Independent Auditor's Report

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

Opinion

We have audited the accompanying standalone financial statements of Tata Consumer Products Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Acquisition accounting for the Scheme of merger of Consumer Products Business of Tata Chemicals Limited -** During the year, the Company had acquired the Consumer Product Business of Tata Chemicals Ltd. as set out in Note 40 of the financial statements. Accounting for the acquisition has involved judgment in order to: • determine whether the acquisition constitutes a business; • determine the fair value of consideration transferred; • identify and measure the fair value of the identifiable assets acquired and liabilities assumed; • allocate the purchase consideration between identifiable assets and liabilities and goodwill; This is a material acquisitions for the Company and given the level of estimation and judgement required, we considered it to be a key audit matter. The most significant judgements relate to the identification and valuation of intangible assets acquired. The identified intangible assets are the brands and distribution rights. This includes complex valuation considerations and requires the use of specialists. Refer Note 2.2 (a) and note 2.3 to the Financial Statements	Our procedures included but were not limited to: • We examined the terms and conditions of the scheme of arrangement in order to challenge the Company's assessment of whether the acquisition comprises a business. • We tested the completeness of the identified assets and liabilities acquired by comparison to the scheme of arrangement, through discussions with the Company. • We assessed the Company's determinations of fair values for assets and liabilities acquired and the methods used to value the underlying assets by: o Reading the valuation report prepared by the appointed external valuation specialists. o Evaluating the competence, objectivity and integrity of the appointed external valuation specialists. o Involving our internal valuation specialists in assessing the appropriateness of the methods used to determine the fair values of the brands and distribution rights and including assumptions such as the discount rates applied. • Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.
2	**Inventory of raw tea, blended tea and salt (Existence)** – Management's physical verification of raw tea, blended tea and salt was not physically observed by us subsequent to the year-end due to the restrictions imposed on account of COVID-19. Refer Note 10 of the financial statements.	We have carried out following procedures with respect to the existence of tea and salt as at the year-end: • Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls during the interim periods. • Management had carried out the physical verification of inventory on February 29, 2020. On account of COVID – 19 related nationwide lockdown, we were unable to carry out inventory verification at the year end. Consequently, we have performed the following alternate procedures to audit the existence of inventory: o Participated in the physical verification of inventory of tea and salt conducted by the management subsequent to the year end, through video calls and performed roll back procedures. o In case of tea and salt, for the stock held at third party locations, obtained direct confirmation of the inventory held by third party locations subsequent to the year end and performed roll back procedures. o Obtained verification reports of the independent chartered accountant firms which were engaged by the Company for the Management inventory verification process. Verified the instructions provided by the management to those independent firms. Evaluated the differences identified by these independent firms during their physical verification of inventories and it was noted that there were no major deviations found.

Independent Auditor's Report (continued)

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

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

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

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

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

    e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

Independent Auditor's Report (continued)

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sanjiv V Pilgaonkar
Partner
(Membership No.039826)
UDIN: 20039826AAAACK9835

Mumbai, May 14, 2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

We have audited the internal financial controls over financial reporting of Tata Consumer Products Limited (the “Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

Independent Auditor's Report (continued)

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

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

Sanjiv V Pilgaonkar
Partner
(Membership No.039826)
Mumbai, May 14, 2020
UDIN: 20039826AAAACK9835

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits and hence reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) There are no disputed dues of Customs Duty. Details of dues of Income-tax, Sales Tax, Service Tax and State Value Added Tax which have not been

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (CONTINUED)

deposited as on March 31, 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. Crores)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Kochi	2004-05, 2007-08 and 2008-09	2.10
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal ,New Delhi	2007-08 and 2009-10	0.01
West Bengal Value Added Tax Act, 2003	West Bengal Value Added Tax	Additional Commissioner (Appeals) – Kolkata	2017-18	1.14
Central Sales Tax Act, 1956	Sales Tax	Additional Commissioner (Appeals) – Kolkata	2017-18	0.07
Karnataka Sales Tax Act, 1957	Sales Tax	Commissioner of Commercial Tax, Karnataka	1997-98	1.28
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	Madras High Court	1998-99 to 2006-07	0.57
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner Indore, Madhya Pradesh	2011-12 to 2013-14	1.94
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner of Commercial Tax, Indore Div. 2, Indore	2014-15	0.24
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner Appeals, Coimbatore	2012-13	0.05
West Bengal Value Added Tax Act, 2003	West Bengal Value Added Tax	The West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata	2007-08 and 2008-09	1.36
Himachal Pradesh Value Added Tax Act, 2005	Himachal Pradesh Value Added Tax	Additional Excise & Taxation Commissioner (Appeals) South Zone, Shimla	2007-08	0.08
Goa Value Added Tax Act, 2005	Goa Value Added Tax	Commissioner of Commercial Tax, Goa	2006-07	0.01
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	The Supreme Court of India	2011-12	0.82
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	The High Court of Madhya Pradesh	2010-11	2.06
Finance Act, 1994	Service Tax	Commissioner Appeals, Bangalore	April 15 to June 17	0.04
Finance Act, 1994	Service Tax	Custom Excise and Service Tax Appellate Tribunal, Kolkata	2005-06	1.46
Finance Act, 1994	Service Tax	Commissioner Appeals, Kolkata	2008-09 and 2009-10	0.01

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sanjiv V Pilgaonkar
Partner
(Membership No.039826)
UDIN: 20039826AAAACK9835

Mumbai, May 14, 2020

Balance Sheet

as at March 31, 2020

Rs in Crores

	Note	2020	2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	225.32	223.84
Capital work-in-progress		22.16	10.52
Investment Property	4	-	0.65
Right of Use Asset	4A	124.88	-
Goodwill	5	3578.51	-
Other Intangible Assets	5	2523.83	18.06
Intangible asset under development		5.99	6.73
Financial Assets			
Investments	6	2324.91	2318.59
Loans	7	22.35	16.77
Other Financial Assets	8	24.68	20.41
Deferred Tax Assets (Net)	20 (e)	-	33.86
Non-Current Tax Assets (Net)	20 (c)	123.06	63.38
Other Non-Current Assets	9	87.64	83.49
		9063.33	**2796.30**
Current assets			
Inventories	10	919.95	846.91
Financial Assets			
Investments	6	724.51	497.74
Trade Receivables	11	314.17	181.92
Cash and Cash Equivalents	12	243.24	408.96
Other Bank Balances	13	494.53	63.99
Loans	7	0.66	8.13
Other Financial Assets	8	75.20	37.42
Other Current Assets	9	214.84	163.08
		2987.10	**2208.15**
TOTAL ASSETS		**12050.43**	**5004.45**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14 (a)	92.16	63.11
Other Equity	14 (b)	10757.85	4380.57
TOTAL EQUITY		**10850.01**	**4443.68**
Non-Current Liabilities			
Financial Liabilities			
Lease Liability		121.82	-
Provisions	17	137.52	115.25
Deferred Tax Liabilities	20 (e)	149.22	-
		408.56	**115.25**
Current liabilities			
Financial liabilities			
Borrowings	15	35.00	4.53
Lease Liability		23.69	-
Trade Payables	18		
Total outstanding dues of Micro enterprises and Small enterprises		4.31	3.50
Total outstanding dues of creditors other than Micro enterprises and Small enterprises		442.73	235.92
Other Financial Liabilities	16	120.11	99.17
Other Current Liabilities	19	75.91	65.31
Provisions	17	73.96	20.65
Current Tax Liability (Net)	20 (d)	16.15	16.44
		791.86	**445.52**
TOTAL EQUITY AND LIABILITIES		**12050.43**	**5004.45**

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

In terms of our report attached.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, May 14, 2020

