comprehensive Income		**741.59**	**530.84**
Earnings Per Share			
Equity share of nominal value of Re. 1 each			
Basic and Diluted	29	4.99	6.47

The accompanying notes are an integral part of the Consolidated Financial Statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, May 14, 2020

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

S. Santhanakrishnan
Director
(DIN 00032049)

Sunil D'Souza
Managing Director & CEO
(DIN: 07194259)

L. KrishnaKumar
Executive Director
(DIN 00423616)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

Consolidated Statement of Changes in Equity

as at March 31, 2020

Equity Share Capital and Other Equity (Refer Note 14)

Rs in Crores

Particulars	Equity Share Capital	Reserve and Surplus								Other Comprehensive Income			Total Other Equity	Non Controlling Interests	Total Equity
		Capital Reserve	Securities Premium	Capital Redemption Reserve	Contingency Reserve	Amalgamation Reserves	Revaluation Reserve	General Reserve	Retained Earnings	Effective portion of Cash Flow Hedge	Fair value gains/(loss) on Equity Instruments	Foreign Currency Translation Reserve			
Balance as at April 1, 2018	**63.11**	**15.79**	**361.05**	**0.10**	**1.00**	**8.33**	**21.86**	**1162.45**	**5375.29**	**(2.52)**	**40.74**	**(15.60)**	**6968.49**	**1009.04**	**8040.64**
Profit for the year	-	-	-	-	-	-	-	-	408.19	-	-	-	408.19	48.79	456.98
Other Comprehensive Income	-	-	-	-	-	-	-	-	66.04	(7.41)	(4.77)	16.72	70.58	3.28	73.86
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**474.23**	**(7.41)**	**(4.77)**	**16.72**	**478.77**	**52.07**	**530.84**
Transaction with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (including tax on dividend)	-	-	-	-	-	-	-	-	(178.68)	-	-	-	(178.68)	(33.43)	(212.11)
Realised gain on equity shares carried at Fair Value through Other Comprehensive Income	-	-	-	-	-	-	-	-	0.99	-	(0.99)	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	4.50	(4.50)				-	-	-
Balance as at March 31, 2019	**63.11**	**15.79**	**361.05**	**0.10**	**1.00**	**8.33**	**21.86**	**1166.95**	**5667.33**	**(9.93)**	**34.98**	**1.12**	**7268.58**	**1027.68**	**8359.37**
Profit for the year									459.76				459.76	0.35	460.11
Other Comprehensive Income									22.51	16.64	11.37	183.37	233.89	47.59	281.48
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**482.27**	**16.64**	**11.37**	**183.37**	**693.65**	**47.94**	**741.59**
Transaction with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (including tax on dividend)	-	-	-	-	-	-	-	-	(189.43)	-	-	-	(189.43)	(31.34)	(220.77)
Issue of shares pursuant to the Scheme [Refer Note 41(i)]	29.05		6069.82	-	-	-	-	-	-	-	-	-	6069.82	-	6098.87
Transitional adjustments of Ind AS 116 (Refer No 34)	-	-	-	-	-	-	-	-	(63.29)	-	-		(63.29)	(4.91)	(68.20)
Realised gain on equity shares carried at Fair Value through Other Comprehensive Income	-	-	-	-	-	-	-	-	54.52	-	(54.52)	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	3.78	(3.78)	-	-	-	-	-	-
Adjustment on disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(3.15)	(3.15)	(0.38)	(3.53)
Adjustment on change in ownership (Refer Note 35a)	-	-	-	-	-	-	-		(45.67)	-	-	(7.81)	(53.48)	53.48	-
Balance as at March 31, 2020	**92.16**	**15.79**	**6430.87**	**0.10**	**1.00**	**8.33**	**21.86**	**1170.73**	**5901.95**	**6.71**	**(8.17)**	**173.53**	**13722.70**	**1092.47**	**14907.33**

The accompanying notes are an integral part of the Consolidated Financial Statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, May 14, 2020

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

S. Santhanakrishnan
Director
(DIN 00032049)

Sunil D'Souza
Managing Director & CEO
(DIN: 07194259)

L. KrishnaKumar
Executive Director
(DIN 00423616)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

Consolidated Statement of Cash Flow

for the year ended March 31, 2020

Rs in Crores

		2020		2019	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before Tax		809.38		734.71
	Adjusted for :				
	Depreciation and amortisation	241.71		122.57	
	Finance Cost	77.86		52.47	
	Dividend Income	(3.47)		(3.65)	
	Profit on sale of Current Investments (net)	(25.50)		(33.36)	
	Fair value movement in Financial instruments at fair value through profit and loss	(2.57)		(5.95)	
	Interest Income	(61.81)		(62.63)	
	Unrealised foreign exchange (gain) / loss	(7.18)		2.17	
	Impairment loss recognised in trade receivables & advances (net of reversal)	(3.41)		2.04	
	Other non operating income	-		(25.21)	
	(Profit) / Loss on sale of Property, Plant & Equipment including investment property (net)	(4.03)		(15.26)	
	Rental Income from Investment Property	(3.14)		(2.40)	
	Gain on disposal of a Subsidiary	(10.38)		-	
	Impairment of Goodwill	222.94		-	
	Other Exceptional Items	62.23		33.29	
			483.25		**64.08**
	Operating Profit before working capital changes		**1292.63**		**798.79**
	Adjustments for:				
	Trade Receivables & Other Assets	(177.30)		(132.69)	
	Inventories	81.46		(155.54)	
	Trade Payables & Other Liabilities	13.82		(133.31)	
			(82.02)		(421.54)
	Cash generated from operations		**1210.61**		**377.25**
			-		-
	Direct taxes paid (net)		(128.38)		(167.38)
	Net Cash from Operating Activities		**1082.23**		**209.87**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Payment for Property, Plant and Equipment and Intangibles assets	(159.58)		(282.28)	
	Sale of Property, Plant and Equipment	8.82		25.70	
	Acquisition of Business	(101.01)		-	
	Rental Income from Investment Property	3.14		2.40	
	Sale of Non Current Investments carried at Fair value through OCI	65.27		1.15	
	Proceeds from disposal of a Subsidiary	30.38		-	
	Investments in Joint Ventures	(53.00)		(35.80)	
	Purchase of Non-Current Investments	(0.16)		-	
	(Purchase) / Sale of Current Investments (net)	(222.00)		24.69	
	Dividend Income received (including dividend from associates & Joint Ventures)	5.31		5.22	
	Interest Income received	51.13		48.70	
	(Placement) / Redemption Fixed deposits (net)	(433.53)		240.00	
	Inter Corporate Loans and Deposits (net)	132.46		43.50	
	Net cash (used in) / from Investing Activities		**(672.77)**		**73.28**

Rs in Crores

	2020		2019	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from / (Repayment of) Long term borrowings (net)	(18.14)		101.14	
Proceeds from / (Repayment of) Short term borrowings (net)	50.25		(65.31)	
Payment of Lease Liabilities	(48.56)		-	
Dividend & Dividend Tax paid	(221.62)		(215.82)	
Finance Cost paid	(70.26)		(43.74)	
Net Cash (used in) / from Financing Activities		**(308.33)**		**(223.73)**
Net increase / (decrease) in Cash and Cash Equivalents		**101.13**		**59.42**
D. Cash and Cash Equivalents				
Balances at the beginning of the year		737.48		698.17
Exchange Gain/ (Loss) on translation of foreign currency cash/ cash equivalents		50.73		(20.11)
Balances at the end of the year		**889.34**		**737.48**

Rs in Crores

	2020	2019
Reconciliation with Balance Sheet		
Cash and Cash Equivalents	889.34	737.48
Add : Bank Overdraft	232.33	229.55
Less : Cash and Cash Equivalents relating to disposal group	-	(0.01)
Balances at the end of the year (Refer Note 13)	**1121.67**	**967.02**

The accompanying notes are an integral part of the Consolidated Financial Statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, May 14, 2020

For and on behalf of the Board

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Managing Director & CEO
(DIN: 07194259)

L. KrishnaKumar
Executive Director
(DIN 00423616)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

Notes to Consolidated Financial Statements

1. General Information

Tata Consumer Products Limited ("the Parent Company") (formerly Tata Global Beverages Limited) and its subsidiaries (together referred to as 'the Group') and the Group's associates and joint ventures are engaged in the trading, production and distribution of Consumer products mainly Tea, Coffee and Water collectively termed as branded beverage business, and Salt, Pulses, Spices, Snacks etc. collectively termed as branded foods business (Refer Note 41, Business Combination). The Group has branded beverage business mainly in India, Europe, US, Canada and Australia and foods business is in India. The non-branded plantation business in India and tea and coffee extraction businesses are mainly in India, Vietnam and the US.

The Parent Company is a public limited company incorporated and domiciled in India and has its registered office at Kolkata, West Bengal, India. The Parent Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India.

The financial statements for the year ended March 31, 2020 were approved for issue by Company's Board of Directors on May 14, 2020.

2. Preparation and Presentation of Consolidated Financial Statement

2.1 Basis of preparation and measurement

(a) Basis of preparation

The consolidated financial statements are prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of the Consolidated Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

(b) Basis of measurement

The consolidated financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/settlement within a twelve month period from the balance sheet date.

(c) Basis of consolidation

The consolidated financial statements have been prepared on the following basis:

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and ceases to be consolidated when the Group loses control of the subsidiary. Fully consolidated means recognition of like items of assets, liabilities, equity, income and expense. Thereafter the portion of net profit or loss and equity is segregated between the Group's share and share of non-controlling stake holders.

Inter-company transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Investment in Associates and Joint Ventures

Associates include all entities where the Group has the power to exercise a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities required unanimous consent of parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Notes to Consolidated Financial Statements (continued)

The Group's investment in associates and joint Ventures are accounted using the equity method. Goodwill relating to associate or a joint Venture is included in the carrying value of the investments and is not tested for impairment separately. Under equity method of accounting, the investments are initially recorded at cost and adjusted thereafter to recognise the Group's share of post-acquisition profit and loss, and the Group's share of other comprehensive income. Dividend received from associates and joint ventures are recognised as a reduction in the carrying amount of the investments. Unrealised gains on transactions between the Group and its associate and joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or a joint Venture is impaired. If there is such evidence, the carrying amount is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and impairment, if any, is recognised as 'Share of profit/(loss) in Associates and Joint Ventures' in the consolidated statement of profit and loss.

2.2 Significant Accounting Policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Business Combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises of the,

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group, and
- fair value of any asset or liability resulting from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the fair value of consideration over the identifiable net asset acquired is recorded as goodwill, if the consideration is lower, the gain is recognised directly in equity as capital reserve. In case, business acquisition is classified as bargain purchase, the aforementioned gain is recognised in the other comprehensive income and accumulated in equity as capital reserve. The Group recognises any non-controlling interest in the acquired entity at fair value.

Changes in ownership that do not result in a change of control are accounted for as equity transactions and therefore do not have any impact on goodwill. The difference between consideration and the non-controlling share of net assets acquired is recognised within equity.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss or other comprehensive income, as appropriate.

If the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the business combination is accounted for using provisional amounts. Adjustments to provisional amounts, and the recognition of newly identified asset and liabilities, must be made within the 'measurement period' where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date. The measurement period cannot exceed one year from the acquisition date and no adjustments are permitted after one year except to correct an error.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the statement of profit and loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

(b) Property, Plant and Equipment

i) Recognition and measurement: Property, plant and equipment including bearer assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure directly attributable to the acquisition of the items. Subsequent expenditure related to an asset is added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of replacements are derecognised. All repairs and maintenance are charged to the statement of profit and loss during the financial year in which they are incurred.

ii) Depreciation: Depreciation is provided on assets to get the initial cost down to the residual value, including on asset created on lands under lease and recognised in the statement of profit and loss. Land is not depreciated. Depreciation is provided on a straight line basis over the estimated useful life of the asset as prescribed in Schedule II to the Companies Act, 2013 or based on a technical evaluation of the asset.

iii) Cost incurred on assets under development are disclosed under capital work in progress and not depreciated till asset is ready to use.

The residual values and useful lives for depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or exchange.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised in the statement of profit and loss.

iv) Estimated useful lives of items of property, plant and equipment are as follows:

Category	Useful life
Leasehold buildings / improvements	Lower of lease term or useful life
Buildings	28 to 60 years
Plant and Machinery	3 to 25 years
Furniture and Fixtures	5 to 16 years
Office Equipment	2 to 16 years
Motor vehicles	4 to 10 years

(c) Biological Assets

Biological assets are classified as bearer biological assets and consumable biological assets. Consumable biological assets are those that are to be harvested as agricultural produce. Bearer biological assets which are held to bear agricultural produce are classified as Bearer plants. The Group recognises tea bushes, coffee bushes, pepper vines and shade trees as bearer assets, with further classification as mature bearer assets and immature bearer assets. Mature bearer plants are those that have attained harvestable stage.

Bearer assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure on bearer assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost incurred for new plantations and immature areas are capitalised. The cost of immature areas coming into bearing is transferred to mature plantations and depreciated over their estimated useful life which has been ascribed to be within the range of 30 – 65 years.

Tea, Coffee, Pepper and minor crops are designated as agricultural produce at the point of harvest and are measured at their fair value less cost to sell. Any

Notes to Consolidated Financial Statements (continued)

changes in fair value upto the point of harvest are recognised in the statement of profit and loss in the year in which they arise.

(d) Investment Property

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group, are classified as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to investment properties are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Investment properties are depreciated using the straight line method over the useful lives. Depreciable investment properties have been ascribed a useful life in the range of 60 years.

(e) Intangible Assets

(i) Goodwill

Goodwill arising on a business combination represents the excess of the fair value of consideration over the identifiable net asset acquired. Fair value of consideration represents the aggregate of the consideration transferred, a reliable estimate of contingent consideration payable, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree on the acquisition date. Net assets acquired represents the fair value of the identifiable assets acquired and liabilities assumed.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the acquisition itself or from the synergies of the combination or both. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill is not amortised but is tested for impairment. Goodwill impairment reviews are generally undertaken annually. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed unless the CGU is classified as “Asset held for sale” and there is evidence of reversal. Goodwill is subsequently measured at cost less amounts provided for impairment.

(ii) Brands and Trademarks

Brands/trademarks acquired separately are measured on initial recognition at the fair value of consideration paid. Following initial recognition, brands/trademarks are carried at cost less any accumulated amortisation and impairment losses if any. A brand/trademark acquired as part of a business combination is recognised outside goodwill, at fair value at the date of acquisition, if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

The useful lives of brands/trademarks are assessed to be either finite or indefinite. The assessment includes whether the brand/trademark name will continue to trade and the expected lifetime of the brand/trademark. Amortisation is charged on assets with finite lives on a straight-line basis over a period appropriate to the asset’s useful life. The carrying values of brands/trademarks with finite and indefinite lives are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Brands/trademark with indefinite useful lives are also tested for impairment annually either individually or, if the intangible asset does not generate cash flows that are largely independent of those from other assets or groups of assets, as part of the cash-generating unit to which it belongs. Such intangibles are not amortised. The useful life of a brand with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Brands and trademarks having finite lives have been ascribed a useful life within a range of 3 – 35 years.

(iii) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the estimated useful life of the customer relationship. Customer intangibles have been ascribed a useful life within a range of 7 – 30 years.

(iv) Distribution network

Distribution network acquired in a business combination are recognised at fair value at the acquisition date. The distribution networks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the estimated useful life of the distribution network. Distribution networks have been ascribed a useful life within a range of 8 – 10 years.

(v) Patent / knowhow

Product development cost incurred on new products having enduring benefits is recognised as Intangible Assets and are amortised over a period of 10 years.

(vi) Computer software / Website

Software development costs are expensed unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to develop and sell or use the software and the costs can be measured reliably. Directly attributable costs that are capitalised as part of the software product include the software development cost, related employee costs and an appropriate portion of relevant overheads. Other expenditure that do not meet these criteria are recognised as an expense as and when incurred, costs previously recognised as an expense are not recognised as an asset in a subsequent period. The cost incurred for acquisition of website is capitalised.

In case of internally generated website, the cost is capitalised only if the future economic benefits are expected to flow to the entity and if the asset can be controlled by entity as a result of past events.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which range between 3 to 5 years. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and put to use the specific software. These costs are amortised over their estimated useful lives of 3 to 5 years. Website costs are amortised over a period of 5 years.

(vii) Research and Development

Research expenditure is recognised in the statement of profit and loss as and when incurred. Development expenditure is capitalised only if the costs can be reliably measured, future economic benefits are probable, the product is technically feasible and the Group has the intent and the resources to complete the project. Development assets are amortised based on the estimated useful life, as appropriate.

(f) Impairment of tangible and intangible assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest possible levels for which there are independent cash inflows (cash-generating units). Prior impairment of non-financial assets (other than goodwill) are reviewed for possible reversal of impairment losses at each reporting date. Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment.

(g) Assets held for sale and disposal groups

Non-current assets held for sale and disposal groups are presented separately in the balance sheet when the following criteria are met:

Notes to Consolidated Financial Statements (continued)

- the Group is committed to selling the asset or disposal group;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

(h) Financial Instruments

Financial assets

The Group classifies its financial assets in the following categories:

i) **Financial assets at amortised cost-** Assets that are held for collection of contractual cash flows on specified dates where those cash flows represent solely payments of principal and interest are measured at amortised cost.

These are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently, if maturing after 12 months period, using the effective interest method, less any impairment loss.

Debt instruments which do not meet the criteria of amortised cost are measured at fair value and classified as fair value through profit and loss or through other comprehensive income, as applicable.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalent, employee and other advances.

ii) **Financial assets at fair value through other comprehensive income (FVTOCI) -** All equity investments and unquoted debentures are measured at fair values. Investments which are not held for trading purposes and where the Group has exercised the option to classify the investment as at FVTOCI, all fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments.

Debt instruments that are held within a business model whose objectives are achieved by both, collecting contractual cash flows and selling the debt instruments and the contractual terms of which give rise to cash flows that are solely payment of principal and interest on specified dates are subsequently measured at fair value through other comprehensive income. All other debt instruments are measured at fair value and classified as fair value through profit or loss.

iii) **Financial assets at fair value through profit or loss (FVTPL) -** Financial assets which are not classified in any of the categories above are FVTPL.

iv) **Impairment of financial assets -** The Group assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Group's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in case of loans and borrowings net of directly attributable costs.

Financial liabilities are subsequently measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these investments.

Derivative financial instruments and hedging activities

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

(a) hedges of the fair value of recognised assets or liabilities (fair value hedge); or

(b) hedges of a particular risk associated with a firm commitment or a highly probable forecasted transaction (cash flow hedge);

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

Movements in the hedging reserve are accounted in other comprehensive income and are reported within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group only applies fair value hedge accounting for hedging foreign exchange risk on recognised assets and liabilities.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

Gains or losses accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss.

When a hedging instrument expires or is swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss in other equity remains there and is reclassified to statement of profit and loss when the forecasted cash flows affect profit or loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to the statement of profit and loss.

Fair value measurement

The Group classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

iii) Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

Notes to Consolidated Financial Statements (continued)

Interest and dividend income

Interest income is recognised within finance income using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Dividend income is recognised when the right to receive payment is established. Incomes from investments are accounted on an accrual basis.

(i) Inventories

Raw materials, work in progress, traded and finished goods are stated at the lower of cost and net realisable value, Net realisable value represents the estimated selling price less all estimated cost of completion and selling expenses. Stores and spares are carried at cost. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

Cost is determined on weighted average method for all categories of inventories other than for auction/ privately bought teas wherein cost is measured at actual cost of each lot. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition, where applicable, include appropriate overheads based on normal level of activity. Agricultural produce included within inventory largely comprises stock of tea and coffee and in accordance with Ind AS 41, on initial recognition, agricultural produce are measured at fair value less estimated point of sale costs.

(j) Employee Benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution plans and post-employment medical plans. Short term employee benefits are recognised on an undiscounted basis whereas Long term employee benefits are recognised on a discounted basis.

i) Post retirement employee benefits:
Contribution to post retirement defined benefit and contribution schemes like Provident Fund (PF), Superannuation Schemes and other such schemes are accounted for on accrual basis by the Group. With regard to PF contribution made by the Group to a Self-Administered Trust, the Group is generally liable for annual contributions and for any shortfall in the fund assets based on the government specified minimum rates of return. Such contributions and shortfalls are recognised as an expense in the year incurred.

Post retirement defined benefits including gratuity, pension and medical benefits for qualifying executives/whole time directors as provided by the Group are determined through independent actuarial valuation at year end and charge recognised in the statement of profit and loss. Interest costs on employee benefit schemes have been classified within finance cost. For schemes, where funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. Such accumulated re-measurement balances are never reclassified into the statement of profit and loss.

The Group recognises in the statement of profit and loss, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

ii) Other employee benefits:
Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent actuarial valuation at year end and charge is recognised in the statement of profit and loss.

iii) Employee termination benefits:
Payments to employees on termination along with additional liabilities towards retirement benefits arising pursuant to the termination are charged to the statement of profit and loss in the year in which it is incurred.

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of "Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(k) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised till the realisation of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is possible.

(l) Income Tax

i) Current Income Tax:
Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with local laws of various jurisdiction where the Group operates.

ii) Deferred Tax:
Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date. Current income tax and deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries except for deferred income tax liabilities where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Only where there is an agreement in place that gives the Group the ability to control the reversal, the temporary difference is not recognised. Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is

Notes to Consolidated Financial Statements (continued)

sufficient taxable profit available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

iii) Minimum Alternate Tax:

According to section 115JAA of the Income Tax Act, 1961, Minimum Alternative Tax ('MAT') paid over and above the normal income tax in a subject year is eligible for carry forward for fifteen succeeding assessment years for set-off against normal income tax liability. The MAT credit asset is assessed against the relevant entities' normal income tax during the specified period.

(m) Foreign Currency and translations

i) Functional and presentation currency

Items included in the consolidated financial statements of the Group's and its associates and joint ventures are measured using the currency of the primary economic environment in which each entity operates (" functional currency"). The consolidated financial statements are presented in Indian Rupees (INR), which is the functional currency of the Parent Company.

ii) Foreign currency transactions and balances

In standalone entities, transactions in foreign currencies are recorded at the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the year-end rate. Any resultant exchange differences are taken to the statement of profit and loss, except when deferred in other comprehensive income as qualifying cash flow hedges. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

iii) Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency of the Group are translated as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit and loss are translated at monthly exchange rates, and
- all resulting exchange differences are recognised in other comprehensive income.

On disposal of a foreign operation, the associated exchange differences are reclassified to the statement of profit and loss, as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

(n) Revenue from contracts with customer

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations maybe satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset or when services are rendered.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A refund liability is recognised for expected sale returns and corresponding assets are recognised for the products expected to be returned.

The Group recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Group expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer.

(o) Government Grant

Government grants including any non-monetary grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the related costs, which the grants are intended to compensate, are recognised as expenses. Government grants related to property, plant and equipment are presented at fair value and grants are recognised as deferred income.

(p) Leases

As a lessee

At inception of a contract, the group assesses whether a contract is or contains a lease. A contract is, or contains, a lease if a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- the contract conveys the right to use an identified asset;
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the identified asset.

At the date of commencement of a lease, the Group recognises a right-of-use asset ("ROU assets") and a corresponding lease liability for all leases, except for leases with a term of twelve months or less (short-term leases) and low value leases. For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Group has considered all leases where the value of an underlying asset does not individually exceed Rs.0.05 Crores or equivalent as a lease of low value assets.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Lease payments to be made under such reasonably certain extension options are included in the measurement of ROU assets and lease liabilities.

Lease liability is measured by discounting the lease payments using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and restoration costs. These are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated on a straight-line basis over the asset's useful life (refer 2.2(b)) or the lease term whichever is shorter.

Impairment of ROU assets is in accordance with the Group's accounting policy for impairment of tangible and intangible assets.

As a lessor

Lease income from operating leases where the group is a lessor is recognised in the statement of profit and loss on a straight- line basis over the lease term.

Notes to Consolidated Financial Statements (continued)

(q) Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Group incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

(r) Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. These are material items of income or expense that have to be shown separately due to their nature or incidence.

(s) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(t) Segment Reporting

Segments are identified based on the manner in which the Group's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets including goodwill.

(u) Cash and Cash equivalents

Cash and cash equivalents for the purpose of presentation in the statement of cash flows comprises of cash at bank and in hand, bank overdraft and short term highly liquid investments/ bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(v) Offsetting instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(w) Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed, if material.

2.3 Key accounting judgement, estimates and assumptions

The preparation of the consolidated financial statements requires Group management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affect only that period, or in the period of the revision and future periods if the revision affects both current and future period.

The areas involving critical estimates or judgements are:

Goodwill and Intangibles

The Group records all intangible assets acquired including goodwill as part of a business combination at fair values. In relation to business combinations, judgement is required to be exercised on determining the fair values, identification and measurement of assets acquired and liabilities assumed, in allocation of purchase consideration, in deciding the amortisation policy and on tax treatment of Goodwill and intangible assets acquired. Appropriate independent professional advice is also obtained, as necessary. Goodwill is assigned an indefinite useful life whilst intangible assets are assigned an indefinite or finite useful life. Goodwill and intangible assets assigned an indefinite useful life are as a minimum subject to annual tests of impairment in line with the accounting policy whereas all other intangible assets are amortised. (Refer Note 6).

Depreciation and amortisation

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges. (Refer Note 3, 4, 5 and 6)

Taxation

The Group is subject to taxes in numerous jurisdictions. Significant judgement is required in examining applicability and determining the provision required for taxes. (Refer Note 20).

Employee Benefits

The present value of the define benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds/Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions. (Refer Note 37)

Carrying value of derivatives and other financial instruments

All financial instruments are required to be fair valued as at the balance sheet date, as provided in Ind AS 109 and Ind AS 113. Being a critical estimate, judgement is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc., as applicable. (Refer Note 36)

Revenue recognition and marketing accrual

Generally in the International markets, products are often sold with sales related discounts, rebate, trade support etc. Sales are recorded based on the price specified in the sales contract, however simultaneously amount of sales promotions expenditure that would need to be incurred are also estimated and netted off from sales. Judgement is required to be exercised in determining the level of provisions that would need to be accrued. Accumulated experience is used for estimating and providing for such expenditure.

Notes to Consolidated Financial Statements (continued)

3. Property, Plant & Equipment

Rs in Crores

	Land	Bearer Assets	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipment	Motor Vehicles	Total Tangibles Assets
COST								
As at April 1, 2018	**58.92**	**1.04**	**253.89**	**1409.33**	**178.06**	**6.51**	**22.73**	**1930.48**
Additions	4.46	4.14	60.72	63.06	14.40	0.73	3.09	**150.60**
Disposal	-	-	-	(13.19)	(1.13)	(0.26)	(3.70)	**(18.28)**
Translation exchange difference	(0.04)	-	1.03	5.85	(0.87)	0.11	0.05	**6.13**
As at March 31, 2019	**63.34**	**5.18**	**315.64**	**1465.05**	**190.46**	**7.09**	**22.17**	**2068.93**
Acquisition through Business Combination	-	-	-	-	0.19	-	-	**0.19**
Additions	0.45	10.03	15.37	411.22	22.07	0.62	3.80	**463.56**
Disposal	(0.05)	-	(0.41)	(8.55)	(1.87)	(0.20)	(2.96)	**(14.04)**
Adjustments / Transfer	-	-	1.02	-	-	-	-	**1.02**
Translation exchange difference	0.16	-	9.65	72.75	5.92	0.50	0.11	**89.09**
As at March 31, 2020	**63.90**	**15.21**	**341.27**	**1940.47**	**216.77**	**8.01**	**23.12**	**2608.75**
ACCUMULATED DEPRECIATION								
As at April 1, 2018	**-**	**0.04**	**104.30**	**934.22**	**136.46**	**4.39**	**11.36**	**1190.77**
Depreciation/Amortisation for the year	-	0.16	10.18	58.14	11.47	0.75	1.87	**82.57**
Disposal	-	-	-	(11.78)	(1.06)	(0.15)	(1.64)	**(14.63)**
Translation exchange difference	-	-	1.35	0.62	(0.67)	0.11	0.01	**1.42**
As at March 31, 2019	**-**	**0.20**	**115.83**	**981.20**	**146.20**	**5.10**	**11.60**	**1260.13**
Depreciation/Amortisation for the year	-	0.46	12.44	81.65	12.87	0.75	1.74	**109.91**
Disposal	-	-	(0.25)	(8.11)	(1.59)	(0.20)	(1.39)	**(11.54)**
Adjustments / Transfer	-	-	0.37	-	-	-	-	**0.37**
Translation exchange difference	-	-	5.00	32.45	4.68	0.19	0.06	**42.38**
As at March 31, 2020	**-**	**0.66**	**133.39**	**1087.19**	**162.16**	**5.84**	**12.01**	**1401.25**
NET CARRYING VALUE								
As at March 31, 2019	**63.34**	**4.98**	**199.81**	**483.85**	**44.26**	**1.99**	**10.57**	**808.80**
As at March 31, 2020	**63.90**	**14.55**	**207.88**	**853.28**	**54.61**	**2.17**	**11.11**	**1207.50**

Land includes leasehold land of Rs. 2.02 Crores (Rs. 2.02 Crores) belonging to the Parent Company and an Indian subsidiary. Buildings include Rs. 5.90 Crores (Rs. 5.90 Crores) represented by shares in Co-operative Housing Societies / a Company. Certain plantation land meant for usage as tea plantations and for ancillary activities has been leased by the Parent Company to its associate company Kanan Devan Hills Plantations Company Private Limited for a period of 30 years as part of the restructure in 2005, of its South India Plantation Operations. The additions to bearer assets represents capitalisation of coffee plants which have attained maturity during the year. Capital work-in-progress includes immature plants amounting to Rs 46.33 Crores (Rs 41.47 Crores). Borrowing cost capitalised during the year – Rs 1.24 Crores (Rs 20.98 Crores).

4. Investment Property

Investment properties of the Group comprises of land, commercial and residential property.

Rs in Crores

	2020	2019
COST		
Opening Balance	**56.06**	**53.86**
Additions	-	-
Transfer	(1.02)	-
Adjustment	-	2.20
Closing Balance	**55.04**	**56.06**
ACCUMULATED DEPRECIATION		
Opening Balance	**4.46**	**3.53**
Depreciation for the year	0.91	0.93
Deductions / Adjustments	(0.37)	-
Closing Balance	**5.00**	**4.46**
NET CARRYING VALUE	**50.04**	**51.60**

Amount recognised in the statement of profit and loss for investment property:

Rs in Crores

	2020	2019
Rental Income	3.14	2.40
Direct operating expenses	(0.34)	(0.29)
Profit from investment property before depreciation	**2.80**	**2.11**
Depreciation for the year	(0.91)	(0.93)
Profit/(loss) from Investment Property	**1.89**	**1.18**

Fair value:

Fair valuation of the Land is Rs 96.14 Crores and Buildings is Rs 53.40 Crores based on valuation (sales comparable approach – level 2) by recognised independent valuers.

Leasing arrangements:

For investment property leased to tenants under long term operating lease, the minimum lease payment receivable under non-cancellable operating leases are:

Rs in Crores

	2020
Within one year	3.93
Later than one year but not later than five years	8.26

Notes to Consolidated Financial Statements (continued)

5. Right of Use Assets

Rs in Crores

	Land	Buildings	Plant and Machinery	Office Equipment	Motor Vehicles	Total Right of Use Assets
COST						
As at April 1, 2019	**-**	**-**	**-**	**-**	**-**	**-**
Recognition on transition to Ind AS 116 - Lease (Refer Note 34)	82.31	165.17	3.67	0.36	4.11	255.62
Acquisition through Business Combination	-	-	3.50	-	-	3.50
Additions	-	57.72	11.63	-	2.52	71.87
Disposal	-	(1.06)	-	-	-	(1.06)
Translation exchange difference	6.37	4.84	-	0.03	0.08	11.32
As at March 31, 2020	**88.68**	**226.67**	**18.80**	**0.39**	**6.71**	**341.25**
ACCUMULATED DEPRECIATION						
As at April 1, 2019	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	2.04	39.51	3.39	0.15	2.59	47.68
Disposal	-	(0.17)	-	-	-	(0.17)
Translation exchange difference	0.14	0.30	-	-	(0.16)	0.28
As at March 31, 2020	**2.18**	**39.64**	**3.39**	**0.15**	**2.43**	**47.79**
NET CARRYING VALUE						
As at March 31, 2020	**86.50**	**187.03**	**15.41**	**0.24**	**4.28**	**293.46**

6. Goodwill and Other Intangible Assets

Rs in Crores

	Goodwill	Brands / Trademarks	Customer Intangibles	Patent / Knowhow	Capitalised Software / Website	Distribution Network	Non Compete Fee	Total Other Intangible Assets
COST								
As at April 1, 2018	**4072.24**	**317.98**	**104.27**	**17.64**	**169.06**	**-**	**3.00**	**611.95**
Additions	-	-	-	-	7.43	-	-	7.43
Disposal	-	-	-	-	(0.78)	-	(3.00)	(3.78)
Translation exchange difference	61.69	15.74	6.37	-	1.09	-	-	23.20
As at March 31, 2019	**4133.93**	**333.72**	**110.64**	**17.64**	**176.80**	**-**	**-**	**638.80**
Acquisition through Business Combination	3578.51	2273.45	-	-	0.46	270.46	-	2544.37
Additions	-	-	-	-	22.04	-	-	22.04
Disposal	-	-	-	-	(0.05)	-	-	(0.05)
Translation exchange difference	199.89	28.59	10.42	-	6.58	-	-	45.59
As at March 31, 2020	**7912.33**	**2635.76**	**121.06**	**17.64**	**205.83**	**270.46**	**-**	**3250.75**
ACCUMULATED DEPRECIATION / IMPAIRMENT								
As at April 1, 2018	**348.74**	**170.68**	**10.43**	**15.36**	**127.84**	**-**	**3.00**	**327.31**
Depreciation/Amortisation for the year	-	12.68	7.42	0.58	18.39	-	-	39.07
Disposal	-	-	-	-	(0.15)	-	(3.00)	(3.15)
Translation exchange difference	0.12	6.65	0.59	-	0.49	-	-	7.73
As at March 31, 2019	**348.86**	**190.01**	**18.44**	**15.94**	**146.57**	**-**	**-**	**370.96**
Depreciation/Amortisation for the year	-	25.27	7.52	0.58	16.03	33.81	-	83.21
Disposal	-	-	-	-	0.05	-	-	0.05
Impairment	222.94	-	-	-	-	-	-	-
Translation exchange difference	6.70	15.96	2.29	-	7.07	-	-	25.32
As at March 31, 2020	**578.50**	**231.24**	**28.25**	**16.52**	**169.72**	**33.81**	**-**	**479.54**
NET CARRYING VALUE								
As at March 31, 2019	**3785.07**	**143.71**	**92.20**	**1.70**	**30.23**	**-**	**-**	**267.84**
As at March 31, 2020	**7333.83**	**2404.52**	**92.81**	**1.12**	**36.11**	**236.65**	**-**	**2771.21**

Brands acquired during the year include an amount of Rs 2093.33 Crores which has been categorised as brand with indefinite life and will be annually tested for impairment. Based on analysis of all relevant factors such as market share, stability, potential obsolescence, profitability etc, the brand is expected to provide cash inflows to the Group over an indefinite period.