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

S. Santhanakrishnan
Director
(DIN 00032049)

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

L. KrishnaKumar
Executive Director
(DIN 00423616)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

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

Rs in Crores

	Note	2020	2019
INCOME			
Revenue from Operations	21	5690.24	3429.66
Other Income	22	117.75	182.51
Total Income		**5807.99**	**3612.17**
EXPENSES			
Cost of Materials Consumed	23	2305.02	2055.97
Purchases of Stock-in-trade		1123.86	23.65
Change in Inventories of Finished Goods/Stock-in-trade/Work-in-progress	24	44.36	0.16
Employee Benefits Expense	25	283.44	216.85
Finance Costs	26	25.73	13.18
Depreciaton and Amortisation Expense		114.82	31.68
Advertisement & Sales Charge		384.91	226.55
Other Expenses	27	744.63	468.21
Total Expenses		**5026.77**	**3036.25**
Profit before Exceptional Items and Taxes		**781.22**	**575.92**
Exceptional Items (Net)	28	(51.81)	-
Profit before Tax		**729.41**	**575.92**
Tax Expenses	20 (a)		
Current Tax		(0.61)	160.57
Deferred Tax		206.48	4.42
		205.87	**164.99**
Profit for the year		**523.54**	**410.93**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(28.18)	4.67
Changes in fair valuation of equity instruments		9.84	(3.77)
		(18.34)	**0.90**
Tax impact on above items		7.47	(1.80)
		(10.87)	**(0.90)**
Items that will be reclassified to profit or loss			
Gains/(loss) on effective portion of cash flow hedges		(6.53)	4.23
Tax Impact on above items		2.13	(1.48)
		(4.40)	**2.75**
Other Comprehensive Income for the year		**(15.27)**	**1.85**
Total Comprehensive Income for the year		**508.27**	**412.78**
Earnings per share	33		
Equity share of nominal value Re. 1 each			
Basic and Diluted		5.68	6.51

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

In terms of our report attached.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, May 14, 2020

For and on behalf of the Board

N. Chandrasekaran
Chairman
(DIN 00121863)

S. Santhanakrishnan
Director
(DIN 00032049)

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

L. KrishnaKumar
Executive Director
(DIN 00423616)

John Jacob
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

Statement of Changes in Equity

as at March 31, 2020

Equity Share Capital and Other Equity (Refer Note 14)

Rs in Crores

Particulars	Equity Share Capital	Reserve and Surplus						Other Comprehensive Income		Total Other Equity
		Capital Reserve	Securities Premium Account	Contingency Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Effective portion of Cash Flow Hedge	Fair value gains/(loss) on Equity Instruments	
Balance as at April 1, 2018	**63.11**	**15.79**	**361.05**	**1.00**	**21.86**	**1143.31**	**2551.9**	**0.52**	**54.81**	**4150.24**
Profit for the year							410.93			410.93
Other Comprehensive Income							3.04	2.75	(3.94)	1.85
Total Comprehensive Income for the year	-	-	-	-	-	-	413.97	2.75	(3.94)	412.78
Transaction with owners in their capacity as owners:										
Dividends (including tax on dividend)							(182.45)			(182.45)
Realised gain on equity shares carried at Fair Value through Other Comprehensive Income							0.99		(0.99)	
Balance as at April 1, 2019	**63.11**	**15.79**	**361.05**	**1.00**	**21.86**	**1143.31**	**2784.41**	**3.27**	**49.88**	**4380.57**
Profit for the year							523.54			523.54
Other Comprehensive Income							(20.71)	(4.40)	9.84	(15.27)
Total Comprehensive Income for the year	-	-	-	-	-	-	**502.83**	**(4.40)**	**9.84**	**508.27**
Transaction with owners in their capacity as owners:										
Dividends (including tax on dividend)							(186.05)			(186.05)
Share issue pursuant to the Scheme (Refer Note 40A)	29.05		6069.82							6,069.82
Transitional adjustment on Ind AS 116 (Refer Note 35)							(14.76)			(14.76)
Realised gain on equity shares carried at Fair Value through Other Comprehensive Income							50.02		(50.02)	-
Balance as at March 31, 2020	**92.16**	**15.79**	**6430.87**	**1.00**	**21.86**	**1143.31**	**3136.45**	**(1.13)**	**9.70**	**10757.85**

In terms of our report attached.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

May 14, 2020

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Company Secretary

Statement of Cash Flow
for the year ended March 31, 2020

Rs in Crores

	2020		2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax		729.41		575.92
Adjusted for :				
Depreciation and Amortisation	114.82		31.68	
Dividend Income	(47.15)		(81.25)	
Unrealised Exchange Loss / (Gain)	(1.69)		0.17	
Finance Cost	25.73		13.18	
Fair Value movement in Financial Instruments designated at Fair Value through profit or loss	3.31		(4.14)	
Interest Income	(46.57)		(38.31)	
Profit on sale of Current Investments (net)	(24.88)		(33.45)	
Impairment loss recognised in trade receivables (net of reversal)	(1.11)		0.51	
(Profit) / Loss on sale of Property, Plant & Equipment (net)	1.33		0.40	
Other Exceptional Expense/(Income)(net)	51.81		-	
Other Non Operating Income	-		(25.21)	
		75.60		**(136.42)**
Operating Profit before working capital changes		**805.01**		**439.50**
Adjustments for :				
Trade Receivables & Other Assets	(118.96)		(102.51)	
Inventories	80.96		(102.51)	
Trade Payables & Other Liabilities	37.05		(9.18)	
		(0.95)		(214.20)
Cash generated from Operations		**804.06**		**225.30**
Direct Taxes paid (net)	(59.03)		(127.83)	
		(59.03)		(127.83)
Net Cash from / (used in) Operating Activities		**745.03**		**97.47**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment for Property, Plant and Equipment and Intangibles	(65.28)		(53.52)	
Sale of Property, Plant and Equipment	0.11		0.17	
Sale of Non Current Investments carried at Fair value through OCI	53.20		1.16	
Acquisition of Business	(101.01)		-	
Investment in Joint Ventures	(53.00)		(35.80)	
(Purchase) / Sale of Current Investments (net)	(201.89)		73.39	
(Placement)/ Redemption Fixed deposits (net)	(430.65)		240.00	
Dividend Income received	47.15		81.25	
Interest Income received	41.38		35.42	
Inter Corporate Deposits & Loans (Net)	1.75		3.50	
Net Cash (used in) / from Investing Activities		**(708.24)**		**345.57**

Rs in Crores

		2020		2019	
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Working Capital Facilities (net)	35.00		(60.00)	
	Payment of Lease Liabilities	(28.97)		-	
	Dividend paid	(157.78)		(157.78)	
	Dividend Tax paid	(29.12)		(24.67)	
	Finance Cost paid	(17.11)		(4.71)	
	Net Cash (used in) / from Financing Activities		**(197.98)**		**(247.16)**
	Net (decrease) / increase in Cash and Cash Equivalents		**(161.19)**		**195.88**
D.	**CASH AND CASH EQUIVALENTS BALANCES**				
	Balances at the beginning of the year		404.43		208.55
	Balances at the end of the year		**243.24**		**404.43**

Rs in Crores

	2020	2019
Reconciliation with Balance Sheet		
Cash and Cash Equivalents	243.24	404.43
Add: Bank Overdraft	-	4.53
Balances at the end of the year (Refer Note 12)	**243.24**	**408.96**

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

In terms of our report attached.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, May 14, 2020

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Chief Financial Officer

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Company Secretary

Notes to Standalone Financial Statements

1. General Information

Tata Consumer Products Limited ("the Company") (formerly known as Tata Global Beverages Limited) and its subsidiaries (together referred to as 'the Group') and the Group's associates and joint ventures are engaged in the trading, production and distribution of Consumer products viz., mainly Tea, Coffee, Water collectively termed as branded beverage business, and Salt, Pulses, Spices etc collectively termed as branded foods business (Refer Note 40A). The Group has branded beverage business mainly in India, Europe, US, Canada and Australia, and foods business in India. The non-branded plantation business is in India and tea and coffee extraction businesses are in India, Vietnam and the US.