Notes to Consolidated Financial Statements (continued)

Impairment of Goodwill and intangible assets

Management reviews the carrying value of goodwill and indefinite life intangibles annually to determine whether there has been any impairment. This involves making an assessment of the value of goodwill for each cash generating unit (CGU) and comparing it to the carrying value. If the assessed value is lower than the carrying value, then an impairment charge is recognised to reduce the carrying value to this amount. Management reviews the business performance based on the geography and type of business. The Group has identified businesses within each country as its main CGU for the purpose of allocation and monitoring of goodwill.

The following is a summary of the goodwill allocation to each CGU as mentioned above:

Rs in Crores

2020	Opening	Addition	Impairment	Foreign exchange	Closing
Branded Business					
Beverages					
UK & Europe	1577.55	-	-	51.45	1629.00
US	1427.59	-	(119.08)	128.66	1437.17
Canada	583.74	-	-	17.61	601.35
Australia	108.39	-	(103.86)	(4.53)	-
India	-	16.10	-	-	16.10
Foods					
India	-	3562.41	-	-	3562.41
Non Branded Business					
India	87.80	-	-	-	87.80
	3785.07	**3578.51**	**(222.94)**	**193.19**	**7333.83**

Rs in Crores

2019	Opening	Addition	Impairment	Foreign exchange	Closing
Branded Business					
Beverages					
UK & Europe	1606.46	-	-	(28.91)	1577.55
US	1345.33	-	-	82.26	1427.59
Canada	573.29	-	-	10.45	583.74
Australia	110.62	-	-	(2.23)	108.39
Non Branded Business					
India	87.80	-	-	-	87.80
	3723.50	**-**	**-**	**61.57**	**3785.07**

Value in use i.e. the enterprise value for each CGU is calculated using cash flow projections over a period of 3 - 5 years, with amounts based on medium term strategic plans. Variations to strategic plan are incorporated in the calculations based on past experience. Cash flows beyond the 3 – 5 year period are extrapolated using a long term growth rate.

Key assumptions in the business plans include future revenue, associated future levels of marketing support and other relevant costs. These assumptions are based on historical trends and future market expectations specific to each CGU and the markets and geographies in which they operate.

Other key assumptions applied in determining value in use are:

- Long term growth rate – Cash flows beyond the 3 - 5 year period are extrapolated using the estimated long-term growth rate applicable for the geographies in which the CGUs operate.

- Discount rate – The discount rate is based on a Weighted Average Cost of Capital (WACC) for comparable companies operating in similar markets and geographies adjusted for country specific risk affecting where each CGU operates.

The long term growth rates and discount rates applied in the value in use calculations as at March 31, 2020 are given below:

	Pre-tax discount rate	Long-term growth rate
UK & Europe	9.05%	1.75%
US	8.70% - 13.10%	2.2% - 3.60%
Canada	8.97%	3.70%
Australia	9.74%	1.70% - 3.40%
India	13.40%	5.00% - 6.00%

Impairment charges

During the year, the group recognised a non-cash impairment loss on goodwill relating to its tea business in the US and to its business in Australia. The accounting impairment has been recognised due to a combination of factors like Covid related impact on specific out of home business segments, changes to discount rates due to market conditions and revision in business plan sensitivities.

Resultantly, an impairment charge of Rs 222.94 Crores has been charged to the Statement of Profit and Loss under 'Exceptional Items'. These CGUs have a pre-tax discount rate within a range of 8.70% to 9.74%.

Sensitivity Analysis

We have performed sensitivity analysis around the base assumptions and have concluded that no reasonable possible changes in key assumptions based on current recent trends would cause the recoverable amount of the CGUs to be less than the carrying value.

Notes to Consolidated Financial Statements (continued)

7. Investments

Rs in Crores

		2020	2019
NON-CURRENT INVESTMENTS			
Quoted Equity Instruments	a	9.73	63.17
Unquoted Equity Instruments	b	139.52	138.56
Unquoted Preference Shares	c	111.86	115.17
Unquoted Debentures	d	-	-
Unquoted Government Securities	d	-	-
		261.11	**316.90**
CURRENT INVESTMENTS			
Mutual Funds - Unquoted (Carried at Fair value through Profit or Loss)		833.55	583.16
		833.55	**583.16**
Total Investments		**1094.66**	**900.06**

Quoted investments are carried in the financial statements at market value.

Details of investments are as follows:

a) Quoted Equity Instruments

Carried at fair value through Other Comprehensive Income

	Face Value	Nos.		Rs in Crores	
		2020	2019	2020	2019
Tata Chemicals Ltd. $	Rs. 10	150	865522	-	50.87
Tata Investment Corporation Ltd.	Rs. 10	146872	146872	9.73	12.30
SBI Home Finance Ltd. (Under liquidation) ^	Rs. 10	100000	100000	-	-
				9.73	**63.17**

$ Investment carrying values are below Rs 0.01 Crores.
^ Investment is fully impaired.

During the year, the Group has sold a significant portion of its holding in Tata Chemicals Limited. Realised gain arising on this transaction amounting to Rs. 57.85 Crores has been accounted under retained earnings.

b) Unquoted Equity Instruments

Carried at fair value through other comprehensive income

	Face Value	Nos.		Rs. in Crores	
		2020	2019	2020	2019
Tata Sons Private Ltd. *	Rs. 1000	1755	1755	9.75	9.75
Tata Capital Ltd.	Rs. 10	613598	613598	3.07	3.10
Tata Services Ltd.	Rs. 1000	475	475	0.05	0.05
Tata Industries Ltd. *	Rs. 100	6519441	6519441	115.82	115.82
Taj Air Ltd.	Rs. 10	22200000	22200000	5.91	5.76
Southern Scribe Instruments Pvt Ltd #	Rs. 100	7280	7280	0.07	0.07
Armstrong Power Private Limited #	Rs. 100	600	600	0.01	0.01
Armstrong Power Systems Private Limited #	Rs. 100	900	900	0.01	0.01
K.T.V Oil Mills Private Limited #	Rs. 100	1450	1450	0.01	0.01
Mytrah Vayu (Manjira) Private Limited #	Rs. 10	162500	-	0.16	-
ABC Tea Workers Welfare Services	Rs. 10	20000	20000	0.02	0.02
Assam Hospitals Ltd	Rs. 10	200000	200000	3.74	2.84
GNRC Ltd	Rs. 10	50000	50000	0.30	0.30
IFCI Venture Capital Funds Ltd	Rs. 10	250000	250000	0.60	0.82
The Annamallais Ropeways Company Ltd.^	Rs. 10	2092	2092	-	-
The Valparai Co-operative Wholesale Stores Ltd.^	Rs. 10	350	350	-	-
Suryakiran Apartment Services Private Ltd. $	Rs. 10	2146	2146	-	-
Jalpaiguri Club Ltd. (Cost Re 1) $	Rs. 10	60	60	-	-
Ritspin Synthetics Ltd.^	Rs. 10	100000	100000	-	-
Coorg Orange Growers Co-operative Society Ltd. $	Rs. 100	4	4	-	-
Tata Coffee Co-operative Stores Ltd.$	Rs. 5	20	20	-	-
Coorg Cardamom Co-operative Marketing Society Ltd.	Rs. 100	1	1	-	-
TEASERVE $ (The Tamil Nadu Tea Manufacturers' Service Industrial Co-Op Society Ltd)	Rs. 5000	1	1	-	-
Woodlands Hospital & Medical Res. Centre Ltd. $	Rs. 10	12280	12280	-	-
				139.52	**138.56**

$ Investment carrying values are below Rs 0.01 Crores.
^ Investments are fully impaired.
# relating to power purchase agreement entered into by an Indian subsidiary.
* Costs of these unquoted equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Notes to Consolidated Financial Statements (continued)

c) Unquoted Preference Shares

	Face Value	Nos. 2020	Nos. 2019	Rs. in Crores 2020	Rs. in Crores 2019
Investment in Associates					
Amalgamated Plantations Pvt Ltd.	Rs. 10	67000000	67000000	45.11	48.42
TRIL Constructions Ltd.	Rs. 10	66751852	66751852	66.75	66.75
Other					
Thakurbari Club Ltd (Cost Re 1) $	Rs. 100	26	26	-	-
				111.86	**115.17**

$ Investment carrying values are below Rs 0.01 Crores.

Investment in preference shares of Amalgamated Plantations Pvt. Ltd, are redeemable with a special redemption premium, on fulfilment of certain conditions, within 13-15 years from the date of the issue and is designated as fair value through profit or loss. Preference shares of TRIL Constructions Ltd are non-cumulative and mandatorily fully convertible within 12 years from the issue date, the same is carried at cost.

d) Unquoted Debentures and Government Securities

Carried at fair value through other comprehensive income

	Face Value	Nos. 2020	Nos. 2019	Rs. in Crores 2020	Rs. in Crores 2019
Unquoted Debentures:					
The Bengal Chamber of Commerce & Industry - 6 1/2% Debentures $	Rs. 1000	7	7	-	-
Shillong Club Ltd - 5% Debentures - (Cost Rs. 2) $	Rs. 100	31	31	-	-
				-	-
Unquoted Government Securities:					
W.B. Estates Acquisition Compensation Bond $				-	-
				-	-

$ Investment carrying values are below Rs 0.01 Crores.

8. Loans

Rs in Crores

	2020	2019
NON-CURRENT LOANS		
Inter Corporate Loans	4.25	-
Inter Corporate Loans to related party	17.00	15.25
Employee Loans and Advances	1.25	1.84
	22.50	**17.09**
CURRENT LOANS		
Inter Corporate Loans	112.69	223.78
Inter Corporate Loans to related party	-	18.50
Employee Loans and Advances	3.85	2.73
	116.54	**245.01**
Total Loans	**139.04**	**262.10**

Rs in Crores

	2020	2019
SUB-CLASSIFICATION OF LOANS		
Non-current Loans		
Loan Receivables considered good - Secured	21.25	15.25
Loan Receivables considered good - Unsecured	1.25	1.84
	22.50	**17.09**
Current Loans		
Loan Receivables considered good - Secured	106.12	220.23
Loan Receivables considered good - Unsecured	10.42	24.78
	116.54	**245.01**

Non-current loans

Inter Corporate loans amounting to Rs. 4.25 Crores (Nil) is backed by mortgage over immoveable assets, and Inter Corporate Loans to a related party amounting to Rs 17.00 Crores (Rs 15.25 Crores) is secured by way of mortgage of rights on immovable assets.

Current loans

Inter Corporate Loans – (a) amounting to Rs 106.12 Crores (Rs. 212.48 Crores) is secured by way of pledge of shares of the borrower and by a corporate guarantee, (b) amounting to Nil (Rs. 4.25 Crores) is secured by way of mortgage over immovable assets, and (c) amounting to Nil (Rs. 3.50 Crores) is given to a related party and is secured by way of mortgage of rights on immoveable assets.

Notes to Consolidated Financial Statements (continued)

9. Other Financial Assets

Rs in Crores

	2020	2019
NON-CURRENT		
(unsecured and considered good unless otherwise stated)		
Security Deposit	24.68	21.12
Other Deposits	-	7.50
Lease Receivables	7.49	-
	32.17	**28.62**
CURRENT		
(unsecured and considered good unless otherwise stated)		
Interest Accrued	46.68	31.63
Export Incentive receivable	20.37	25.64
Receivable pursuant to business transfer from Tata Chemicals Ltd.	40.06	-
Deposits	9.24	9.40
Lease Receivables	1.08	-
Derivative Financials Assets / Margin on Contracts		
Currency Hedges	16.55	9.77
Commodity Hedges	31.62	40.99
Others	7.64	13.97
	173.24	**131.40**
Total Other Financial Assets	**205.41**	**160.02**

Non-current security deposits include deposit to related party - Nil (Rs. 1.23 Crores) and doubtful deposits which are fully provided - Rs 0.29 Crores (Rs 0.29 Crores). Current deposits include doubtful balances which are fully provided - Rs 0.38 Crores (Rs 0.38 Crores). Others include receivable from related parties – Rs 2.37 Crores (Rs 1.13 Crores). Interest accrued includes due from related party – Nil (Rs 0.31 Crores).

10. Other Assets

Rs in Crores

	2020	2019
NON CURRENT ASSETS		
(unsecured and considered good unless otherwise stated)		
Property rights pending development	70.50	70.50
Capital Advance	11.54	7.71
Pension Surplus	257.98	127.63
Prepaid Expenses	1.58	32.36
Others	7.96	20.32
	349.56	**258.52**
CURRENT ASSETS		
(unsecured and considered good unless otherwise stated)		
Prepaid Expenses	58.40	43.57
Taxes Receivables	173.99	141.86
Other Trade Advance	69.27	40.72
Less: Transferred to disposal group	-	(1.32)
	301.66	**224.83**
Total Other Assets	**651.22**	**483.35**

Property rights pending development represents constructed office space to be delivered to the Parent Company by TRIL Constructions Limited, consequent to a development agreement. Other trade advance includes doubtful advances which are fully provided – Rs 1.19 Crores (Rs 2.36 Crores). Other trade advance include advance paid to related party – Rs 14.14 Crores (Rs 1.57 Crores).

11. Inventories

Rs in Crores

	2020	2019
(At lower of cost and net realisable value)		
Raw Material	879.61	895.60
Finished Goods	598.96	547.93
Stock in Trade	184.39	129.86
Work in Progress	12.28	9.80
Stores and Spare Parts	36.79	39.43
Less: Transferred to disposal group	-	(12.76)
Total Inventories	**1712.03**	**1609.86**

Raw material includes in-transit inventory of Rs. 15.21 Crores (Rs. 17.82 Crores) and finished goods includes in-transit inventory of Nil (Rs. 9.47 Crores). During the year ended March 31, 2020 - Rs 26.15 Crores (Rs 20.08 Crores) was charged to the statement of profit and loss for slow moving and obsolete inventories.

12. Trade Receivables

Rs in Crores

	2020	2019
Trade Receivables considered good - Secured	88.13	37.19
Trade Receivables considered good - Unsecured	834.28	648.81
Trade Receivables - Credit Impaired	14.92	6.88
	937.33	**692.88**
Less : Allowance for Impairments	(14.92)	(6.88)
	922.41	**686.00**
Less: Transferred to disposal group	-	(5.45)
Total Trade Receivables	**922.41**	**680.55**

Secured receivables are backed by security deposits. Trade receivables considered good – Unsecured includes receivables amounting to Rs 14.77 Crores (Rs 7.13 Crores) due from a related party.

13. Cash and Cash Equivalents and Other Bank Balances

Rs in Crores

	2020	2019
CASH AND CASH EQUIVALENTS		
Balances with Bank		
Current Account	368.35	362.15
Deposit Account	753.20	604.82
Cash/Cheques in hand	0.12	0.06
Less: Transferred to disposal group	-	(0.01)
	1121.67	**967.02**
OTHER BANK BALANCES		
Deposit Account	488.53	55.00
Unclaimed Dividend Account	11.26	11.59
	499.79	**66.59**
	1621.46	**1033.61**

Balances in current accounts mainly pertain to the International markets and are interest bearing.

Notes to Consolidated Financial Statements (continued)

14. Equity Share Capital and Other Equity

a) Equity Share Capital

Rs in Crores

	2020	2019
AUTHORISED		
1250000000 (1100000000) Equity Shares of Re.1 each	125.00	110.00
ISSUED, SUBSCRIBED AND PAID-UP		
921551715 (631129729) Equity Shares of Re.1 each, fully paid-up	92.16	63.11
	92.16	**63.11**

i) Reconciliation of the number of shares as at March 31, 2020:

Rs in Crores

	2020	2019
Number of shares as at the beginning and end of the year	631129729	631129729
Add: Shares issued during the year pursuant to the Scheme of arrangement	290421986	-
Number of shares as at the end of the year	**921551715**	**631129729**

As a part of Scheme of arrangement [Refer Note 40(i)], the Authorised Share Capital of the Parent Company stand increased to Rs. 125 Crores made up of 1250000000 Equity Shares of Re. 1/- each with effect from February 7, 2020 (effective date of Merger). Pursuant to the said scheme, the Parent Company during the financial year 2019-20 has also issued 290421986 equity shares.

ii) Rights, preferences and restrictions of equity shares:

The Parent Company has one class of equity shares having a par value of Re 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Parent Company after distribution of all preferential amounts, in proportion to their shareholding.

iii) Equity shares allotted as fully paid-up (during 5 year preceding March 31, 2020) pursuant to contracts without payment being received in cash:

12731159 equity shares were issued during the financial year 2015-16, consequent to and as part of the amalgamation of the erstwhile Mount Everest Mineral Water Limited with the Parent Company.

iv) Details of Shareholders holding more than 5% shares:

Name of Shareholder	No of shares / % of holding	
	2020	2019
Tata Sons Private Limited	270557128	186029710
	29.36%	**29.48%**

v) **Dividend paid:**

	2020	2019
Dividend paid (Rs in Crores)	157.78	157.78
Dividend per share (Rs.)	2.50	2.50

The Board of Directors in its meeting held on May 14, 2020 has recommended a final dividend payment of Rs 2.70 per share for the financial year ended March 31, 2020.

b) Other Equity

Rs in Crores

	2020	2019
Capital Reserve	15.79	15.79
Securities Premium	6430.87	361.05
Capital Redemption Reserve	0.10	0.10
Contingency Reserve	1.00	1.00
Amalgamation Reserves	8.33	8.33
Revaluation Reserve	21.86	21.86
General Reserve	1170.73	1166.95
Retained Earnings	5901.95	5667.33
Other Comprehensive Income		
- Effective portion of Cash Flow Hedge	6.71	(9.93)
- Fair value gains/(loss) on Equity Instruments	(8.17)	34.98
- Foreign Currency Translation Reserve	173.53	1.12
	13722.70	**7268.58**

Nature and purpose of reserves:

i) Capital Reserve
Capital Reserve was created consequent to the acquisition of certain plantation businesses.

ii) Securities Premium Account
Securities Premium Account had been created consequent to issue of shares at a premium. These reserves can be utilised in accordance with Section 52 of Companies Act 2013.

iii) Contingency Reserve
Contingency Reserve is in the nature of free reserves.

iv) Amalgamation Reserves
Amalgamation reserve was created pursuant to the scheme of amalgamation of Asian Coffee Ltd., Coffee Land Ltd., SIFCO Ltd and Tata Coffee Ltd.

v) Revaluation Reserve
Revaluation Reserve was created on acquisition of shares of an Indian subsidiary.