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

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

2. Preparation and Presentation of financial statements

2.1 Basis of preparation and measurement

(a) Basis of preparation

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

(b) Basis of measurement

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

2.2 Significant Accounting Policies

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

(a) Business Combinations

The Company applies the acquisition method to account for business combination. The consideration transferred for the acquisition of a business comprises the,

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

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

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

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Company is recognised at fair value at

Notes to Financial Statements (continued)

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

(b) Property, Plant and Equipment

i) Recognition and measurement:

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

ii) Depreciation:

Depreciation is provided on assets to get the initial cost down to the residual value, including on asset created on lands under lease. Land is not depreciated. Depreciation is provided on a straight line basis over the estimated useful life of the asset as prescribed in Schedule II to the Companies Act, 2013 or based on a technical evaluation of the asset. Cost incurred on assets under development are disclosed under capital work in progress and not depreciated till asset is ready to use.

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

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

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

Category	Useful life
Leasehold buildings / improvements	Lower of lease term or useful life
Buildings	30 to 60 years
Plant and Machinery	10 to 25 years
Furniture and Fixtures and other Office Equipments	5 to 16 years
Computer, Printers and other IT Assets	2 to 5 years
Motor vehicles	8 to 10 years

(c) Biological Assets

Biological assets are classified as bearer biological assets and consumable biological assets. Consumable biological assets are those that are to be harvested as agricultural produce. Bearer biological assets which are held to bear agricultural produce are classified as Bearer assets.

The Company recognises tea bushes and shade trees as bearer assets, with further classification as mature bearer assets and immature bearer assets. Mature bearer plants are those that have attained harvestable stage.

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

Cost incurred for new plantations and immature areas are capitalised. The cost of immature areas coming into bearing is transferred to mature plantations and depreciated over their estimated useful life which has been ascribed to be within the range of 50 years.

Tea is designated as agricultural produce at the point of harvest and is measured at their fair value less cost to sell as at each reporting date. Any changes in fair value are recognised in the statement of profit and loss in the year in which they arise.

(d) Investment Property

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

(e) Intangible Assets

(i) Goodwill

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

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

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

(ii) Brands and Trademarks

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

The useful lives of brands/trademarks are assessed to be either finite or indefinite. The assessment includes whether the brand/trademark name will continue to trade and the expected lifetime of the

Notes to Financial Statements (continued)

brand/trademark. Amortisation is charged on assets with finite lives on a straight-line basis over a period appropriate to the asset's useful life. The carrying values of brands/trademarks with finite and indefinite lives are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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

Brands and trademarks having finite lives have been ascribed a useful life within the range of 10 – 20 years.

(iii) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the estimated useful life of the customer relationship. Customer intangibles have been ascribed a useful life to be within the range of 8- 20 years.

(iv) Distribution Network

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

(v) Patent / knowhow

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

(vi) Computer software

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

Computer software development costs recognised as assets are amortised over their estimated useful lives, which range between 3 to 5 years.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 5 years.

(vii) Website Cost

The cost incurred for separate acquisition for website for Company's own use is capitalised in the books of accounts of the Company. In case of internally generated website, the cost is capitalised only if the future economic benefits are expected to flow to the entity and if the asset can be controlled by entity as a result of past events.

These costs are amortised over their estimated useful lives of 5 years.

(vii) Research and Development

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

(f) Impairment of tangible and intangible assets

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

(g) Assets held for sale and disposal groups

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

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

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

(h) Financial Instruments

Financial assets

The Company classifies its financial assets in the following categories:

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

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

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

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

ii) Financial assets at fair value through other comprehensive income (FVTOCI) - All equity investments are measured at fair values. Investments which are not held for trading purposes and where the Company has exercised the option to classify the investment as at fair value

Notes to Financial Statements (continued)

through other comprehensive income , all fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments.

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

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

iv) Impairment of financial assets - The Company assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Company's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

Financial liabilities

Initial recognition and measurement

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

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

Investment in Subsidiaries, Associates and Joint Ventures

Investment in subsidiaries, associates and joint ventures are accounted at cost in the financial statements.

Derivative financial instruments and hedging activities

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

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

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

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

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

(a) Fair value hedge

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

(b) Cash flow hedge

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

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

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

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

Fair value measurement

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

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

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

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

Interest and dividend income

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

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

(i) Inventories

Raw materials, traded and finished goods are stated at the lower of cost and net

Notes to Financial Statements (continued)

realisable value, net realisable value represents the estimated selling price less all estimated cost of completion and selling expenses. Stores and spares are carried at cost. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

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

Provision is made for obsolescence and other anticipated losses wherever considered necessary.

(j) Employee Benefits

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

i) Post retirement employee benefits:

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

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

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

ii) Other employee benefits:

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

iii) Employee termination benefits:

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

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

(k) Provisions, Contingent Liabilities and Contingent Assets

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

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

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

(l) Income Tax

i) Current Income Tax:

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961.

ii) Deferred Tax:

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

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

Notes to Financial Statements (continued)

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

iii) Minimum Alternate Tax:

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

(m) Foreign currency and translations

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in Indian Rupees (INR), which is the functional currency of the Company.

ii) Foreign currency transactions and balances

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

(n) Revenue from contracts with customer

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

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

A refund liability is recognised for expected returns in relation to sales made and corresponding assets are recognised for the products expected to be returned.

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

(o) Government Grant

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

(p) Leases

As a lessee

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

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

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

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

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

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

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

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

As a lessor

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

(q) Borrowing Costs

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

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

Notes to Financial Statements (continued)

(r) Exceptional Items

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

(s) Earnings per share

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

(t) Segment Reporting

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

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

(u) Cash and Cash equivalents

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

(v) Offsetting instruments

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

(w) Events after the reporting period

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

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

2.3 Key accounting judgement, estimates and assumptions

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

The areas involving critical estimates or judgements are:

Goodwill and Intangibles

The Company records all intangible assets including goodwill acquired as part of a business combination at fair value. In relation to business combinations, judgement is required to be exercised on determining the fair values, identification and measurement of assets acquired and liabilities assumed, in allocation of purchase consideration, in deciding the amortisation policy and on tax treatment of goodwill and intangible assets acquired. Appropriate independent professional advice is also obtained, as necessary. Goodwill is assigned an indefinite useful life whilst intangible assets are assigned an indefinite or finite useful life. Goodwill and intangible assets assigned an indefinite useful life are as a minimum subject to annual tests of impairment in line with the accounting policy whereas all other intangibles assets are amortised. (Refer Note 5)

Depreciation and amortisation

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

Employee Benefits

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

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions. (Refer Note 39)

Fair value of derivatives and other financial instruments

All financial instruments are required to be fair valued as at the balance sheet date, as provided in Ind AS 109 and Ind AS 113. Being a critical estimate, judgement is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc., as applicable. (Refer Note 38)

Notes to Financial Statements (continued)

3. Property, Plant & Equipment

Rs in Crores

	Land @	Buildings @	Plant & Equipment @	Furniture, Fixtures & Office Equipment	Motor Vehicles	Total
COST						
As at 1 April 2018	**7.37**	**53.47**	**268.30**	**50.27**	**4.53**	**383.94**
Additions	-	0.50	36.38	5.40	-	**42.28**
Disposals	-	-	(7.31)	(0.86)	(0.18)	**(8.35)**
As at 1 April 2019	**7.37**	**53.97**	**297.37**	**54.81**	**4.35**	**417.87**
Acquisition through Business Combination (Refer Note 40)	-	-	0.19	-	-	**0.19**
Additions	-	1.66	25.90	4.28	0.46	**32.30**
Transfer from Investment Property (Refer Note 4)	-	1.02	-	-	-	**1.02**
Disposals	-	(0.09)	(2.94)	(0.42)	(0.09)	**(3.54)**
As at 31 March 2020	**7.37**	**56.56**	**320.52**	**58.67**	**4.72**	**447.84**
ACCUMULATED DEPRECIATION						
As at 1 April 2018	**-**	**16.58**	**130.71**	**26.42**	**2.64**	**176.35**
Depreciation expense	-	1.20	19.24	4.48	0.55	**25.47**
Disposals	-	-	(6.82)	(0.80)	(0.17)	**(7.79)**
As at 1 April 2019	**-**	**17.78**	**143.13**	**30.10**	**3.02**	**194.03**
Transfer from Investment Property (Refer Note 4)	-	0.37	-	-	-	**0.37**
Depreciation expense	-	1.19	23.23	5.08	0.53	**30.03**
Disposals	-	(0.05)	(1.60)	(0.17)	(0.09)	**(1.91)**
As at 31 March 2020	**-**	**19.29**	**164.76**	**35.01**	**3.46**	**222.52**
Net carrying value as at 31 March 2020	**7.37**	**37.27**	**155.76**	**23.66**	**1.26**	**225.32**
Net carrying value as at 31 March 2019	**7.37**	**36.19**	**154.24**	**24.71**	**1.33**	**223.84**

1) Certain Plantation land meant for usage as tea plantations and for ancillary activities has been leased by the Company to its associate company Kanan Devan Hills Plantation Company Private Limited for a period of 30 years as part of the restructure in 2005, of its South India Plantation Operation.

2) Cost of Buildings include Rs. 5.90 Crores (Rs. 5.90 Crores) represented by shares in Co-operative Housing Societies / a Company.

3) (@) Includes amount of Rs. 1.26 Crores (Rs. 1.26 Crores), Rs.0.62 Crores (Rs. 0.62 Crores), Rs. 0.08 Crores (Rs.0.08 Crores), respectively, jointly owned /held with a subsidiary company.

4) Land includes leasehold land amounting to Rs. 0.17 Crores (Rs. 0.17 Crores).

4. Investment Property

Rs in Crores

	2020	2019
COST		
Opening Balance	1.02	1.02
Transfer to Property, Plant and Equipment	1.02	-
Closing Balance	-	1.02
ACCUMULATED DEPRECIATION		
Opening Balance	0.37	0.35
Transfer to Property, Plant and Equipment	0.37	-
Depreciation expense	-	0.02
Closing Balance	**-**	**0.37**
NET CARRYING VALUE	**-**	**0.65**

Profit & Loss Statement of Investment Property:

Rs in Crores

	2020	2019
Rental Income	-	0.08
Profit from investment property before depreciation	-	0.08
Depreciation/Amortisation for the year	-	(0.02)
Profit/(loss) from Investment Property	**-**	**0.06**

During the year, the usage of above investment property was re categorized and accordingly this has been reclassified into Property, Plant and Equipment.

4A. Right of Use Assets

Rs in Crores

	Building	Plant & machinery	Motor Vehicles	Total
COST				
At 1 April 2019	-	-	-	-
Recognition on transition to Ind AS 116 (Refer Note 35)	73.11	3.37	2.27	78.75
Acquired through Business Combination (Refer Note 40A)	-	3.50	-	3.50
Additions	61.55	9.76	1.10	72.41
Disposals	(0.98)	-	-	(0.98)
At 31 March 2020	**133.68**	**16.63**	**3.37**	**153.68**
ACCUMULATED DEPRECIATION				
At 1 April 2019	-	-	-	-
Depreciation expense	24.49	3.11	1.37	28.97
Disposals	(0.17)	-	-	(0.17)
At 31 March 2020	**24.32**	**3.11**	**1.37**	**28.80**
Net carrying value as at 31 March 2020	**109.36**	**13.52**	**2.00**	**124.88**

Notes to Financial Statements (continued)

5. Goodwill and Other Intangible Assets

Rs in Crores

	Goodwill	Capitalised Software	Patent/ Knowhow	Brand *	Non Compete Fees	Distribution Network	Total Other Intangible Assets
COST							
At 1 April 2018	**-**	**42.87**	**17.63**	**-**	**3.00**	**-**	**63.50**
Additions	-	5.04	-	-	-	-	5.04
Disposals	-	-	-	-	(3.00)	-	(3.00)
At 1 April 2019	**-**	**47.91**	**17.63**	**-**	**-**	**-**	**65.54**
Acquisition through Business Combination (Refer Note 40)	3578.51	0.46	-	2273.45	-	270.46	2544.37
Additions	-	17.22	-	-	-	-	17.22
Disposals	-	-	-	-	-	-	-
At 31 March 2020	**3578.51**	**65.59**	**17.63**	**2273.45**	**-**	**270.46**	**2627.13**
ACCUMULATED AMORTISATION							
At 1 April 2018	**-**	**25.95**	**15.34**	**-**	**3.00**	**-**	**44.29**
Amortisation expense	-	5.61	0.58	-		-	6.19
Disposals	-	-	-	-	(3.00)	-	(3.00)
At 1 April 2019	**-**	**31.56**	**15.92**	**-**	**-**	**-**	**47.48**
Amortisation expense	-	8.39	0.60	13.02	-	33.81	55.82
Disposals	-	-	-	-	-	-	-
At 31 March 2020	**-**	**39.95**	**16.52**	**13.02**	**-**	**33.81**	**103.30**
Net carrying value as at 31 March 2020	**3578.51**	**25.64**	**1.11**	**2260.43**	**-**	**236.65**	**2523.83**
Net carrying value as at 31 March 2019	**-**	**16.35**	**1.71**	**-**	**-**	**-**	**18.06**

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

Impairment of Goodwill and intangible assets with indefinite useful life

For the purpose of Impairment Testing, Goodwill has been allocated to Company CGUs as follows:

Rs in Crores

	2020
India Food Business (Refer Note 40A)	3562.41
India Beverages Business (Refer Note 40B)	16.10
Total	**3578.51**

For the purpose of Impairment Testing, Indefinite life brand relates to following Company CGUs:

Rs in Crores

	2020
India Food Business (Refer Note 40A)	2093.33
Total	**2093.33**

Both goodwill as well as indefinite life brand as above arose during the year (Refer Note 40). The fair values of businesses acquired were allocated to various identifiable tangible and intangible assets and the balance has been categorised as goodwill.

Value in use i.e. the enterprise value for each CGU is calculated using cash flow projections over a period of 5 years, with amounts based on medium term strategic plans, subject to experience adjustments. Cash flows beyond the 5 years period are extrapolated using a long term growth rate.

Key assumptions in the business plans include future revenue, associated future levels of marketing support and other relevant cost-base. These assumptions are based on historical trends and future market expectations specific to each CGU.

Other key assumptions applied in determining value in use are:

- Long term growth rate – Cash flows beyond the 5 years period are extrapolated using the estimated long-term growth rate applicable for the geographies in which the CGUs operate.
- Discount rate – The discount rate is based on a Weighted Average Cost of Capital (WACC) for comparable companies operating in similar markets.