Notes to Consolidated Financial Statements (continued)

15. Borrowings

Rs in Crores

	2020	2019
(secured unless otherwise stated)		
NON CURRENT		
Loan From Banks		
Term Loan	868.58	811.44
	868.58	**811.44**
Less : Maturing within the next 12 months	(73.91)	(24.20)
Total Non current Borrowings	**794.67**	**787.24**
CURRENT		
Loan from Banks		
Bank Overdraft	232.33	229.55
Working Capital Facilities	154.45	101.24
Working Capital Facilities - Unsecured	1.03	-
Less: Transferred to disposal group	-	(1.13)
Total Current Borrowings	**387.81**	**329.66**
Total Borrowings	**1182.48**	**1116.90**

Note: Change in liabilities is on account of financing activities which have been disclosed in the Statement of Cash Flow. The liabilities as at the year-end are also impacted by the translation of overseas financial statements for consolidation purposes.

Non-Current Borrowings

Term Loan

Debt amounting to Rs 473.31 Crores (Rs 456.30 Crores) is repayable within March 28, 2022 and is secured over all assets of an overseas subsidiary, interest being charged at the Libor plus a margin. The agreement requires compliance with various financial covenants, including restrictions on capital expenditures, additional indebtedness, acquisitions and distributions to stockholders.

Debt amounting to Rs 395.27 Crores (Rs 355.14 Crores) is repayable over a period of 8 years in half yearly instalments commencing from Financial year 2020-21, interest being charged at the Libor plus a margin. The borrowing is secured by a charge over the plant and machinery of an overseas subsidiary and guarantee given by its immediate parent. The agreement requires compliance with various financial covenants, including restrictions on capital expenditures, additional indebtedness, acquisitions, distributions to shareholders and networth.

Current Borrowings

Bank Overdraft

Bank overdraft amounting to Nil (Rs 4.53 Crores) is secured by way of hypothecation of raw materials, finished goods, stores and spares and book debts on pari passu basis.

The remaining bank overdrafts totalling Rs 232.33 Crores (Rs 225.02 Crores) are part of a Group’s cash-pooling arrangement with interest charged at a margin over I.C.E. benchmark administration settlement rate.

Working Capital Facilities

Working capital facilities totalling Rs 154.45 Crores (Rs 101.24 Crores) are repayable on demand and secured by way of hypothecation of inventories and book debts, Further a part of the working capital facilities of an Indian subsidiary is also secured by hypothecation of coffee crop and deposit of title deeds of a coffee estate and the working capital of an overseas subsidiary is also secured by a guarantee given by its immediate parent.

16. Other Financial liabilities

Rs in Crores

	2020	2019
NON-CURRENT		
Deposits	-	0.36
Others	4.10	5.43
Derivative Financial Liabilities		
Interest rate swap	9.83	1.82
	13.93	**7.61**
CURRENT		
Current Maturities of Long Term Borrowings (Refer Note 15)	73.91	24.20
Security Deposits from Customers	57.00	47.20
Unpaid Dividends	11.26	11.59
Interest Accrued but not due	0.32	0.18
Derivative Financial Liabilities		
Currency Hedges	8.99	4.94
Commodity Hedges	0.42	24.94
Interest rate swap	22.35	7.18
Other Payables	208.30	184.54
	382.55	**304.77**
Total Financial Liabilities	**396.48**	**312.38**

There are no amounts due to and outstanding to be credited to the Investor Education and Protection Fund.

17. Provisions

Rs in Crores

	2020	2019
NON CURRENT		
Employee Benefits	183.22	152.21
	183.22	**152.21**
CURRENT		
Employee Benefits	52.38	34.50
Other Provisions	40.03	15.01
	92.41	**49.51**
Total Provisions	**275.63**	**201.72**

Rs in Crores

MOVEMENT OF OTHER PROVISIONS – CURRENT:	2020	2019
Reorganisation Cost		
Opening Balance	13.27	35.28
Provision made during the year	43.11	25.34
Amount paid / adjusted during the year	(18.54)	(47.38)
Translation exchange difference	0.45	0.03
Closing Balance	**38.29**	**13.27**
Provisions for Trade Obligation		
Opening Balance	1.74	26.95
Provision made during the year	-	-
Amount paid / adjusted during the year	-	(25.21)
Closing Balance	**1.74**	**1.74**
Total Closing Balance	**40.03**	**15.01**

Notes to Consolidated Financial Statements (continued)

18. Trade Payables

Rs in Crores

	2020	2019
Trade Payables	943.99	675.54
Less: Transferred to disposal group	-	(10.64)
Total Trade Payables	**943.99**	**664.90**

Trade payables include dues to related parties – Rs 30.75 Crores (Rs 43.23 Crores).

19. Other Current Liabilities

Rs in Crores

	2020	2019
Statutory Liabilities	20.65	18.63
Advance from Customers	13.23	5.66
Others	66.37	57.09
Total Other Current Liabilities	**100.25**	**81.38**

20. Taxation

(a) Tax charge in the statement of profit and loss

Rs in Crores

	2020	2019
Current tax		
Current year	89.27	261.19
Adjustment relating to earlier years	(0.22)	(5.16)
	89.05	**256.03**
Deferred tax charge / (credit)	**185.14**	**4.85**
Income tax expenses for the year	**274.19**	**260.88**

(b) Reconciliation of tax expense and tax based on accounting profit:

Rs in Crores

	2020	2019
Profit before tax	**809.38**	**734.71**
Tax at Indian tax rate of 25.17% (PY - 34.94%)	203.70	256.74
Effects of:		
Difference in tax rate	22.10	(8.60)
Impact of India tax rate change	0.81	-
Non-deductible tax expenses	9.56	11.12
Income exempt from income taxes	(0.24)	(0.66)
Non-creditable taxes	5.91	1.91
Tax reversals of previous years including deferred tax	(17.20)	(5.16)
Losses for which no deferred tax asset is recognised	44.62	17.21
Recognition of tax effect of previously unrecognised tax losses	-	(13.11)
Others	4.93	1.43
	274.19	**260.88**

(c) Income tax asset / liabilities

Rs in Crores

	2020	2019
Non-current tax assets		
Income Tax	108.79	49.96
Dividend Distribution Tax Credit	37.27	36.30
	146.06	**86.26**
Current tax assets		
Income Tax	1.17	2.38
	1.17	**2.38**
Total Tax Assets	**147.23**	**88.64**
Non-current tax liabilities		
Income Tax	16.86	16.90
	16.86	**16.90**
Current tax liabilities (Net)		
Current Tax	33.62	27.95
	33.62	**27.95**
Total Tax Liabilities	**50.48**	**44.85**
Net Income tax assets / (liabilities)	**96.75**	**43.79**

(d) Analysis of deferred tax assets and deferred tax liabilities:

Rs in Crores

	2020	2019
Deferred Tax Assets	29.56	58.04
Deferred Tax Liabilities	(316.03)	(145.45)
Net Deferred Tax (Liabilities) / Assets	**(286.47)**	**(87.41)**

Notes to Consolidated Financial Statements (continued)

(e) The movement in deferred tax assets and (liabilities) during the year:

Rs in Crores

	Depreciation & Amortisation (including unabsorbed depreciation) #	Employee Benefits Obligation	Tax losses and other timing differences	MAT Credit	Total
As at April 1, 2018	**(159.91)**	**63.50**	**31.47**	**65.26**	**0.32**
Statement of Profit and Loss (charge) /credit	(7.07)	(7.25)	9.47	-	(4.85)
(Charge)/credit relating to other comprehensive income	-	(23.78)	1.37	-	(22.41)
MAT Credit adjustment	-	-	-	(56.54)	(56.54)
Transalation exchange difference	(6.82)	0.48	2.41	-	(3.93)
As at March 31, 2019	**(173.80)**	**32.95**	**44.72**	**8.72**	**(87.41)**
Acquistion through business combination	0.04	1.85	3.95	-	5.84
Statement of Profit and Loss (charge) /credit	(185.94)	(12.69)	22.21	-	(176.42)
MAT Credit reversal to Statement of Profit and Loss	-	-	-	(8.72)	(8.72)
(Charge)/credit relating to other comprehensive income	-	(18.33)	(7.16)	-	(25.49)
(Charge)/credit to Retained earnings	15.02	-	-	-	15.02
Translation exchange difference	(11.61)	(2.07)	4.39	-	(9.29)
As at March 31, 2020	**(356.29)**	**1.71**	**68.11**	**-**	**(286.47)**

Amounts charged to the Statement of Profit and Loss include, with respect to acquisitions made during the year (Refer Note 41), deferred tax on difference in tax base as compared to carrying value of Intangibles acquired including Goodwill, net of deferred tax recognised on unabsorbed depreciation as per the Income Tax Act.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities only if they relate to income taxes levied by the same authority.

(f) Unrecognised tax items

As at March 31, 2020, unrecognised deferred tax assets on account of tax losses amount to Rs 117.58 Crores (Rs 129.62 Crores) in various jurisdictions, which can be carried forward up to a specified period or indefinitely. The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future.

(g) Deferred tax of unremitted earnings

As at March 31, 2020, deferred tax liability amounting to Nil (Rs 11.21 Crores) was recognised for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associate and joint venture. The deferred tax liability is based on Group's estimate of distribution of the profits in the foreseeable future and the tax incidence on the same.

21. Revenue from Operations

Rs in Crores

	2020	2019
Revenue from contract with customers		
Revenue from sale of goods	9542.07	7152.66
Revenue from sale of services	5.38	4.57
	9547.45	**7157.23**
Other Operating Revenues		
Royalty Income	26.36	23.53
Export Incentive	40.82	42.15
Miscellaneous Receipts	22.79	28.59
	89.97	**94.27**
	9637.42	**7251.50**

22. Other Income

Rs in Crores

	2020	2019
Interest Income		
Interest Income on Advances and Deposits carried at amortised cost	59.56	57.35
Interest on tax refund	2.25	5.28
Dividend income		
Non-current investments designated at fair value through OCI	3.47	3.65
Others		
Fair value movement in Financial instruments at fair value through profit or loss	2.57	5.95
Gains on Current Investments (net)	25.50	33.36
Other non operating income	18.24	51.54
	111.59	**157.13**

Dividend from equity investments sold during the year – Rs 1.08 Crores (Rs 0.02 Crores).

23. Cost of Materials Consumed

Rs in Crores

	2020	2019
Raw Materials Consumed	3050.86	2923.10
Packing Materials Consumed	555.80	371.08
	3606.66	**3294.18**

Notes to Consolidated Financial Statements (continued)

24. Changes in Inventories of Finished Goods/Work-in-Progress/Stock-in-Trade

Rs in Crores

	2020	2019
Stock as at April 1		
Finished Goods	547.93	559.05
Stock-in-Trade	129.86	101.63
Work-in-Progress	9.80	12.50
	687.59	**673.18**
Stock as at March 31		
Finished Goods	598.96	547.93
Stock-in-Trade	184.39	129.86
Work-in-Progress	12.28	9.80
	795.63	**687.59**
	(108.04)	**(14.41)**
Less: Acquired on Business Combination	(115.82)	-
	7.78	**(14.41)**

25. Employee Benefits Expense

Rs in Crores

	2020	2019
Salaries, Wages and Bonus	795.89	723.71
Contribution to Provident Fund and other Funds	58.41	55.29
Workmen and Staff Welfare Expenses	30.50	27.30
	884.80	**806.30**

26. Finance Costs

Rs in Crores

	2020	2019
Interest Expense on financial liabilities valued at amortised cost	51.14	40.26
Interest expense on lease liabilities	18.67	-
Net Interest on defined benefit plans	7.55	9.74
Other Borrowing Cost	0.50	0.49
Exchange differences (net)	-	1.98
	77.86	**52.47**

27. Other Expenses

Rs in Crores

	2020	2019
Manufacturing and Contract Packing Expenses	111.07	98.21
Consumption of Stores and Spare Parts	55.84	48.19
Power and Fuel	103.84	89.28
Repairs and Maintenance	71.56	63.19
Rent	48.07	76.73
Freight	396.56	191.86
Legal and Professional Expenses	156.81	152.12
Miscellaneous Expenses	429.32	384.55
	1373.07	**1104.13**

Miscellaneous expenses include exchange gain of Rs. 10.16 Crores (PY Loss - Rs 16.79 Crores) against which offsets are available elsewhere in the statement of profit and loss, and contribution to an electoral fund- Nil (Rs 10 Crores).

28. Exceptional Items

Rs in Crores

	2020	2019
Income		
Gain on disposal of Czech business (Refer Note 40)	10.38	-
	10.38	**-**
Expenditure		
Re-organisation/Business Restructure costs	(10.42)	(24.90)
Past service cost relating to UK defined benefits pension scheme	-	(8.39)
Expenses in connection with the acquisition of businesses (Refer Note 41)	(51.81)	-
Impairment of Goodwill	(222.94)	-
	(285.17)	**(33.29)**
	(274.79)	**(33.29)**

29. Earnings per Share

	2020	2019
Group Net Profit attributable to owners of parent (Rs in Crores)	459.76	408.19
Numbers of Equity Shares Outstanding	921551715	631129729
Earnings Per Share (Rs.)		
Basic	4.99	6.47
Diluted	4.99	6.47

30. Research & Development Expenditure recognised during the year:

Rs in Crores

	2020	2019
i. Capital	0.14	0.30
ii. Revenue	21.94	10.18
	22.08	**10.48**

Notes to Consolidated Financial Statements (continued)

31. Capital Commitment

a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2020 – Rs 33.55 Crores (Rs 25.37 Crores).

b) Commitment towards Share Capital contributions in Joint Ventures - Rs 94.50 Crores (Rs 25.40 Crores).

32. Contingencies:

a) Statutory and Commercial claims:

Rs in Crores

		2020	2019
i.	Taxes, Statutory Duties/ Levies etc.	30.98	31.20
ii.	Commercial and other Claims	3.07	3.27
		34.05	**34.47**

b) Past service liabilities and certain labour disputes for which amounts are not ascertainable. Labour disputes under adjudication for an Indian subsidiary Rs 0.94 Crores (Rs 0.94 Crores).

c) During the year, the Parent company has extended letters of comfort amounting to Rs 150 Crores to the lenders of its Associate Company engaged in plantation business, who have provided working capital facilities.

33. Litigations

i) Commercial liability claims not established – amounts not ascertainable

ii) Parent Company's overseas subsidiary in US along with several other coffee companies that roast, package, market and/or sell coffee in the State of California are defendants in public interest litigation filed by an organisation named Council of Education and Research on Toxics (CERT). The litigation contends that since coffee contains the chemical acrylamide, warning have to be included for coffee sold in that state pursuant to California state law. Acrylamide is not added to coffee but forms in trace amounts as part of a chemical reaction that occurs in coffee beans when they are roasted. The subsidiary is part of a Joint Defense Group (JDG) that is arguing the case on behalf of several leading coffee companies as defendants. During 2018 the California Office of Environmental Health Hazard Assessment (OEHHA) proposed a new regulation clarifying that cancer warnings are not required for coffee under Proposition 65 list and subsequently in June 2019, the proposed regulation was adopted by the Office of Administrative law which became law on October 1, 2019. The JDG has filed a motion for summary judgment in January, 2020 which is yet to be heard. At this stage of the proceedings, the outcome and potential liability, if any, to the subsidiary on account of their sales in the State of California is not determinable at present till the receipt of judgment, if any, which is appealable in higher courts.

34. Leases

Group's leasing arrangements are for premises (residential, office, factory, godown and Stores), equipment and vehicles, these ranges between 5 months to 60 years and are usually renewable on mutually agreed terms.

Lease liabilities as at March 31, 2020

Rs in Crores

	2020
Current Lease Liabilities	37.97
Non-Current Lease Liabilities	291.96
Total Lease Liabilities	**329.93**

Contractual maturities of lease liabilities on an undiscounted basis:

Rs in Crores

	2020
Less than one year	59.88
One to two years	53.58
Two to five years	116.85
More than five years	279.06
Total	**509.37**

Expenses recognised on account of short-term and low value leases are disclosed under Rent in Other Expense (Refer Note 27).

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are expected to maximise operational flexibility in terms of managing the assets used in Group's operation. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Movement in the net investment in sublease of Right of Use Asset:

Rs in Crores

	2020
On transition to INDAS-116 - Lease	7.35
New additions to net investment during the year	1.29
Interest Income accrued during the year	0.23
Lease Receipts	(0.30)
Balance at the end of the year	**8.57**

Contractual maturities of net investment in sublease of ROU asset on an undiscounted basis:

Rs in Crores

	2020
Less than 1 year	1.21
1 to 2 years	1.22
2 to 3 years	1.10
3 to 4 years	0.74
4 to 5 years	0.74
More than 5 years	4.80
Total	**9.81**

Finance income on the net investment in the sublease recognised in the financial statement is Rs 0.23 Crores.