The long term growth rates and discount rates applied in the value in use calculations have been set out below:

	Pre Tax Discount rate	Long Term Growth Rate
India Food Business (Refer Note 40A)	13.40%	6.0%
India Beverages Business (Refer Note 40B)	13.40%	5.0%

Notes to Financial Statements (continued)

6. Investments

Rs in Crores

	2020	2019
NON-CURRENT INVESTMENTS		
Quoted Equity Instruments	171.24	215.26
Unquoted Equity Instruments	2041.81	1988.16
Unquoted Preference Shares	111.86	115.17
Unquoted Debentures (Refer footnote f)	0.00	0.00
Unquoted Government Securities (Refer footnote f)	0.00	0.00
	2324.91	**2318.59**
CURRENT INVESTMENTS		
Mutual Funds - Unquoted (Carried at Fair value through Profit & Loss)	724.51	497.74
	724.51	**497.74**
Total Investments	**3049.42**	**2816.33**
Market Value of Quoted Investments	**612.56**	**1022.67**
Aggregate amount of Unquoted Investments	**2878.18**	**2601.07**
Aggregate amount of Quoted Investments	**171.24**	**215.26**
Aggregate Amount of Impairment in Value of Investments	**0.22**	**0.22**

Quoted Equity Instruments

Carried at fair value through Other Comprehensive Income

	Face Value	Nos.		Rs in Crores	
		2020	2019	2020	2019
Tata Chemicals Ltd (Refer foot note g)	Rs. 10	-	705522	-	41.45
Tata Investment Corporation Ltd	Rs. 10	146872	146872	9.73	12.30
SBI Home Finance Ltd. (under liquidation) (Refer footnote h)	Rs. 10	100000	100000	-	-
				9.73	**53.75**

Carried at Cost:

	Face Value	Nos.		Rs in Crores	
		2020	2019	2020	2019
Investment in Subsidiary					
Tata Coffee Ltd (Refer footnote a)	Rs. 1	107359820	107359820	161.51	161.51
				161.51	**161.51**
Total Quoted Equity Instruments				**171.24**	**215.26**

Unquoted Equity Instruments

Carried at fair value through other comprehensive income

	Face Value	Nos. 2020	Nos. 2019	Rs in Crores 2020	Rs in Crores 2019
Tata Sons Pvt. Ltd. (Refer footnote b)	Rs. 1000	1755	1755	9.75	9.75
Tata Capital Ltd.	Rs. 10	613598	613598	3.07	3.10
Tata Services Ltd.	Rs. 1000	475	475	0.05	0.05
Tata Industries Ltd. (Refer footnote b)	Rs. 100	6519441	6519441	115.82	115.82
Taj Air Ltd.	Rs. 10	4200000	4200000	1.04	1.04
Anamallais Ropeways Company Limited (Refer foot note h)	Rs. 100	2092	2092	-	-
ABC Tea Workers Welfare Services	Rs. 10	20000	20000	0.02	0.02
Assam Hospitals Ltd	Rs. 10	200000	200000	3.74	2.84
The Valparai Co-operative Wholesale Stores Ltd. (Refer foot note h)	Rs. 10	350	350	-	-
Suryakiran Apartment Services Private Ltd (Refer footnote f)	Rs. 10	2146	2146	0.00	0.00
Jalpaiguri Club Ltd. (Cost Re. 1) (Refer footnote f)	Rs. 10	60	60	0.00	0.00
GNRC Ltd	Rs. 10	50000	50000	0.30	0.30
IFCI Venture Capital Funds Ltd	Rs. 10	250000	250000	0.60	0.82
Ritspin Synthetics Ltd (Refer foot note h)	Rs. 10	100000	100000	-	-
TEASERVE (Refer footnote f) (The Tamil Nadu Tea Manufacturers' Service Industrial Co-operative Society Ltd)	Rs 5000	1	1	0.00	0.00
Woodlands Hospital & Medical Res .Centre Ltd. (Refer footnote f)	Rs. 10	12280	12280	0.00	0.00
				134.39	133.74

Unquoted Equity Instruments

Carried at cost

	Face Value		Nos. 2020	Nos. 2019	Rs in Crores 2020	Rs in Crores 2019
Investment in Subsidiaries:						
Tata Tea Extractions Inc	US$	1	14000000	14000000	59.80	59.80
Tata Consumer Products UK Group Limited(Formerly Tata Global Beverages Group Ltd.)	GBP	1	70666290	70666290	500.71	500.71
Tata Consumer Products Capital Limited (Formerly Tata Global Beverages Capital Ltd.)	GBP	1	89606732	89606732	763.89	763.89
Consolidated Coffee Inc.	US$	0.01	199	199	92.49	92.49
Tata Tea Holdings Private Limited	Rs.	10	50000	50000	0.05	0.05
Investment in Associates :						
Amalgamated Plantations Pvt Ltd. (Refer footnote d)	Rs.	10	61024400	61024400	71.10	71.10
Kanan Devan Hills Plantations Company (Pvt.) Ltd.	Rs.	10	3976563	3976563	12.33	12.33
TRIL Constructions Limited	Rs.	10	11748148	11748148	11.75	11.75
Investment in Joint Ventures :						
NourishCo Beverages Limited	Rs.	10	106500000	106500000	106.50	106.50
Tata Starbucks Private Limited (Refer footnote c)	Rs.	10	288800000	235800000	288.80	235.80
					1,907.42	1,854.42
Total Unquoted Equity Instruments					2,041.81	1,988.16

Notes to Financial Statements (continued)

Unquoted Preference Shares

	Face Value	Nos.		Rs in Crores	
		2020	2019	2020	2019
Investment in Associates					
Amalgamated Plantations Pvt Ltd. (Refer footnote d)	Rs. 10	67000000	67000000	45.11	48.42
TRIL Constructions Limited (Refer footnote e)	Rs. 10	66751852	66751852	66.75	66.75
Others					
Thakurbari Club Ltd (Cost Re 1) (Refer footnote f)	Rs. 100	26	26	0.00	0.00
Total Unquoted Preference Shares				**111.86**	**115.17**

Unquoted Debentures & Government Securities

Carried at fair value through Other Comprehensive Income

	Face Value	Nos.		Rs in Crores	
		2020	2019	2020	2019
Unquoted Debentures:					
The Bengal Chamber of Commerce & Industry - 6 1/2% Debentures (Refer footnote f)	Rs. 1000	7	7	0.00	0.00
Shillong Club Ltd - 5% Debentures - (Cost Rs 2) (Refer footnote f)	Rs. 100	31	31	0.00	0.00
				0.00	**0.00**
Unquoted Government Securities:					
W.B. Estates Acquisition Compensation Bond (Refer footnote f)				0.00	0.00
				0.00	**0.00**

a) Inclusive of Rs. 21.86 Crores (Rs. 21.86 Crores) kept in Revaluation Reserve.

b) Costs of these unquoted equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represent the best estimate of fair value within that range.

c) During the financial year 2019-20, the Company has invested an amount of Rs. 53.00 Crores towards equity capital in Tata Starbucks Private Limited which is a 50:50 joint venture.

d) Investment in preference shares of Amalgamated Plantations Pvt. Ltd., are now redeemable with a special redemption premium, on fulfilment of certain conditions, within 13 - 15 years from the date of the issue and are designated as fair value through profit and loss.

e) Preference shares of TRIL Constructions Ltd. are non-cumulative and mandatorily fully convertible within 12 years from the issue date, the same is carried at cost.

f) Investment carrying values are below Rs. 0.01 Crores.

g) During the year, the Company has sold its holding in Tata Chemicals Limited. Realised gains arising on the transactions amounting to Rs 50.02 Crores has been accounted under retained earnings.

h) These investments are fully impaired.