Adoption of Ind AS 116 - Leases

The Group has adopted Ind AS 116, effective from April 1, 2019 and applied the standard to its leases, retrospectively. The cumulative effect of initially applying the standard was recognised on April 1, 2019 as an adjustment to the retained earnings. The Group has not restated comparative for the year ended March 31, 2019.

On transition, the adoption of new standard resulted in recognition of Right of Use Asset of Rs. 255.62 Crores, Net-investment in sublease of ROU asset of Rs. 7.35 Crores and a lease liability of Rs. 282.29 Crores. The cumulative effect of applying the standard, amounting to Rs. 63.29 Crores including share of transitional adjustment of Joint Venture and Associates was debited to retained earnings, net of deferred tax. The effect of this adoption is insignificant on profit for the year.

Notes to Consolidated Financial Statements (continued)

The principle portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases and reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116.

35. Interest in other entities

a) Subsidiaries

The Group's subsidiaries as at March 31, 2020 are given below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group. The country of incorporation or registration is also their principal place of business and effective ownership are listed below:

Sl No.	Name of entity	Country of incorporation	Principal Activities	Effective ownership (%)		Interest held by non-controlling interests (%)	
				2020	2019	2020	2019
1	Tata Consumer Products UK Group Ltd. (Formerly Tata Global Beverages Group Ltd.)	UK	Holding company	89.10	89.10	10.90	10.90
	Subsidiaries of Tata Consumer Products UK Group Ltd.						
2	Tata Global Beverages Holdings Ltd.	UK	Dormant	89.10	89.10	10.90	10.90
3	Tata Global Beverages Services Ltd.	UK	Dormant	89.10	89.10	10.90	10.90
4	Tata Consumer Products GB Ltd. (Formerly Tata Global Beverages GB Ltd.)	UK	Manufacturing, marketing and distribution of tea	89.10	89.10	10.90	10.90
5	Tata Consumer Products Overseas Holdings Ltd. (Formerly Tata Global Beverages Overseas Holdings Ltd.)	UK	Holding company	89.10	89.10	10.90	10.90
6	Tata Global Beverages Overseas Ltd.	UK	Holding company	89.10	89.10	10.90	10.90
7	Lyons Tetley Ltd.	UK	Dormant	89.10	89.10	10.90	10.90
8	Drassington Ltd.	UK	Dormant	89.10	89.10	10.90	10.90
9	Teapigs Ltd.	UK	Marketing and distribution of tea	89.10	89.10	10.90	10.90
10	Teapigs US LLC	USA	Marketing and distribution of tea	89.10	89.10	10.90	10.90
11	Stansand Ltd.	UK	Dormant	89.10	89.10	10.90	10.90
12	Stansand (Brokers) Ltd.	UK	Dormant	89.10	89.10	10.90	10.90
13	Stansand (Africa) Ltd.	Kenya	Purchase and sale of tea	89.10	89.10	10.90	10.90
14	Stansand (Central Africa) Ltd.	Malawi	Purchase and sale of tea	89.10	89.10	10.90	10.90
15	Tata Global Beverages Polska sp.zo.o	Poland	Marketing and distribution of tea	89.10	89.10	10.90	10.90
16	Tata Global Beverages Czech Republic a.s. (ceased w.e.f January 13, 2020)	Czech Republic	Manufacturing, marketing and distribution of tea	-	89.10	-	10.90
17	Tata Consumer Products US Holdings Inc. (Formerly Tata Global Beverages US Holdings Inc.)	USA	Holding company	89.10	89.10	10.90	10.90

Sl No.	Name of entity	Country of incorporation	Principal Activities	Effective ownership (%)		Interest held by non-controlling interests (%)	
				2020	2019	2020	2019
18	Tetley USA Inc.	USA	Marketing and distribution of tea	89.10	89.10	10.90	10.90
19	Empirical Group LLC	USA	Marketing and distribution of tea	49.90	49.90	50.10	50.10
20	Tata Waters LLC	USA	Marketing and distribution of water	89.10	89.10	10.90	10.90
21	Good Earth Corporation.	USA	Holding company	89.10	89.10	10.90	10.90
22	Good Earth Teas Inc.	USA	Marketing and distribution of tea	89.10	89.10	10.90	10.90
23	Tata Consumer Products Canada Inc. (Formerly Tata Global Beverages Canada Inc.	Canada	Marketing and distribution of tea	89.10	89.10	10.90	10.90
24	Tata Consumer Products Australia Pty Ltd. (Formerly Tata Global Beverages Australia Pty Ltd.)	Australia	Marketing and distribution of tea	89.10	89.10	10.90	10.90
25	Earth Rules Pty Ltd.	Australia	Marketing and distribution of coffee	89.10	89.10	10.90	10.90
26	Tata Global Beverages Investments Ltd.	UK	Holding company	89.10	89.10	10.90	10.90
27	Campestres Holdings Ltd.	Cyprus	Holding company	89.10	89.10	10.90	10.90
28	Kahutara Holdings Ltd.	Cyprus	Holding company	89.10	57.92	10.90	42.08
29	Suntyco Holding Ltd.	Cyprus	Holding company	89.10	57.92	10.90	42.08
30	Onomento Co Ltd.	Cyprus	Holding and assignment of Trademark	89.10	57.92	10.90	42.08
31	Coffee Trade LLC (under liquidation)	Russia	Distribution of coffee and Tea	89.10	57.92	10.90	42.08
32	Tata Consumer Products Capital Ltd. (Formerly Tata Global Beverages Capital Ltd.)	UK	Holding company	100.00	100.00	-	-
33	Tata Coffee Ltd.	India	Manufacturing, marketing and distribution of Coffee & tea	57.48	57.48	42.52	42.52
	Subsidiaries of Tata Coffee Ltd.						
34	Tata Coffee Vietnam Company Ltd.	Vietnam	Manufacturing, marketing and distribution of Coffee	57.48	57.48	42.52	42.52
35	Consolidated Coffee Inc.	USA	Holding company	78.70	78.70	21.30	21.30
	Subsidiaries of Consolidated Coffee Inc.						
36	Eight O'Clock Holdings Inc.	USA	Holding company	78.70	78.70	21.30	21.30
37	Eight O'Clock Coffee Company.	USA	Manufacturing, marketing and distribution of Coffee	78.70	78.70	21.30	21.30
38	Tata Tea Extractions Inc.	USA	Manufacturing, marketing and distribution of tea	100.00	100.00	-	-
39	Tata Tea Holdings Private Ltd.	India	Investment company	100.00	100.00	-	-

During the year, Campestres Holdings Ltd., an overseas subsidiary of the Parent Company has increased its shareholding in Kahutara Holdings Ltd. from 65% to 100%, consequently effective holding has increased from 57.92% to 89.10%, and the said transaction with non-controlling interest is reflected in the Statement of Changes in Equity.

Notes to Consolidated Financial Statements (continued)

(b) Non-Controlling Interest (NCI)

The material non-controlling interests in the Group arise from the Group's 89.10% stake in the Tata Consumer Products UK Group Ltd. (TCP UK Group Ltd.) (Intermediate holding company in the UK) and 57.48% share in Tata Coffee Limited (which is the holding company of Consolidated Coffee Inc., USA and its subsidiaries and Tata Coffee Vietnam Company Ltd.).

Summarised financial information in respect of subsidiaries that has non-controlling interests which are material to the Group are disclosed below, presented before inter-company eliminations with the rest of the Group:

Summarised Balance Sheet:

Rs in Crores

	TCP UK Group Ltd (CFS)		Tata Coffee Ltd (CFS)	
	2020	2019	2020	2019
Non-current assets	3887.52	3784.83	2591.28	2394.45
Current assets	1721.90	1594.88	972.43	794.25
Total Assets	**5609.42**	**5379.71**	**3563.71**	**3188.70**
Non-current liabilities	111.99	18.70	1306.25	1164.57
Current liabilities	666.94	643.95	573.25	481.43
Total Liabilities	**778.93**	**662.65**	**1879.50**	**1646.00**
Net Assets	**4830.49**	**4717.06**	**1684.21**	**1542.70**
Accumulated Non Controlling Interest	559.05	525.87	533.42	501.81

Summarised Statement of Profit & Loss

Rs in Crores

	TCP UK Group Ltd (CFS)		Tata Coffee Ltd (CFS)	
	2020	2019	2020	2019
Revenue	2124.33	2173.61	1956.87	1803.98
Profit / Loss for the year	(86.17)*	36.73	141.01	106.89
Other Comprehensive Income	231.86	31.47	88.69	22.95
Total Comprehensive Income	**145.69**	**68.20**	**229.70**	**129.84**
Profit allocated to NCI	(34.64)	19.42	34.99	29.37
Total Comprehensive Income allocated to NCI	(1.92)	18.36	49.86	33.71
Dividend paid to NCI (including dividend tax)	16.98	24.34	14.36	9.08

* includes non-cash impairment charge of Rs 222.94 Crores

Summarised Statement of Cash Flows:

Rs in Crores

	TCP UK Group Ltd (CFS)		Tata Coffee Ltd (CFS)	
	2020	2019	2020	2019
Cash Flows from operating activities	61.14	(54.35)	260.90	144.87
Cash Flows from investing activities	189.56	29.24	(38.08)	(170.28)
Cash Flows from financing activities	(38.52)	(92.28)	(174.22)	(9.22)
Net increase/ (Decrease) in cash and cash equivalents	212.18	(117.39)	48.60	(34.63)

(c) Interest in Joint Ventures and Associates

Rs in Crores

	2020	2019
Investment in Joint Ventures	200.36	222.22
Investment in Associates	27.83	65.38
	228.19	**287.60**

Joint Ventures

A list of Group's joint ventures is given below. All joint ventures are included in the Group's financial statements using the equity method of accounting:

Sl No.	Name of entity	Country of incorporation	Principal Activities	% holding 2020	% holding 2019
1	NourishCo Beverages Ltd.	India	Marketing and distribution of Water	50.00	50.00
2	Tata Starbucks Private Ltd.	India	Operating Starbucks Cafes in India	50.00	50.00
3	Southern Tea LLC	USA	Manufacturing and distribution of tea	50.00	50.00
4	Tetley ACI (Bangladesh) Ltd.	Bangladesh	Manufacturing, marketing and distribution of tea	50.00	50.00
5	Tetley Clover (Pvt) Ltd.	Pakistan	Manufacturing, marketing and distribution of tea	50.00	50.00
6	Joekels Tea Packers (Proprietary) Ltd.	South Africa	Manufacturing, marketing and distribution of tea	51.70	51.70

An analysis of the Group's investments in joint ventures is as follows:

Rs in Crores

	2020	2019
April 1	222.22	177.92
Transitional adjustment on IndAS 116 - Lease	(29.03)	-
Addition	55.94	35.80
Share of Profits / (Loss)	(49.41)	11.72
Share of Other Comprehensive Income	(0.35)	(0.13)
Dividend Received	(1.52)	(1.25)
Translation exchange difference	2.51	(1.84)
March 31`	**200.36**	**222.22**

Addition relates to additional equity investment in Tata Starbucks Private Ltd. – Rs 53.00 Crores (Rs 35.80 Crores), Tetley ACI (Bangladesh) Ltd – Rs 2.94 Crores (PY - Nil).

Financial information

None of the joint ventures of the Group is individually material, financial information aggregating 100% of the results is as follows:

Rs in Crores

	2020	2019
Profit / (loss) after tax	(99.20)	23.26
Other Comprehensive Income	(0.70)	(0.26)
Total Comprehensive Income	**(99.90)**	**23.00**

With respect to an Indian joint venture, Profit / (loss) after tax for the current year includes an impact of partial reversal of deferred tax asset on account of reduction in tax rate of (Rs 28.69 Crores), impact of adoption of Ind AS 116 of (Rs 16.13 Crores) and, in addition, some adverse impact arising from lockdown associated with Covid 19. Previous year included

Notes to Consolidated Financial Statements (continued)

recognition of deferred tax assets amounting to Rs 74.84 Crores in the said Indian joint venture. Other comprehensive income mainly represents re-measurement losses on defined benefits obligation.

The joint ventures have no significant contingent liabilities to which the Group is exposed, and the Group has no significant contingent liabilities in relation to its interest in the joint ventures and associates. The risks associated with the Group's interest in joint ventures are the same as those identified for the Group.

Associates

A list of Group's associates is given below. All associates are included in the Group's financials statements using the equity method of accounting.

Sl No.	Name of entity	Country of incorporation	Principal Activities	% holding 2020	% holding 2019
1	Amalgamated Plantations Pvt. Ltd.	India	Manufacturing, marketing and distribution of tea	41.03	41.03
2	Kanan Devan Hills Plantation Co. Pvt. Ltd.	India	Manufacturing, marketing and distribution of tea	28.52	28.52
3	Tril Constructions Ltd.	India	Development of real estate and infrastucture facilities	32.50	32.50

An analysis of the Group's investments in associates is as follows:

Rs in Crores

	2020	2019
April 1	65.38	84.92
Addition / Adjustment	-	10.08
Share of Profits / (Loss)	(25.67)	(28.57)
Share of Other Comprehensive Income	(11.49)	(0.67)
Dividend Received (incl dividend tax)	(0.39)	(0.38)
March 31	**27.83**	**65.38**

Financial information

None of the associates of the Group is individually material, financial information aggregating 100% of the results is as follows:

Rs in Crores

	2020	2019
Profit / (loss) after tax	(62.69)	(69.54)
Other Comprehensive Income	(30.22)	(2.56)
Total Comprehensive Income	**(92.91)**	**(72.10)**

Other comprehensive income mainly represents re-measurement losses on defined benefits obligation.

36. Financial Instruments

A. Accounting classification and fair values

Rs. in Crores

2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS								
Investments								
Quoted Equity Investments	-	9.73	-	9.73	9.73	-	-	9.73
Unquoted Equity Investments *	-	139.52	-	139.52	-	8.04	131.48	139.52
Unquoted Preference Shares	45.11	-	-	45.11	-	-	45.11	45.11
Units of Mutual Funds	833.55	-	-	833.55	833.55	-	-	833.55
Loans								
Non-current	-	-	22.50	22.50	-	-	-	-
Current	-	-	116.54	116.54	-	-	-	-
Trade Receivables	-	-	922.41	922.41	-	-	-	-
Cash and Cash Equivalent	-	-	1121.67	1121.67	-	-	-	-
Other Bank balances	-	-	499.79	499.79	-	-	-	-
Other Financial Assets	-	-			-	-	-	-
Non-current	-	-	32.17	32.17	-	-	-	-
Current	3.08	32.71	137.45	173.24	19.24	16.55		35.79
	881.74	**181.96**	**2852.53**	**3916.23**	**862.52**	**24.59**	**176.59**	**1,063.70**
FINANCIAL LIABILITIES								
Borrowings								
Non-current	-	-	794.67	794.67	-	-	-	-
Current	-	-	387.81	387.81	-	-	-	-
Lease Liabilities								
Non-current	-	-	291.96	291.96	-	-		-
Current	-	-	37.97	37.97				-
Trade payables	-	-	943.99	943.99				-
Other Financial Liabilities								
Non-current	-	9.83	4.10	13.93	-	9.83	-	9.83
Current	0.42	31.34	350.79	382.55	0.42	31.34	-	31.76
	0.42	**41.17**	**2811.29**	**2852.88**	**0.42**	**41.17**	**-**	**41.59**

Rs. in Crores

2019	Carrying amount							Fair value
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS								
Investments								
Quoted Equity Investments	-	63.17	-	63.17	63.17	-	-	63.17
Unquoted Equity Investments *	-	138.56	-	138.56	-	7.23	131.33	138.56
Unquoted Preference Shares	48.42	-	-	48.42	-	-	48.42	48.42
Units of Mutual Funds	583.16	-	-	583.16	583.16	-	-	583.16
Loans								-
Non-current	-	-	17.09	17.09	-	-	-	-
Current	-	-	245.01	245.01	-	-	-	-
Trade Receivables	-	-	680.55	680.55	-	-	-	
Cash and Cash Equivalent	-	-	967.02	967.02	-	-	-	
Other Bank balances	-	-	66.59	66.59	-	-	-	
Other Financial Assets	-	-			-	-	-	-
Non-current	-	-	28.62	28.62	-	-	-	-
Current	0.76	9.01	121.63	131.40	-	9.77	-	9.77
	632.34	**210.74**	**2126.51**	**2969.59**	**646.33**	**17.00**	**179.75**	**843.08**
FINANCIAL LIABILITIES								
Borrowings								
Non-current	-	-	787.24	787.24	-	-	-	-
Current	-	-	329.66	329.66	-	-	-	-
Trade payables			664.90	664.90	-	-	-	-
Other Financial Liabilities								
Non-current	-	1.82	5.79	7.61	-	1.82	-	1.82
Current	-	37.06	267.71	304.77	24.94	12.12	-	37.06
	-	**38.88**	**2055.30**	**2094.18**	**24.94**	**13.94**	**-**	**38.88**

* For certain investments categorised under Level 3, cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Notes to Consolidated Financial Statements (continued)

Measurement of fair values

The basis of measurement in respect to each class of financial asset / liability is disclosed in Note 2.2(h) of the financial statement.

The fair value of liquid mutual funds and long term equity investment is based on active market. Fair values of certain non-current investment are valued based on discounted cash flow/book value / EBITDA multiple approach. Derivative financial instruments are generally valued based on Black-Scholes-Merton approach and Dollar offset principles.

B. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

i. Risk management framework

The Risk Management Committee of the Board is entrusted with the responsibility to assist the Board in overseeing and approving the Group's risk management framework. The Group has a comprehensive risk policy relating to the risks that the Group faces under various categories like strategic, operational, reputational and other risks and these have been identified and suitable mitigation measures have also been formulated. The Risk Management Committee reviews the key risks and the mitigation measures periodically. The Audit Committee has additional oversight in the area of financial risks and control.

ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Group's credit risk are spread both geographically as well as across customers. Majority of our customers in the developed markets have good credit rating. In addition, Group has an established credit policy and a credit review mechanism. The Group also covers certain category of its debtors through a credit insurance policy. The insurance provider sets an individual credit limit and also monitors the credit risk of the consumer. The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non-performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Group is certain about the non-recovery.

(a) Trade receivables

The credit worthiness of trade debtors and the credit terms set are determined in individual regions and countries. There are no particular concentrations of credit risk as the Group's customer base is large. Trade receivables are considered a single class of financial assets, and based on the Group's experience of collecting receivables and associated defaults there is a low credit risk across regions and countries. In certain regions adequate insurance cover has been taken on trade receivables to further reduce the risk of default.

The fair values of trade and other receivables, deposits or bank guarantees are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when they become overdue. Management believes that the unimpaired amounts that are past due are collectible in full, based on historical payment pattern and analysis of customer credit risk.

Movement of allowance for impairments of trade receivables are as follows:

Rs in Crores

	2020	2019
As at April 1	6.88	4.84
Acquired on Acquisition	11.43	-
Impairment loss recognised	0.38	2.03
Unused amounts reversed	(3.84)	(0.05)
Translation exchange difference	0.07	0.06
As at March 31	**14.92**	**6.88**

Impact of Covid 19 pandemic- Based on recent trends observed, collection pattern and insurance covers in place, the Group does not envisage any material risks. Future outlook will depend on how the pandemic develops and the resultant impact on businesses.

(b) Financial instruments and cash deposits

The credit risk from balances / deposits with banks, other financial assets and current investments are managed in accordance with the Group's approved policy. Investments of surplus funds are made only with approved counterparties and within the limits assigned to each counterparties. The limits are assigned to mitigate the concentration risks. These limits are actively monitored by the treasury department.

Impact of Covid 19 pandemic- Based on the recent trends observed, type of instruments and strength of the counterparties, the Group does not envisage any material risks. Wherever the underlying assets/ instruments are subject to market risks, the same have been marked to market as at the Balance Sheet date. Future outlook will depend on how the pandemic develops and the resultant impact on businesses.

iii. Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting its obligations. The Group's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time.

Notes to Consolidated Financial Statements (continued)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities (excluding lease liabilities) at the reporting date. The amounts are gross and undiscounted and exclude the impact of netting agreements:

Rs in Crores

2020	Within 1 year	Due from 1 to 2 years	Due from 2 to 5 years	After 5 Years
Borrowings	461.72	507.06	165.75	142.82
Trade payables	922.80	-	-	-
Other financial liabilities	353.18	12.87	-	-
	1737.70	**519.93**	**165.75**	**142.82**

Rs in Crores

2019*	Within 1 year	Due from 1 to 2 years	Due from 2 to 5 years	After 5 Years
Borrowings	354.99	68.04	571.09	173.88
Trade payables	675.54	-	-	-
Other financial liabilities	280.57	7.61	-	-
	1311.10	**75.65**	**571.09**	**173.88**

* Includes balances pertaining to disposal group

The Group ensures that there is adequate finance available to fund growth and has adequate capacity to fund its obligations. The Group monitors rolling forecasts of its liquidity positions on the basis of expected cash flows to ensure sufficient liquidity through its cash reserves and various undrawn third party borrowing arrangements in place. The Group is also confident that if the need arises debt can be raised from the market at attractive terms. The Parent Company carries highest credit rating quality for its short term fund based lines from a reputed rating agency.

Impact of Covid 19 pandemic- Based on recent trends observed, profitability, cash generation, cash surpluses held by the Group and borrowing lines available, the Group does not envisage any material liquidity risks. Future outlook will depend on how the pandemic develops and the resultant impact on businesses.

iv. Market risk

Market risk is the risk that the fair value of the future cash flows will fluctuate because of changes in the market prices such as currency risk, interest rates risk and commodity price risk.

Currency Risk

The Group operates across various geographies and is exposed to foreign exchange risk on its various currency exposures. The risk of changes in foreign exchange rates relates primarily to the Group's operating activities and translation risk, which arises from recognition of foreign currency assets and liabilities and consolidation of foreign subsidiaries.

The Group uses various derivative financial instruments governed by its board approved policy, such as foreign exchange forward and option contracts to mitigate the said risk. The counterparty for these contracts is generally a bank. The Group reports periodically to the Audit Committee of the board, the various foreign exchange risk and policies implemented to manage its foreign exchange exposures.

During the year ended March 31, 2020, the Group has designated certain foreign exchange forward contracts and option contracts as cash flow hedges to mitigate the risk of foreign currency exposure on highly probable forecasted transactions. Hedge effectiveness is determined at inception and periodic prospective effectiveness testing is done to ensure the relationship exist between the hedged items and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedge items.

Impact of Covid 19 pandemic- The pandemic can cause continuing volatility in the currency market and this risk would be mitigated through effective hedging policies. Further, the Group basis the recent trends believe that the probability of the non- occurrence of forecasted transactions is minimal. The Group also does not expect any material deterioration in both counterparty credit risk and own credit risk. Accordingly, the Group continues to believe that there is no impact on effectiveness of its hedges. Future outlook will depend on how the pandemic develops and the resultant impact on the businesses.

The currency profile of financial assets and financial liabilities:

Rs in Crores

2020	USD	GBP	CAD	Other Currencies	Total
Trade Receivable and Other Financial Assets including loans/advances	243.08	-	-	36.82	279.90
Trade Payables and Other Financial Liabilities	44.72	2.57	0.14	16.65	64.08

Rs in Crores

2019	USD	GBP	CAD	Other Currencies	Total
Trade Receivable and Other Financial Assets including loans/advances	395.17	-	-	30.12	425.29
Trade Payables and Other Financial Liabilities	30.88	-	-	23.06	53.94

The following table gives details in respect of outstanding foreign currency forward and option contracts:

Type of Contract	Currency Pair	2020			2019		
		Notional Amount in FCY Mn	Equivalent Amount in Rs in Crores*	Fair Value Amount in Rs in Crores*	Notional Amount in FCY Mn	Equivalent Amount in Rs in Crores*	Fair Value Amount in Rs in Crores*
Forward Contracts Outstanding							
i) Exports	EUR / GBP	0.23	1.90	0.04	1.20	9.32	(0.03)
	CAD / GBP	16.00	84.93	2.37	10.00	51.53	1.47
	USD / INR	35.71	270.18	(10.71)	22.85	158.01	6.18
	AUD / INR	4.85	22.34	1.73	6.21	30.44	2.16
	EUR / INR	1.89	15.66	(0.38)	0.50	3.85	0.31
ii) Payables	USD / GBP	22.00	166.45	11.79	23.00	159.04	1.64
iii) Loans given	USD / GBP	20.00	151.32	0.84	35.11	242.76	(1.39)
iv) Loan to subsidiaries	USD / GBP	30.00	226.98	1.26	42.39	293.15	(1.68)
v) Receivables from Subsidiaries	CZK / GBP	-	-	-	35.60	10.71	(0.04)
	AUD / GBP	14.00	64.50	0.36	12.00	58.83	(0.30)
vi) Bank Deposits	USD/VND	0.38	2.88	(0.01)	-	-	-
Option Contracts Outstanding							
i) Payables	USD / GBP	-	-	-	6.00	41.49	0.89
ii) Receivable	USD / INR	-	-	-	4.35	30.08	0.88

* converted at the year end exchange rates

Fair value represents impact of mark to market value as at year end.

Notes to Consolidated Financial Statements (continued)

Following table summarises approximate gain / (loss) on the Group's profit before tax and pre-tax equity on account of appreciation / depreciation of underlying foreign currencies:

Rs in Crores

Details	2020		2019	
	Effect on Profit before tax	Effect on Pre-tax Equity	Effect on Profit before tax	Effect on Pre-tax Equity
5% appreciation of the underlying foreign currencies	2.35	(16.94)	5.00	(10.25)
5% depreciation of the underlying foreign currencies	(2.35)	17.35	(5.00)	15.44

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to its debt obligations with floating interest rates. The Group uses interest rate swap contracts to manage interest rate exposure on its long term debt obligations. The Group has entered into an interest rate swap whereby the Group pays a fixed rate of interest and receives a floating rate of interest on approximately half of the balance of term debt. These derivatives have been designated as cash flow hedges. In addition, the interest rate risk, can also impact the provision for retiral benefits.

Details of Interest rate swap which the Group has entered into for hedging its interest rate exposure on borrowing:

Details of Borrowings	Currency	2020			2019		
		Foreign Currency in Mn	Equivalent Amount in Rs in Crores *	Fair Value Amount in Rs in Crores*	Foreign Currency in Mn	Equivalent Amount in Rs in Crores *	Fair Value Amount in Rs in Crores*
Term Loan **	USD	61.89	468.23	(32.18)	63.34	437.97	(9.00)

* converted at the year end exchange rates

** to the extent of swap entered

Fair value represents impact of mark to market value as at year end.

The following table demonstrates the sensitivity on the Group's profit before tax, to a reasonably possible change in interest rates on the unhedged portion of loans and borrowings affected, with all other variables held constant:

Rs in Crores

Change	2020	2019
	Effect on Profit before tax	Effect on Profit before tax
25 basis points increase	(1.05)	(1.00)
25 basis points decrease	1.05	1.00

Price Risk

Commodity Price risk

The Group is exposed to fluctuations in price of certain commodities mainly tea, salt, pulses and coffee. Mismatch in demand and supply, adverse weather conditions, market expectations etc, can lead to price fluctuations. For tea, these fluctuations are managed through active sourcing, distribution of source of supply, private purchases and alternate blending strategies without impacting the quality of the blend. For Salt and pulses, these fluctuations are managed through active sourcing and commercial negotiation with customers and suppliers.

Further, the Group uses coffee futures and option contracts for US coffee operations, to reduce the price risk associated with forecasted purchases of coffee beans.

The Group enters into coffee futures based on market price and anticipated production requirements. These coffee futures have been designated as cash flow hedges and the unrealised gain / (loss) or fair value is recorded in other comprehensive income (OCI). The Group also enters into various call and put option contract to protect the price. The fair value of the unsettled contracts is recorded in other current assets or other current liabilities. The realised and unrealised gains and losses on these contracts are included in Statement of Profit and Loss as a part of Cost of Materials Consumed.

Outstanding position for various commodity derivatives financial instruments:

Commodity	Futures & Options	2020			2019		
		Notional Value in USD Mn	Equivalent Amount in Rs in Crores*	Fair Value Amount in Rs in Crores	Notional Value in USD Mn	Equivalent Amount in Rs in Crores*	Fair Value Amount in Rs in Crores
a) Coffee	Futures	23.63	178.80	18.62	30.85	213.35	(22.00)
b) Coffee	Options (Net)	(3.04)	(23.03)	0.19	(4.15)	(28.69)	(1.28)

* converted at the year end exchange rate
Fair value represents impact of mark to market value as at year end.

Impact of Covid 19 pandemic- Based on recent trends, the Group believes that depending on prevalence of lockdown conditions in regions from where raw materials are sourced, disruptions to the supply chain cannot be ruled out. This is an area which will be dynamically reviewed and managed by the Group. Future outlook will depend on how the pandemic develops and the resultant impact on businesses.

Equity investment Price risk

The price risk is the risk arising from investments held by the Group and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss.

The Group's equity investments are mainly strategic in nature and are generally held on a long term basis. Further, the current investments are all in units of overnight and liquid mutual funds and these are not exposed to significant price risk.

Notes to Consolidated Financial Statements (continued)

Capital Management

The Group's objective for capital management is to maximise shareholder wealth, safeguard business continuity and support the growth of the Group. The Group determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows.

The Group's adjusted net debt and equity position as at March 31, 2020 was as follows:

Rs in Crores

	2020	2019
Total Borrowings	1256.39	1141.10
Less : Cash and cash equivalent including bank deposits	1610.20	1022.02
Less : Current investments	833.55	583.16
Less : Inter-corporate Loans	133.94	256.53
Adjusted net (cash) / debt	**(1321.30)**	**(720.61)**
Total Equity	**14907.33**	**8359.37**

37. Employee Benefits Obligation

i) Defined contribution plans

The Group operates certain defined contribution schemes like provident fund and defined contribution superannuation schemes. Contributions are made by the Group, based on current salaries, to funds maintained by the Group and, for certain categories contributions are made to State Plans. For certain schemes, contributions are also made by the employees. Amount recognised in the statement of profit and loss on account of defined contribution schemes is Rs 41.82 Crores (Rs 36.26 Crores).

ii) Defined benefit plans

(a) Pension benefits

The Group also operates defined benefits pension plans in India and UK. The defined benefit schemes in India, which are closed to future accruals, offer specified benefits to the employees on retirement. Annual actuarial valuations are carried out by independent actuaries. Wherever funds have been set up, annual contributions are also made by the Group. Employees are not required to make any contribution.

The Group sponsors a defined benefit pension plan, the Tetley GB Final Salary Scheme (the "Scheme"), in the UK with benefits based on final salary. The Group closed the Scheme to future accrual with effect from 6 April 2005. The final salary pension plans provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on the members' length of service and their salary in the schemes final year. Payments from the scheme are generally indexed in line with the retail price index. The benefit payments are from trustee-administered funds. Responsibility for governance of the plan including investment decisions lies with the board of trustees. Contribution schedules are triennially agreed between the Group and the board of trustees. The board of trustees comprise of representatives of the Group and plan participants in accordance with the plan's regulations.

(b) Gratuity

The Group provides for gratuity for employees in India covering eligible employees. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service.

(c) Post-employment medical benefits

The Group operates post-employment medical benefits scheme to eligible employees in India and to former employees in the UK and the US. These plans are unfunded and the valuation method is similar to those used for defined benefit pension schemes.

d) Others

There are other superannuation benefits restricted to certain categories of employees/directors in the form of pension, medical and other benefits in terms of a specific policy.

(e) Post-employment life assurance benefits

The Group operates post-employment life assurance benefits to former employees in the US. These plans are unfunded and the valuation method is similar to those used for defined benefit pension schemes.

(f) Leave obligation

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

The table below outlines the net position of the Group's post-employment benefits plan:

Rs in Crores

	2020	2019
Defined benefits - India		
Pension	2.09	2.27
Gratuity	14.44	11.48
Post employment medical benefits	65.08	50.89
Others	101.59	85.07
Defined benefits - Overseas		
Pension	(257.98)	(127.63)
Life Assurance benefits	4.12	3.89
Post employment medical benefits	6.31	6.25
Liabilities / (Assets) in the balance sheet	**(64.35)**	**32.22**

Notes to Consolidated Financial Statements (continued)

Net Liabilities / (Assets) recognised in balance sheet for defined benefits:

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Other		Pension	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Present Value of Funded defined benefit obligation at the year end	4.44	4.25	152.66	131.31	-	-	-	-	1280.54	1323.36
Fair value of plan assets at the end of the year	5.92	5.75	138.22	119.83	-	-	-	-	1538.52	1450.99
	(1.48)	**(1.50)**	**14.44**	**11.48**	**-**	**-**	**-**	**-**	**(257.98)**	**(127.63)**
Present Value of Unfunded defined benefit obligation at the year end	3.05	3.26	-	-	65.08	50.89	101.59	85.07	-	-
Asset ceiling	0.52	0.51	-	-	-	-	-	-	-	-
Amount recognised in Balance Sheet	**2.09**	**2.27**	**14.44**	**11.48**	**65.08**	**50.89**	**101.59**	**85.07**	**(257.98)**	**(127.63)**

Changes in the Defined Benefit Obligation:

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Other		Pension	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Opening Defined Benefit Obligation	7.51	9.49	131.31	119.71	50.89	52.56	85.07	84.06	1323.36	1361.44
Acquired on Business Combination	-	-	5.42	-	-	-	-	-	-	-
Current Service cost	-	-	7.70	7.22	1.58	1.48	2.59	2.66	-	-
Past Service Cost	-	-	-	-	-	-	-	-	-	8.39
Interest on Defined Benefit Obligation	0.54	0.63	9.38	8.71	3.87	4.30	6.37	6.29	30.68	35.47
Actuarial changes arising from change in experience	0.25	(1.35)	1.32	5.30	(0.50)	(6.41)	2.14	(3.29)	(6.34)	(45.06)
Actuarial changes arising from change in demographic assumption	0.01	0.09	0.64	-	-	(0.44)	-	(0.34)	2.72	(30.34)
Interest on Plan assets	-	-	-	-	-	-	-	-	-	-
Actuarial changes arising from changes in financial assumption	0.32	0.02	6.30	1.36	10.59	0.59	10.43	0.58	(43.50)	64.37
Benefits Paid	(1.14)	(1.37)	(10.12)	(10.99)	(1.35)	(1.19)	(5.01)	(4.89)	(67.68)	(45.85)
Liability assumed/(settled)	-	-	0.71	-	-	-	-	-	-	-
Translation exchange difference	-	-	-	-	-	-	-	-	41.30	(25.06)
Closing Defined Benefit Obligation	**7.49**	**7.51**	**152.66**	**131.31**	**65.08**	**50.89**	**101.59**	**85.07**	**1280.54**	**1323.36**

Changes in the Fair value of Plan Assets during the year:

Rs. in Crores

	India				Overseas	
	Pension		Gratuity		Pension	
	2020	2019	2020	2019	2020	2019
Opening fair value of Plan assets	5.75	6.10	119.83	117.55	1450.99	1373.42
Acquired on Business Combination	-	-	5.42	-	-	-
Employers contribution	-	-	13.23	4.76	44.97	45.85
Interest on Plan Assets	0.41	0.40	8.77	8.86	34.29	36.40
Administrative cost	-	-	-	-	(2.81)	(3.73)
Actual return on plan assets less interest on plan assets	0.53	(0.05)	0.38	0.02	29.00	71.72
Benefits Paid	(0.77)	(0.70)	(10.12)	(11.40)	(67.68)	(45.85)
Assets acquired on Acquisition / (settled on Divestiture)	-	-	0.71	0.04	-	-
Translation exchange difference	-	-	-	-	49.76	(26.82)
Closing Fair value of plan assets	**5.92**	**5.75**	**138.22**	**119.83**	**1538.52**	**1450.99**

Expense recognised in the statement of profit and loss for the year:

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Current Service Cost	-	-	7.70	7.22	1.58	1.48	2.59	2.66	-	-
Past Service Cost	-	-	-	-	-	-	-	-	-	8.39
Interest cost on defined benefit obligation	0.13	0.23	0.61	(0.15)	3.87	4.30	6.37	6.29	(3.61)	(0.93)
Total recognised in the statement of profit and loss	**0.13**	**0.23**	**8.31**	**7.07**	**5.45**	**5.78**	**8.96**	**8.95**	**(3.61)**	**7.46**

Amounts recognised in Other Comprehensive Income for the year:

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Actuarial changes arising from change in demographic assumption	0.01	0.09	0.64	-	-	(0.44)	-	(0.34)	2.72	(30.34)
Actuarial changes arising from changes in financial assumption	0.32	0.02	6.30	1.36	10.59	0.59	10.43	0.58	(43.50)	64.37
Actuarial changes arising from changes in experience assumption	0.25	(1.35)	1.32	5.31	(0.50)	(6.41)	2.14	(3.29)	(6.34)	(45.06)
Return on plan asset excluding interest Income	(0.53)	0.05	(0.38)	(0.02)	-	-	-	-	(29.00)	(71.72)
Adjutment to recognise the effect of asset ceiling	0.01	0.19	-	-	-	-	-	-	-	-
Total (gain) / loss recognised in Other Comprehensive Income	**0.06**	**(1.00)**	**7.88**	**6.65**	**10.09**	**(6.26)**	**12.57**	**(3.05)**	**(76.12)**	**(82.75)**

Notes to Consolidated Financial Statements (continued)

Principal Actuarial assumptions used:

India	2020	2019
Discount rates	6.5%/6.75%	7.75%/7.70%
Salary Escalation Rate	8% for Management Staff 7% for Staff /Workers	8% for Management Staff 7% for Staff /Workers
Annual increase in health care cost	8%	8%
Pension increase rate	18% after every three years	18% after every three years
Mortality rates	Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2012-14) Ult Table

Overseas	2020	2019
Discount rate	2.40%	2.40%
Inflation assumptions - RPI	2.65%	3.25%
Rate of increase in pensions in payment	3.25%	3.55%
Rate of increase in pensions in deferment	3.00%	3.25%
Mortality Rates	Approved norms for overseas schemes	Approved norms for overseas schemes

Quantitative sensitivity analysis for significant assumption as at the year ended March 31, 2020 is as below:

Rs. in Crores

	India				Overseas
	Pension	Gratuity	Medical	Others	Pension
Impact of increase in 50 basis point in discount rate on Defined Benefit Obligation	(0.13)	(6.13)	(4.83)	(4.58)	(90.67)
Impact of decrease in 50 basis point in discount rate on Defined Benefit Obligation	0.14	6.57	5.46	4.97	100.95
Impact of increase in 50 basis point in salary escalation rate on Defined Benefit Obligation	-	6.50	-	-	-
Impact of decrease in 50 basis point in salary escalation rate on Defined Benefit Obligation	-	(6.11)	-	-	-
Impact of increase in 100 basis point in health care costs on Defined Benefit Obligation	-	-	11.20	0.10	-
Impact of decrease in 100 basis point in health care costs on Defined Benefit Obligation	-	-	(8.94)	(0.09)	-
Impact of increase in 25 basis point in RPI inflation rate on Defined Benefit Obligation	-	-	-	-	38.32
Impact of decrease in 25 basis point in RPI Inflation Rate on Defined Benefit Obligation	-	-	-	-	(19.63)
Impact of increase in 1 year in Life Expectancy on Defined Benefit Obligation	0.16	-	-	3.20	51.41
Impact of decrease in 1 year in Life Expectancy on Defined Benefit Obligation	(0.16)	-	-	(3.21)	(48.60)
Impact of increase in 100 basis point in pension rate on Defined Benefit Obligation	0.09	-	-	2.92	-
Impact of decrease in 100 basis point in pension rate on Defined Benefit Obligation	(0.08)	-	-	(2.82)	-

Sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. For the overseas pension fund, interest rate and inflation risks have been hedged, as explained in the section on risk hereunder.

Major Categories of Plan Assets:

Rs. in Crores

	India				Overseas	
	Pension		Gratuity		Pension	
	2020	2019	2020	2019	2020	2019
Govt of India Securities	0.11	0.88	-	-	-	-
PSU bonds	-	-	-	-	-	-
Insurance managed Funds	5.13	3.62	137.88	119.83	-	-
Equities	-	-	-	-	263.59	235.35
Liability Driven Investments (LDI)	-	-	-	-	689.81	771.20
Multi asset credit	-	-	-	-	204.70	323.15
Diversified growth funds					100.01	-
Secured income					134.60	-
Corporate bonds	-	-	-	-	114.97	-
Property	-	-	-	-	-	105.00
Cash & Insurance policies	-	-	-	-	30.84	16.29
Others	0.68	1.25	0.34	-	-	-
Total	**5.92**	**5.75**	**138.22**	**119.83**	**1538.52**	**1450.99**

Risks

India
The Group contributes all its ascertained liabilities towards gratuity to the trust set up for the same. Trustees administer the contributions made to the trust. As at March 31, 2020 and March 31, 2019, the plan assets have been primarily invested in insurer managed funds.

Overseas
The nature of the Scheme exposes the Group to the risk of paying unanticipated additional contributions to the Scheme in times of adverse experience. The most financially significant risks are likely to be:

– **Asset volatility**
  The Scheme's liabilities are calculated using a discount rate set with reference to corporate bond yields in line with the requirements of Ind AS 19. If the Scheme assets underperform this yield, it will increase the deficit. The plan holds investments across a range of asset classes which are expected to outperform corporate bonds in the long term but have volatility and risks in the short term.

– **Changes in bond yields**
  A decrease in corporate bond yields will increase plan liabilities. In the event of a reduction in the corporate bond yields there will be an increase in the value of the Scheme's interest rate swaps and derivatives held which reduce exposure to this risk by approximately 90%.

– **Inflation risk**
  The Group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. The hedging strategy in place means through the use of inflation swaps and derivatives the scheme assets hedge approximately 90% of this risk.

– **Life expectancy**
  The Scheme's obligation is to provide benefits for the life of the members. An increase in life expectancy will result in an increase in the Scheme's liabilities.

Asset-liability matching strategies used by the overseas scheme
The Scheme's investment strategy includes holding a 40% allocation to liability-driven investments which involves hedging the fund's exposure to changes in interest rates and inflation through use of liability driven investments (LDI) which typically involves swaps and derivatives, 15% exposure to multi-asset credit and a 7.5% holding in corporate bonds, the remaining portfolio invested across a diversified range of growth assets which includes equity, diversified growth funds and secured income assets.

Notes to Consolidated Financial Statements (continued)

Expected contributions over the next financial year:
The Group expects to contribute approximately Rs 62.95 Crores to the Schemes in the year ending March 31, 2021.

Maturity Profile of defined benefit obligation (undiscounted basis):

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Within next 12 months	2.78	1.67	19.09	21.93	2.09	1.81	6.08	6.07	45.81	44.36
Between 2 and 5 years	3.83	5.10	49.32	40.79	9.26	7.98	27.05	25.86	200.97	195.53
Between 6 and 9 years	2.43	2.79	58.61	55.01	10.73	9.10	30.41	29.57	229.01	219.97
10 years and above	2.53	3.09	174.48	165.45	99.20	57.61	150.20	147.70	1440.38	1554.19

Post-employment life assurance benefits - Overseas
The Group operates post-employment life assurance benefits to former employees in the US. These plans are unfunded and the valuation method is similar to those used for defined benefit pension schemes. The liability recognised in the balance sheet as at March 31, 2020 was Rs 4.12 Crores (Rs 3.89 Crores).

Post-employment medical benefits - Overseas
The Group operates post –employment medical benefits scheme to eligible former employees in the UK and the US. These plans are unfunded and the valuation method is similar to those used for defined benefit pension schemes with the addition of actuarial assumptions relating to the long-term increase in healthcare costs in the US of 5.0% p.a. and in the UK of 5.4% p.a. The liability recognised in the balance sheet as at March 31, 2020 was Rs 6.31 Crores (Rs 6.25 Crores).

iii) Provident Fund

The Parent Company and its Indian subsidiary operate Provident Fund Schemes and the contributions are made to recognised funds maintained by the Parent Company and an Indian subsidiary and for certain categories contributions are made to State Plans. The said companies have an obligation to fund any shortfall on the yield of the trust's investments over the administered rates on an annual basis. The Actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumption.

The Details of fund and plan assets position are given below: Rs in Crores

	2020	2019
Plan Assets as at year end	222.09	211.88
Present value of Funded Obligation at period end	224.46	211.88
Amount recognised in the Balance Sheet	(2.37)	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	2020	2019
Guaranteed Rate of Return	8.50%	8.55%
Discount Rate for remaining term to Maturity of Investment	6.45%/6.75%	7.45% / 7.70%
Expected Rate of Return on Investment	8.70%/8.90%	9.17% / 8.91%

38. Segment Information

A. General Information

The Group has organised its businesses into Branded Segment and Non Branded Segment. Branded Segment is further sub-categorised as India Beverages, India Foods and International Beverages.

Description of each segment is as follows:

i) **Branded Business -**
India Beverages: Sale of branded tea, coffee, water and in various value added forms
India Foods: Sale of food products
International Beverages: Sale of branded tea, coffee, water and in various value added forms

ii) **Non Branded Business: Plantation and Extraction business for Tea, Coffee and other produce.**
The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators of the operating segments. The CODM reviews revenue and operating profits as the performance indicator for all of the operating segments and also reviews the total assets and liabilities of an operating segment.

B. Information about reportable segments

a) **Segment Revenue**

Rs in Crores

	2020	2019
Branded Business		
India - Beverages	3376.89	3167.66
India - Foods	2063.74	-
International - Beverages	3226.04	3238.38
Total Branded Business	**8666.67**	**6406.04**
Non Branded Business	**974.94**	**842.47**
Total Segments Revenue	**9641.61**	**7248.51**
Others	26.63	30.16
Less: Inter-Segment Revenue	(30.82)	(27.17)
Revenue from External Customer	**9637.42**	**7251.50**

b) **Segment Results**

Rs in Crores

	2020	2019
Branded Business		
India - Beverages	465.14	457.42
India - Foods	266.45	-
International - Beverages	360.76	276.73
Total Branded Business	**1092.35**	**734.15**
Non Branded Business	**55.65**	**66.64**
Total Segment Results	**1148.00**	**800.79**
Add/Less:		
Other Income*	93.35	105.58
Finance Cost	(77.86)	(52.47)
Unallocable items	(79.32)	(85.90)
Exceptional Items	(274.79)	(33.29)
Profit before Income Tax	**809.38**	**734.71**

*Excludes other Income considered as part of segment results.

Notes to Consolidated Financial Statements (continued)

c) Segment Assets and Liabilities

Rs in Crores

Segment Assets	2020	2019
Branded Business		
India - Beverages	1554.03	1322.45
India - Foods	6231.66	-
International - Beverages	5352.99	5237.22
Total Branded Business	**13138.68**	**6559.67**
Non Branded Business	**1599.93**	**1483.92**
Total Segment	**14738.61**	**8043.59**
Unallocable Corporate Assets	3763.99	2895.13
Total Assets	**18502.60**	**10938.72**

Segment Liabilities

Rs in Crores

	2020	2019
Branded Business		
India - Beverages	538.32	366.03
India - Foods	240.72	-
International - Beverages	759.99	520.21
Total Branded Business	**1539.03**	**886.24**
Non Branded Business	**186.98**	**169.88**
Total Segment	**1726.01**	**1056.12**
Unallocable Corporate Liabilities	1869.26	1523.23
Total Liabilities	**3595.27**	**2579.35**

d) Addition to non-current assets

Rs in Crores

	2020	2019
Branded Business		
India - Beverages	183.21	44.84
India - Foods	6052.61	-
International - Beverages	43.84	37.07
Total Branded Business	**6279.66**	**81.91**
Non Branded Business	**97.14**	**359.14**
Total Segments	**6376.80**	**441.05**

Non-current assets do not include financial instruments, deferred tax assets, post-employment benefit assets.

e) Depreciation and Amortisation Expense

Rs in Crores

	2020	2019
Branded Business		
India - Beverages	61.07	26.82
India - Foods	48.82	-
International - Beverages	82.39	67.78
Total Branded Business	**192.28**	**94.60**
Non Branded Business	**49.43**	**27.97**
Total Segments	**241.71**	**122.57**

C. Additional information by Geographies

Rs in Crores

Revenue by Geographical Market	2020	2019
India	6177.27	3904.55
USA	1672.22	1651.73
United Kingdom	1118.33	1135.61
Rest of the World	669.60	559.61
Revenue from External Customer	**9637.42**	**7251.50**

Rs in Crores

Non-Current Assets by Geographical Market	2020	2019
India	7092.28	870.29
USA	1873.78	1784.87
United Kingdom	1728.80	1666.39
Rest of the World	1138.74	1117.42
Total Non Current Assets	**11833.60**	**5438.97**

Notes to Segment information

a) The segment wise revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. Un-allocable items include expenses incurred on common services at the corporate level.

b) Pricing of inter segment transfers are based on benchmark market prices.

c) The Group has revised the composition of its reportable segments to align with the changes in the manner in which the Group's CODM allocates resource and reviews performance. The corresponding segment information for the comparative year has been restated as per the requirements of Ind AS 108.

39. a) Related party transaction

Related parties other than Joint Ventures and Associate with whom Group has transactions are given below, Refer Note 35 for list of Joint Ventures and Associates.

Promoter

Tata Sons Private Limited

Subsidiaries and Joint Venture of Tata Sons Private Limited

Tata Consultancy Services Limited
Tata Investment Corporation Limited
Tata Housing Development Company Limited
Tata AIG General Insurance Co Limited
Tata AIA Life Insurance Co. Limited
Taj Air Limited
Infiniti Retail Limited
Tata International Singapore PTE Limited
Tata Elxsi Limited
Ewart Investments Limited
Tata Uganda Limited
Tata Limited
Tata Industries Limited
Tata Capital Financial Services Limited
Tata International Vietnam Company Limited
Tata Communications Limited
Tata Teleservices Limited
Tata Teleservices Maharastra Ltd

Key Managerial Personnel

Mr. Ajoy Misra - Managing Director & CEO
Mr. L KrishnaKumar - Executive Director & Group CFO

Employee Benefit Funds

Tata Tea Limited Management Staff Gratuity Fund
Tata Tea Limited Management Staff Superannuation Fund
Tata Tea Limited Staff Pension Fund
Tata Tea Limited Gratuity Fund
Tata Tea Limited Calcutta Provident Fund
Tata Coffee Staff Provident Fund Trust
Tata Coffee Superannuation Fund
Tata Coffee Group Gratuity Fund

Notes to Consolidated Financial Statements (continued)

b) Particulars of transactions during the year ended March 31, 2020:

Rs in Crores

	2020	2019
Sale of Goods and Services		
- Joint Ventures	47.28	46.62
- Associates	2.62	2.05
- Subsidiaries and Joint Ventures of Promoter	2.16	0.32
Other Operating Income		
- Joint Ventures	17.30	13.73
- Associates	3.03	2.75
Purchase of Goods & Services		
- Joint Ventures	240.37	227.35
- Associates	181.29	216.29
- Subsidiaries and Joint Ventures of Promoter	14.62	22.96
Rent Paid		
- Associates	2.38	2.25
Other Expenses (Net)		
- Joint Ventures	5.99	6.16
- Associates	4.21	2.88
- Promoter	19.46	16.28
- Subsidiaries and Joint Ventures of Promoter	64.56	58.79
Directors Remuneration *	9.96	8.97
Dividend Paid		
- Promoter	46.51	46.50
- Subsidiaries and Joint Ventures of Promoter	7.85	8.26
Dividend/Interest Received		
- Joint Ventures	1.53	1.24
- Associates	1.98	2.47
- Promoter	1.76	1.40
- Subsidiaries and Joint Ventures of Promoter	3.14	3.90
Sale of Investments		
- Promoter	65.27	-
- Subsidiaries and Joint Ventures of Promoter	-	1.16
Reimbursement of Expenditure/(Income)		
- Joint Ventures	(1.93)	(1.70)
- Associates	(6.26)	(8.18)
- Promoter	0.10	0.44
Intercorporate Loan/ Deposits Given		
- Subsidiaries and Joint Ventures of Promoter	-	50.00
Deposit redeemed		
- Subsidiaries and Joint Ventures of Promoter	16.23	90.00
- Associates	1.75	3.50
Investments Made		
- Joint Ventures	55.94	35.80
Contribution to Funds - Employee Benefit Plans	31.70	22.81