7. Loans

Rs in Crores

	2020	2019
NON-CURRENT		
(Secured and considered good)		
Inter Corporate Loan to related party $	17.00	15.25
Inter Corporate Deposits *	4.25	-
(Unsecured and considered good)		
Employee Loans and Advances	1.10	1.52
	22.35	**16.77**
CURRENT		
(Secured and considered good)		
Inter Corporate Loan to related party $	-	3.50
Inter Corporate Deposits *	-	4.25
(Unsecured and considered good)		
Employee Loans and Advances	0.66	0.38
	0.66	**8.13**
Total Loans	**23.01**	**24.90**

$ secured by mortgage of rights on immovable assets
* secured by mortgage of land

8. Other Financial Assets

Rs in Crores

	2020	2019
NON-CURRENT		
Considered Good		
Security Deposits *	23.89	20.41
Lease receivable	0.79	-
Considered Doubtful		
Security Deposits	0.29	0.29
Less: Provision for Doubtful Deposits	(0.29)	(0.29)
	24.68	**20.41**
CURRENT		
(Unsecured and considered good, unless otherwise stated)		
Receivable pursuant to Acquisition from Tata Chemicals Limited (Refer Note 40A)	40.06	-
Due from Related Parties	10.76	15.03
Insurance Claims Receivable	2.79	3.11
Lease receivable	0.40	-
Interest Accrued	7.83	2.64
Export Incentive Receivable	13.36	11.63
Derivative Financial Assets	-	5.01
	75.20	**37.42**
Total Other Financial Assets	**99.88**	**57.83**

* Includes deposit to related party Rs.Nil (Rs. 1.23 Crores).

Notes to Financial Statements (continued)

9. Other Assets

Rs in Crores

	2020	2019
NON-CURRENT		
(Unsecured and Considered Good, unless otherwise stated)		
Capital Advances	9.93	4.88
Property Rights Pending Development #	70.50	70.50
Taxes Receivable	7.21	7.44
Advance Rent	-	0.67
	87.64	**83.49**
CURRENT		
Prepaid Expenses	32.51	22.76
Taxes Receivable	159.99	125.69
Advance Rent	-	0.31
Other Trade Advances	22.34	13.10
Considered Doubtful		
Other Advances for Supply of Goods and Services	0.53	1.75
Less: Provision for Advances	(0.53)	(0.53)
	214.84	**163.08**
Total Other Assets	**302.48**	**246.57**

Property Rights Pending Development represents constructed office space to be delivered to the Company by TRIL Constructions Limited, consequent to a development agreement.

10. Inventories

Rs in Crores

	2020	2019
(At lower of cost and net realisable value)		
Raw Material		
Tea	577.09	577.57
Packing Materials	35.34	32.31
Others	7.21	7.49
	619.64	**617.37**
Finished Goods		
Tea	189.28	213.81
Others	3.37	1.57
	192.65	**215.38**
Traded Goods		
Salt and other items relating to Food Business	94.77	-
Formulations and Others	2.50	3.08
Stores and Spare Parts	10.39	11.08
	919.95	**846.91**

Raw material includes in transit tea inventory of Rs. 2.05 Crores (Rs. 2.69 Crores).

During the year ended March 31, 2020 - Rs. 7.29 Crores (Rs. 5.86 Crores) was charged to statement of profit and loss for slow moving and obsolete inventories.

11. Trade Receivables

Rs in Crores

	2020	2019
Trade Receivables considered good - Secured	60.66	30.12
Trade Receivables considered good - Unsecured	253.51	151.80
Trade Receivables - Credit Impaired (Refer Note 38)	14.46	4.14
	328.63	**186.06**
Less: Allowance for Impairment	14.46	4.14
	314.17	**181.92**

Secured receivables are backed by security deposits
Includes due from Related Parties - Rs. 36.65 Crores (Rs. 43.12 Crores).
Inventories and trade receivables have been hypothecated to banks for the working capital facilities availed.

12. Cash and Cash Equivalents

Rs in Crores

	2020	2019
Balances with banks:		
Current Account	9.24	3.93
Deposit Account	233.96	405.00
Cash/Cheques in hand	0.04	0.03
	243.24	**408.96**

13. Other Bank Balances

Rs in Crores

	2020	2019
Unclaimed Dividend Account	8.88	8.99
Deposit exceeding 3 months	485.65	55.00
	494.53	**63.99**

Notes to Financial Statements (continued)

14. Equity Share Capital and Other Equity

a) Equity Share Capital

Rs in Crores

	2020	2019
AUTHORISED		
125,00,00,000 (110,00,00,000) Equity Shares of Re 1 each	125.00	110.00
ISSUED, SUBSCRIBED AND PAID-UP		
92,15,51,715 (63,11,29,729) Equity Shares of Re 1 each, fully paid-up	92.16	63.11
	92.16	**63.11**

i) The reconciliation of the number of shares as at March 31, 2020 is set out below:

Rs in Crores

	2020	2019
Number of shares as at the beginning of the year	631129729	631129729
Add: Shares issued during the year pursuant to Scheme of Arrangement (Refer Note 40A)	290421986	-
Number of shares as at the end of the year	921551715	631129729

As a part of Scheme of arrangement (Refer Note 40A), the authorised Share Capital of the Company stand increased to Rs. 125 Crores made up of 125,00,00,000 Equity Shares of Re. 1/- each with effect from February 7, 2020 (effective date of Merger). Pursuant to the said scheme, the Company during the financial year 2019-20 has also issued 290,421,986 equity shares.

ii) Rights, preferences and restrictions attached to shares

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

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

1,27,31,159 equity shares were issued during the financial year 2015-16, consequent to and as part of the amalgamation of the erstwhile Mount Everest Mineral Water Limited with the Company.

iv) The details of shareholders holding more than 5% shares as at March 31, 2020 is set out as below :

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

v) Dividend paid:

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

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

b) Other Equity

Rs in Crores

	2020	2019
Capital Reserve	15.79	15.79
Securities Premium Account	6430.87	361.05
Contingency Reserve	1.00	1.00
Revaluation Reserve	21.86	21.86
General Reserve	1143.31	1,143.31
Retained Earnings	3136.45	2,784.41
Other Comprehensive Income		
- Effective portion of Cash Flow Hedge	(1.13)	3.27
- Fair value gains/(loss) on Equity Instruments	9.70	49.88
	10757.85	**4,380.57**

Nature and Purpose of Reserve

i) Capital Reserve
Capital Reserve was created on acquisition of certain plantation business.

ii) Securities Premium Account
Security Premium Account was created on issue of shares at premium. These reserves can be utilised in accordance with Section 52 of Companies Act 2013.

iii) Contingency Reserves
Contingency Reserves are in the nature of free reserves.

iv) Revaluation Reserve
Revaluation Reserve was created on acquisition of shares in Tata Coffee Limited (Refer Note 6).

Notes to Financial Statements (continued)

15. Borrowings

Rs in Crores

	2020	2019
CURRENT		
Loan From Banks - Secured		
Working Capital Facilities	35.00	-
Loan From Banks - Secured		
Bank Overdraft	-	4.53
Secured by way of hypothecation of raw materials, finished goods, stores and spares and book debts on pari passu basis		
	35.00	**4.53**

Note: Change in liabilities are on account of financing activities which have been disclosed in the Statement of Cash Flow.

16. Other Financial liabilities

Rs in Crores

	2020	2019
CURRENT		
Unpaid Dividends *	8.88	8.99
Interest accrued but not due on borrowings	0.11	-
Derivative Financial Liabilities	1.51	-
Security Deposits from Customers	57.00	47.20
Others	52.61	42.98
	120.11	**99.17**

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

17. Provisions

Rs in Crores

	2020	2019
NON-CURRENT		
Employee Benefits	137.52	115.25
	137.52	**115.25**
CURRENT		
Employee Benefits	42.17	18.57
Other Provisions	31.79	2.08
	73.96	**20.65**
Total Provisions	**211.48**	**135.90**

Movement in Other Provisions - Current

Rs in Crores

Provision for Trade Obligations	2020	2019
Opening balance	1.74	26.95
Provision during the year	-	-
Amount written back during the year	-	(25.21)
Closing balance	**1.74**	**1.74**
Restructuring Costs		
Opening balance	0.34	0.34
Provision during the year	29.71	-
Amount paid/adjusted during the year	-	-
Closing balance	**30.05**	**0.34**
Total Closing Balance	**31.79**	**2.08**

18. Trade Payables

Rs in Crores

	2020	2019
Total outstanding dues of creditors other than Micro enterprises and Small enterprises*	442.73	235.92
Total outstanding dues of Micro enterprises and Small enterprises (Refer Note 31)	4.31	3.50
	447.04	**239.42**

* Includes due to Related Parties - Rs. 17.85 Crores (Rs. 37.00 Crores).

19. Other Current Liabilities

Rs in Crores

	2020	2019
Statutory Liabilities	13.90	9.99
Others	62.01	55.32
Total Other Current Liabilities	**75.91**	**65.31**

20. Taxation

a) Tax charge in the Statement of profit and loss:

Rs in Crores

	2020	2019
Current tax		
Current year	4.17	173.69
Less: Tax reversal of earlier years	(4.78)	(13.12)
	(0.61)	**160.57**
Deferred tax	**206.48**	**4.42**
Income Tax expense for the year	**205.87**	**164.99**

Income tax has been provided for at reduced rate as per section 115BAA of the Income-tax Act, 1961

Notes to Financial Statements (continued)

b) Reconciliation of effective tax rate:

Rs in Crores

	2020	2019
Profit before tax	**729.41**	**575.92**
Tax using the Company's domestic tax rate (Current year 25.17% and Previous Year 34.94%)	183.58	201.25
Tax effect of:		
Income-tax at different rate	-	(10.76)
Non-deductible tax expenses	6.98	5.66
Tax-exempt income	(3.96)	(6.05)
Recognition of tax effect of previously unrecognised tax losses	-	(11.99)
Tax reversals of earlier years	(4.78)	(13.12)
Non-creditable taxes	4.17	-
One time adjustment due to new tax regime	19.30	-
Others	0.58	-
	205.87	**164.99**

c) Non-Current Tax Asset:

Rs in Crores

	2020	2019
Income Tax	108.79	49.96
Dividend Distribution Tax credit	14.27	13.42
	123.06	**63.38**

d) Current Tax Liability (Net):

Rs in Crores

	2020	2019
Income Tax	16.15	16.44
	16.15	**16.44**

e) The analysis of Deferred Tax Assets and Deferred Tax Liabilities is as follows:

Rs in Crores

	2020	2019
Deferred Tax Asset	61.62	58.14
Deferred Tax Liability	(210.84)	(24.28)
Net Deferred Tax (Liability) / Asset	**(149.22)**	**33.86**

f) The movement in deferred income tax assets and (liabilities) during the year is as follows:

Rs in Crores

	Depreciation and amortisation (including unabsorbed depreciation) #	Other Liabilities	Provision for doubtful debts/ advances	Employee Benefits/ Trade Obligations	MAT Credit	Other Assets	Total
As at 1 April 2018	**(20.35)**	**(3.45)**	**1.96**	**54.82**	**65.26**	**0.77**	**99.01**
(Charged)/credited:							
- to Statement of profit or loss	(1.24)	2.40	(0.43)	(6.03)		0.88	(4.42)
- to Other comprehensive income		(1.64)		(2.55)			(4.19)
Adjustment for unutilised tax credits					(56.54)		(56.54)
As at 31 March 2019	**(21.59)**	**(2.69)**	**1.53**	**46.24**	**8.72**	**1.65**	**33.86**
Deferred Tax Assets acquired on Business Combination (Refer Note 40A)	0.04		3.95	1.85		-	5.84
(Charged)/credited:							
- to Statement of profit or loss	(196.13)	(0.56)	0.17	(10.78)		9.54	(197.76)
- to Other comprehensive income		2.13		7.47			9.60
- to Retained Earnings	7.96					-	7.96
Reversal for unutilised tax credits					(8.72)		(8.72)
As at 31 March 2020	**(209.72)**	**(1.12)**	**5.65**	**44.78**	**-**	**11.19**	**(149.22)**

Amounts charged to the Statement of Profit or Loss include, with respect to acquisitions made during the year (Refer Note 40), deferred tax on difference in tax base as compared to carrying value of Intangibles acquired including Goodwill, net of deferred tax recognised on unabsorbed depreciation as per the Income Tax Act.

21. Revenue from Operations

Rs in Crores

	2020	2019
Revenue from Contracts with Customers		
Revenue from sale of goods	5607.49	3331.70
Revenue from sale of services	0.04	0.01
	5607.53	**3331.71**
Other Operating Revenues		
Export Incentive	17.70	17.39
Royalty Income	16.70	13.20
Management Service Fees	31.63	43.91
Miscellaneous Receipts	16.68	23.45
	82.71	**97.95**
	5690.24	**3429.66**

Notes to Financial Statements (continued)

22. Other Income

Rs in Crores

	2020	2019
Interest Income		
Interest Income on Advances and Deposits carried at amortised cost	46.46	33.03
Interest Income on Income Tax refund	0.11	5.28
Dividend Income		
- Non-Current Investments designated at fair value through other comprehensive income #	2.94	3.29
- Investment in Subsidiaries and Associates carried at cost	44.21	77.96
Gains on Current Investments (net)	24.88	33.45
Others		
Other non operating income	2.46	25.36
Fair Value movement in Financial Instruments designated at Fair Value through profit or loss	(3.31)	4.14
	117.75	**182.51**

Includes dividend Income on Investment Sold during the year Rs 0.88 Crores (Rs 0.02 Crores)

23. Cost of Materials Consumed

Rs in Crores

	2020	2019
Tea		
Opening Stock	577.57	474.97
Add: Purchases	1842.97	1932.27
Less: Closing Stock	577.09	577.57
	1843.45	1829.67
Green Leaf	27.81	23.24
Packing Material		
Opening Stock	32.31	33.14
Acquired through Business Combination (Refer Note 40)	20.93	-
Add: Purchases	326.01	166.76
Less: Closing Stock	35.34	32.31
	343.91	167.59
Others	89.85	35.47
	2305.02	**2055.97**

24. Changes in Inventories of Finished Goods/Stock-in-trade/Work-in-progress

Rs in Crores

	2020	2019
Opening Stock		
Tea	213.81	212.43
Others	4.65	6.19
	218.46	**218.62**
Acquired through Business Combination (Refer Note 40)	**115.82**	**-**
Closing Stock		
Tea	189.28	213.81
Salt and other items relating to Food Business	94.77	-
Others	5.87	4.65
	289.92	**218.46**
	44.36	**0.16**

25. Employee Benefits Expense

Rs in Crores

	2020	2019
Salaries, Wages and Bonus *	240.04	181.43
Contribution to Provident Fund and other Funds	19.19	15.69
Workmen and Staff Welfare Expenses	24.21	19.73
	283.44	**216.85**

* Includes payment made to personnel engaged in qualifying CSR activities Rs. Nil (Rs. 1.48 Crores).