* Provision for employee benefits, which are based on actuarial valuation done on an overall basis, is excluded. The above does not include share of recurring/special benefits payables to former directors.

c) Details of material transactions (i.e exceeding 10% in of total transaction values in respective category) with related party:

Rs in Crores

	2020	2019
Sale of Goods and Services		
- **Joint Ventures**		
NourishCo Beverages Ltd.	25.56	30.00
Tata Starbucks Pvt. Ltd.	14.38	16.62
Southern Tea LLC.	7.34	-
Other Operating Income		
- **Joint Ventures**		
Tata Starbucks Pvt. Ltd.	16.70	13.20
- **Associates**		
Kanan Devan Hills Plantation Company Pvt. Ltd.	3.03	2.75
Purchase of Goods & Services		
- **Joint Ventures**		
Southern Tea LLC.	238.52	224.96
- **Associates**		
Amalgamated Plantations Pvt Ltd.	103.59	140.52
Kanan Devan Hills Plantation Company Pvt. Ltd.	77.70	75.78
Rent Paid		
- **Associates**		
Amalgamated Plantations Pvt Ltd.	1.39	1.59
Kanan Devan Hills Plantation Company Pvt. Ltd.	0.74	0.66
Other Expenses (Net)		
- **Promoter** - Tata Sons Private Limited	19.46	16.28
- **Subsidiaries and Joint Ventures of Promoter**		
Tata Consultancy Services Limited	37.17	33.01
Tata AIG General Insurance Limited	16.51	16.17
Tata Communications Limited	8.67	-
Dividend Paid		
- **Promoter** - Tata Sons Private Limited	46.51	46.50
- **Subsidiaries and Joint Ventures of Promoter**		
Tata Investment Corporation Limited	6.74	6.73
Dividend/Interest Received		
- **Promoter** - Tata Sons Private Limited	1.76	1.40
- **Subsidiaries and Joint Ventures of Promoter**		
Tata Housing Development Company Limited	2.85	3.58
- **Associates**		
Kanan Devan Hills Plantation Company Pvt. Ltd.	1.98	2.47
Sale of Investments		
- **Promoter** - Tata Sons Private Limited	65.27	-
- **Subsidiaries and Joint Ventures of Promoter**		
Tata Investment Corporation Limited	-	1.16

Notes to Consolidated Financial Statements (continued)

Rs in Crores

	2020	2019
Reimbursement of Expenditure/(Income)		
- **Joint Ventures**		
NourishCo Beverages Ltd.	(1.76)	(1.51)
- **Associates**		
TRIL Constructions Limited	(2.37)	(4.15)
Amalgamated Plantations Pvt Ltd.	(2.08)	(2.33)
Kanan Devan Hills Plantation Company Pvt. Ltd.	(1.81)	(1.70)
Intercorporate Loan/ Deposits Given		
- **Subsidiaries and Joint Ventures of Promoter**		
Tata Housing Development Company Limited	-	50.00
Deposit redeemed		
- **Subsidiaries and Joint Ventures of Promoter**		
Tata Housing Development Company Limited	15.00	90.00
Investments Made		
- **Joint Ventures**		
Tata Starbucks Pvt. Ltd.	53.00	35.80
Contribution to Funds - Employee Benefit Plans		
Tata Tea Limited Calcutta Provident Fund	15.81	13.32
Tata Coffee Limited Employees Gratuity Fund	4.20	4.76
Tata Tea Limited Management Staff Gratuity Fund	3.31	-

d) Balance Outstanding as at March 31, 2020

Rs in Crores

	2020	2019
Debit		
- Joint Ventures	13.69	7.11
- Associates	25.77	18.89
- Subsidiaries and Joint Ventures of Promoter	7.38	20.60
Credit		
- Joint Ventures	3.96	8.28
- Associates	2.78	6.46
- Promoter	13.16	12.36
- Subsidiaries and Joint Ventures of Promoter	5.06	7.99
- Employee Benefit plans	14.43	5.65

e) Pursuant to the Scheme of Arrangement [Refer Note 41(i)], promoter and its subsidiaries were issued 82241927 and 17416518 equity shares respectively and 228 equity shares were issued to Key Managerial Personnel, as a part of the shares issued to the shareholders of Tata Chemicals Limited.

40. Non-Current Assets Held For Sale

Assets and liabilities relating Tata Global Beverages Czech Republic a.s, a subsidiary was presented as held for sale in the financial year 2018-19:

Rs in Crores

Assets	2020	2019
Non Current Assets (incl Goodwill)	-	17.62
Current Assets	-	19.55
	-	**37.17**
Liabilities		
Current Liabilities	-	11.77
	-	**11.77**

The said business was disposed in January 2020. Net assets disposed were Rs 24.24 Crores and purchase consideration amounted to Rs 31.10 Crores. Gain on disposal amounting to Rs.10.38 Crores including reversal of foreign currency translation reserve of Rs 3.52 Crores is reported under exceptional items (Refer Note 28).

41. Business Combination

(i) Acquisition of Consumer Product Business of Tata Chemicals Limited through Scheme of Arrangement

In accordance with the Scheme of Arrangement (Scheme) between the Company and Tata Chemicals Limited (TCL) as approved by Hon'ble National Company Law Tribunal, the Consumer Product Business of TCL (foods business) was demerged and transferred to the Company with effect from the Appointed date of April 1, 2019 (appointed date), in consideration of 114 equity shares of the Company of Re.1 each fully paid up for every 100 equity shares held in TCL of Rs 10 each fully paid up. The effective date of the Scheme was February 7, 2020 (effective date).

The Scheme will enable the Group to expand its presence in the fast moving consumer goods categories, result in revenue and cost synergies and, enhance the financial profile with higher growth, margin expansion and increased cash flows which will provide further headroom for growth.

Pursuant to the Scheme, the name of the Company was also changed to Tata Consumer Products Limited with effect from March 10, 2020 and the Authorised Share Capital of the Company was increased to Rs 125 Crores represented by 125 Crores equity shares of Rs 1 each. In discharge of the consideration, the Company allotted 290,421,986 equity shares to the shareholders of TCL on March 11, 2020. The fair value of equity shares issued amounted to Rs 6098.87 Crores. The premium on the equity shares issued has been credited to the Securities Premium Account.

As per the provisions of the Scheme, transfer of the above business into the Company have been accounted in the Financial Statements in accordance with Ind AS 103, 'Business Combinations', with effect from Appointed date. Further, in terms of the scheme, with effect from the appointed date till the effective date, the foods business was carried on by TCL for and on account of, and in trust for the Company.

Assets acquired and liabilities assumed as at April 1, 2019 are as follows:

	Rs in Crores
Tangible Assets	3.69
Intangible Assets	2459.47
Inventories	154.00
Trade Receivables	81.33
Other Assets	27.53
Total Assets	**2726.01**
Trade Payable	164.95
Other Liabilities	**24.61**
Liabilities	**189.55**
Total Identified Net Assets at Fair Value	**2536.46**
Goodwill	3562.41
Fair Value of Consideration	**6098.87**

Notes to Consolidated Financial Statements (continued)

Goodwill on the above transaction reflects growth opportunities, synergy benefits, assembled workforce, procurement contracts, market reputation, quality of service and other benefits which are not separately identifiable. The goodwill and other intangible assets recognised are depreciable for income tax purposes.

Acquired Receivables
Fair value of trade receivables acquired is Rs 81.33 Crores. These amounts are fully collectible.

Impact of above acquisition on the results
The acquired business contributed revenue of Rs 2063.74 Crores and profit before tax of Rs 263.81 Crores. Profit before tax is after deducting amortisation expenses relating to intangible assets acquired of Rs 43.32 Crores. Expenses incurred on the transaction and on business integration initiatives of Rs 51.30 Crores are reported under Exceptional Items in the Statement of Profit and Loss.

(ii) Acquisition of branded tea business of Dhunseri Tea and Industries Limited

The Parent Company acquired the branded tea business of Dhunseri Tea and Industries Limited, pursuant to a business transfer agreement dated August 1, 2019 at an aggregate cash consideration of Rs 107.02 Crores (Includes Rs. 6.01 Crores for working capital). The acquisition is expected to give the Parent Company improved distribution access.

Assets acquired and liabilities assumed as at August 21, 2019 are as follows:

	Rs in Crores
Tangible Assets	0.01
Intangible Assets	84.90
Trade Receivables	5.99
Other Assets	0.69
Total Assets	**91.59**
Current Liabilities	0.67
Liabilities	**0.67**
Total Identified Net Assets at Fair Value	**90.92**
Goodwill	16.10
Fair Value of Consideration	**107.02**

Goodwill on the above transaction reflects growth opportunities, synergy benefits, sourcing and distribution contracts. The goodwill and other intangible assets recognised are depreciable for income tax purposes.

Acquired Receivables
Fair value of trade receivables acquired is Rs 5.99 Crores. These amounts are fully collectible.

Impact of above acquisition on the results
The acquired business contributed revenue of Rs 31.95 Crores and profit before tax of Rs 2.52 Crores. Acquisition related costs amounting to Rs 0.51 Crores are reported under exceptional item in the Statement of Profit and Loss.

42. Additional information, as required under Schedule III of the Companies Act, 2013, of entities consolidated as Subsidiary/Associates/Joint Ventures:

Sl No.	Name of the Entity	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As a % of Consolidated Net Assets	Amount (Rs in Crores)	As a % of Consolidated Profit or Loss	Amount (Rs in Crores)	As a % of Consolidated OCI	Amount (Rs in Crores)	As a % of Total Comprehensive Income	Amount (Rs in Crores)
	Parent								
	Tata Consumer Products Limited (Formerly Tata Global Beverages Limited)	78.54%	10850.01	113.87%	523.54	-6.53%	(15.27)	73.27%	508.27
	Subsidiaries								
	Indian								
1	Tata Coffee Ltd.	7.24%	1000.50	15.92%	73.21	-4.07%	(9.53)	9.18%	63.68
2	Tata Tea Holdings Private Ltd.	0.00%	(0.01)	0.00%	0.00	-	-	0.00%	0.00
	Foreign								
1	Consolidated Coffee Inc. (Consolidated Financials)	6.23%	860.74	25.54%	117.42	14.55%	34.02	21.83%	151.44
2	Tata Coffee Vietnam Company Ltd.	0.35%	48.08	-3.04%	(13.96)	-5.75%	(13.45)	(0.04)	(27.41)
3	Tata Tea Extractions Inc.	2.93%	405.30	3.55%	16.31	-	-	2.35%	16.31
4	Tata Consumer Products Capital Ltd	5.98%	825.99	-2.59%	(11.91)	-	-	-1.72%	(11.91)
5	Tata Consumer Products UK Group Ltd.	41.01%	5665.17	-194.58%	(894.61)*	-	-	-128.97%	(894.61)
6	Tata Global Beverages Holdings Ltd.	-	-	-	-	-	-	-	-
7	Tata Global Beverages Services Ltd.	-	-	-	-	-	-	-	-
8	Tata Consumer Products GB Ltd. (Formerly Tata Global Beverages GB Ltd.)	16.01%	2211.37	24.87%	114.32	30.57%	71.50	26.79%	185.82
9	Tata Consumer Products Overseas Holdings Ltd. (Formerly Tata Global Beverages Overseas Holdings Ltd.)	-0.42%	(58.30)	-29.92%	(137.54)#	-	-	-19.83%	(137.54)
10	Tata Global Beverages Overseas Ltd.	-0.13%	(18.22)	-	-	-	-	-	-
11	Lyons Tetley Ltd. (Dormant)	0.00%	0.19	-	-	-	-	-	-
12	Drassington Ltd. (Dormant)	-	-	-	-	-	-	-	-
13	Teapigs Ltd.	0.53%	72.79	1.67%	7.70	-	-	1.11%	7.70
14	Teapigs US LLC	-0.07%	(9.03)	-0.13%	(0.61)	-	-	-0.09%	(0.61)

Notes to Consolidated Financial Statements (continued)

Sl No.	Name of the Entity	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As a % of Consolidated Net Assets	Amount (Rs in Crores)	As a % of Consolidated Profit or Loss	Amount (Rs in Crores)	As a % of Consolidated OCI	Amount (Rs in Crores)	As a % of Total Comprehensive Income	Amount (Rs in Crores)
15	Empirical Group LLC	0.30%	41.15	8.49%	39.02	-	-	5.63%	39.02
16	Tata Waters LLC	-0.02%	(3.25)	(0.00)	(0.78)	-	-	(0.00)	(0.78)
17	Stansand Ltd. (Dormant)	0.00%	0.05	-	-	-	-	-	-
18	Stansand (Brokers) Ltd. (Dormant)	0.00%	0.30	-	-	-	-	-	-
19	Stansand (Africa) Ltd. (Dormant)	0.13%	18.64	0.44%	2.02	-	-	0.29%	2.02
20	Stansand (Central Africa) Ltd.	0.02%	3.12	0.19%	0.87	-	-	0.13%	0.87
21	Tata Global Beverages Polska sp.zo.o	0.07%	9.25	0.15%	0.69	-	-	0.10%	0.69
22	Tata Global Beverages Czech Republic a.s.	-	-	-0.52%	(2.39)	-	-	-0.34%	(2.39)
23	Tata Consumer Products US Holdings Inc. (Formerly Tata Global Beverages US Holdings Inc.)	3.21%	442.81	-1.06%	(4.86)	-	-	-0.70%	(4.86)
24	Tetley USA Inc.	1.59%	220.28	1.60%	7.34	-	-	1.06%	7.34
25	Good Earth Corporation.	-0.07%	(9.65)	-0.06%	(0.29)	-	-	-0.04%	(0.29)
26	Good Earth Teas Inc.	-0.43%	(59.44)	-2.32%	(10.67)	-	-	-1.54%	(10.67)
27	Tata Consumer Products Canada Inc. (Formerly Tata Global Beverages Canada Inc.)	0.10%	14.41	0.40%	1.83	-	-	0.26%	1.83
28	Tata Consumer Products Australia Pty Ltd. (Formerly Tata Global Beverages Australia Pty Ltd.)	0.13%	17.92	-0.25%	(1.15)	-	-	-0.17%	(1.15)
29	Earth Rules Pty Ltd.	-0.40%	(54.91)	-1.02%	(4.70)	-	-	-0.68%	(4.70)
30	Tata Global Beverages Investments Ltd. (Dormant)	-	-	-	-	-	-	0.00%	0.00
31	Campestres Holdings Ltd.	-0.01%	(1.29)	-0.03%	(0.15)	-	-	-0.02%	(0.15)
32	Kahutara Holdings Ltd.	-1.34%	(184.60)	-7.36%	(33.84)	-	-	-4.88%	(33.84)
33	Suntyco Holding Ltd.	-0.48%	(66.60)	-0.98%	(4.52)	-	-	-0.65%	(4.52)
34	Onomento Co Ltd.	0.11%	15.19	0.68%	3.13	-	-	0.45%	3.13
35	Coffee Trade LLC (under liquidation)	-	-	1.21%	5.55	-	-	0.80%	5.55
	Non-controlling Interest in all Subsidiaries	-7.91%	(1092.47)	-0.08%	(0.35)	-20.35%	(47.59)	-6.91%	(47.94)

Sl No.	Name of the Entity	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As a % of Consolidated Net Assets	Amount (Rs in Crores)	As a % of Consolidated Profit or Loss	Amount (Rs in Crores)	As a % of Consolidated OCI	Amount (Rs in Crores)	As a % of Total Comprehensive Income	Amount (Rs in Crores)
	Associates								
	Indian								
1	Amalgamated Plantations Pvt. Ltd.	0.18%	24.18	-4.89%	(22.49)	-4.03%	(9.43)	-4.60%	(31.92)
2	Kanan Devan Hills Plantations Co. Pvt. Ltd.	0.15%	21.18	-0.09%	(0.41)	-0.88%	(2.06)	-0.36%	(2.47)
3	TRIL Constructions Ltd.	0.35%	48.10	-0.45%	(2.06)	-	-	-0.30%	(2.06)
	Joint Ventures								
	Indian								
1	NourishCo Beverages Ltd.	0.07%	10.03	-0.21%	(0.95)	(0.00)	(0.02)	-0.14%	(0.97)
2	Tata Starbucks Private Ltd.	0.85%	116.89	-11.17%	(51.36)	(0.00)	(0.33)	-7.45%	(51.69)
	Foreign								
1	Joekels Tea Packers (Proprietary) Ltd.	0.08%	11.38	1.32%	6.07	-	-	0.88%	6.07
2	Southern Tea LLC	0.33%	45.54	-0.49%	(2.27)	-	-	-0.33%	(2.27)
3	Tetley ACI (Bangladesh) Ltd.	-0.01%	(1.08)	-0.20%	(0.91)	-	-	-0.13%	(0.91)
4	Tetley Clover (Pvt) Ltd.	0.00%	0.09	0.00%	0.01	-	-	0.00%	0.01
	Consolidation eliminations/ adjustments	-55.21%	(7626.94)	161.72%	743.51	96.65%	226.05	139.78%	969.56
	TOTAL	**100%**	**13814.86**	**100%**	**459.76**	**100%**	**233.89**	**100%**	**693.65**

*non-cash write down in the carrying value of investments in a subsidiary which is substantially attributable to a past fair value step up, eliminated through 'Consolidation eliminations / adjustments'.

represents non-cash write down in the carrying value of investments in underlying subsidiaries.

43. Unless otherwise stated, figures in brackets relate to the previous year. Previous year's figures have been regrouped / rearranged, to the extent necessary, to conform to current year's classifications. All the numbers have been rounded off to nearest crore.