26. Finance Costs

Rs in Crores

	2020	2019
Interest expense on Financial liabilities measured at amortised cost	5.52	4.93
Interest expense on Lease Liabilities	11.70	-
Net interest on defined benefit plans	8.51	8.25
	25.73	**13.18**

27. Other Expenses

Rs in Crores

	2020	2019
Manufacturing and Contract Packing Expenses	84.25	75.81
Rent	46.38	49.69
Freight	269.37	63.15
Management Service Fees #	14.09	20.29
Professional/Legal fees	87.87	78.60
Miscellaneous Expenses ^	242.67	180.67
	744.63	**468.21**

Includes fee for technical support services Rs. 2.29 Crores (Rs. 5.21 Crores) and for other support service Rs. 11.80 Crores (Rs. 15.08 Crores).

^ Includes exchange gain Rs.8.78 Crores (Rs.0.08 Crores loss in PY), expense on CSR Rs. 10.85 Crores (Rs. 6.61 Crores) and Contribution to Electoral Trust Rs. Nil (Rs 10.00 Crores).

28. Exceptional Items (Net)

Rs in Crores

	2020	2019
Expenditure		
Expenses in connection with acquisition of businesses (Refer Note 40)	51.81	-
	51.81	**-**

Notes to Financial Statements (continued)

29. Capital Commitment

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2020 aggregated Rs. 25.12 Crores (Rs. 10.49 Crores).

(b) Commitment towards Share Capital contributions in Joint Ventures - Rs. 94.50 Crores (Rs. 25.4 Crores)

30. Contingencies:

(a) Statutory and other Commercial Claims:

Rs in Crores

		Gross	Net of Estimated Tax
(i)	Taxes, Statutory Duties/ Levies etc.	15.86	13.47
		(15.99)	(11.61)
(ii)	Commercial and other Claims	2.40	1.97
		(2.60)	(1.58)

(b) Labour disputes under adjudication relating to some staff – amount not ascertainable.

(c) During the year, the Company has extended letter of Comfort amounting to Rs 150 Crores to the lenders of its Associate Company engaged in plantation business who have provided working capital borrowings facilities.

31. Micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the confirmations received in response to intimation in this regard sent by the Company to the suppliers. No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at March 31, 2020.

32. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act 2013, a CSR Committee has been formed by the Company.

(a) Gross Amount required to be spent by the Company during the year Rs. 8.96 Crores (Rs. 7.66 Crores).

(b) Amount spent during the year:

2020 Rs. in Crores

Particulars		In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	10.85	-	10.85

2019 **Rs. in Crores**

Particulars		In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	6.76	1.33	8.09

33. Earnings Per Share

	2020	2019
Profit after taxation (Rs. in Crores)	523.54	410.93
Numbers of Equity Shares Outstanding	921551715	631129729
Earnings Per Share (Rs.)		
Basic	5.68	6.51
Diluted	5.68	6.51

34. Expenditure incurred in respect of the Company's Research and Development:

Rs in Crores

	2020	2019
Capital Expenditure	0.09	0.25
Revenue Expenditure	17.84	5.95
	17.93	**6.20**

35. Leases

The Company's leasing arrangements are in respect of operating leases for premises (residential, office, factory, godown, etc.) and motor cars. These range between 5 months - 15 years and usually renewable on mutually agreed terms.

Lease liabilities as at March 31, 2020

Rs in Crores

	2020
Current Lease Liability	23.69
Non-Current Lease Liability	121.82
Total Lease Liability	**145.51**

Contractual maturities of lease liabilities on an undiscounted basis:

Rs in Crores

	2020
Less than one year	35.75
One to two years	31.01
Two to five years	68.27
More than five years	70.09
Total	**205.12**

Amount Recognised in Statement of Profit and Loss

Rs in Crores

	2020
Expenses relating to Short-term Lease	46.36
Expenses relating to leases of low value assets	0.02

Notes to Financial Statements (continued)

Extension and termination options

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

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

Rs in Crores

	2020
Balance on transition	-
New additions to net investment during the period	1.29
Interest Income accrued during the period	0.03
Lease Receipts	(0.13)
Balance at the end of the period	**1.19**

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

Rs in Crores

	2020
Less than 1 year	0.49
1 to 2 years	0.49
2 to 3 years	0.37
3 to 4 years	-
4 to 5 years	-
More than 5 years	-
Total	**1.35**

Finance income on the net investment in the sublease recognised in the financial statement is Rs 0.03 Crores.

Adoption of Ind AS-116 Leases

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

On transition, the adoption of new standard resulted in recognition of Right-of-use Asset of Rs. 78.75 Crores, Net-investment in sublease of ROU asset of Rs. NIL and a lease liability of Rs. 101.47 Crores. The cumulative effect of applying the standard, amounting to Rs. 14.76 Crores was debited to retained earnings net of taxes (including the deferred tax of Rs. 7.96 Crores). The effect of this adoption is insignificant on profit for the period.

The principle portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 9.01% has been applied to lease liabilities recognised in the balance sheet at the date of initial application. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

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

36. a) Related Party Disclosure

Related Parties

Promoter

Tata Sons Private Limited

Subsidiaries

Tata Consumer Products UK Group Limited (Formerly Tata Global Beverages Group Limited)
Tata Global Beverages Holdings Limted
Tata Global Beverages Services Limited
Tata Consumer Products GB Limited (Formerly Tata Global Beverages GB Limited)
Tata Global Beverages Overseas Holdings Limited
Tata Global Beverages Overseas Limited
Lyons Tetley Limited
Tata Consumer Products US Holding Inc (Formerly Tata Global Beverages U.S. Holdings, Inc.)
Tata Water LLC
Tetley USA Inc
Empirical Group LLC
Tata Global Beverages Canada Inc
Tata Consumer Products Australia Pty Ltd(Formerly Tata Global Beverages Australia Pty Limited)
Earth Rules Pty Ltd.
Stansand Limited
Stansand(Brokers) Limited
Stansand(Africa) Limited
Stansand(Central Africa) Limited
Tata Global Beverages Polska Sp.z.o.o
Drassington Limited, UK
Good Earth Corporation
Good Earth Teas Inc.
Teapigs Limited.
Teapigs US LLC.
Tata Global Beverages Czech Republic a.s, (ceased w.e.f January 13, 2020)
Tata Global Beverages Investments Limited
Campestres Holdings Limited
Kahutara Holdings Limited
Suntyco Holding Limited
Onomento Co Limited
Coffee Trade LLC (under liquidation)
Tata Coffee Limited
Tata Coffee Vietnam Company Limited
Consolidated Coffee Inc.
Eight 'O Clock Coffee Company
Eight 'O Clock Holdings Inc
Tata Tea Extractions Inc
Tata Consumer Products Capital Limited (Formerly Tata Global Beverages Capital Limited)
Tata Tea Holdings Private Limited

Associates

Amalgamated Plantations Pvt Limited
Kanan Devan Hills Plantations Company Private Limited
TRIL Constructions Limited

Joint Ventures

NourishCo Beverages Limited
Tata Starbucks Private Limited

Joint Venture of Subsidiaries

Tetley ACI (Bangladesh) Limited
Southern Tea LLC
Tetley Clover (Private) Limited
Joekels Tea Packers (Proprietary) Limited. (South Africa)

Key Managerial Personnel

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

Subsidiary and Joint Venture of Promoter Company

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

Employee Benefit Plans

Tata Tea Limited Management Staff Gratuity Fund
Tata Tea Limited Management Staff Superannuation Fund
Tata Tea Limited Staff Pension Fund
Tata Tea Limited Gratuity Fund
Tata Tea Limited Calcutta Provident Fund

Notes to Financial Statements (continued)

36. b) Particulars of transactions entered into with Related Parties for the year ending 31 March, 2020

Rs in Crores

Particulars	2020	2019
Sales of Goods and Services		
Subsidiaries	164.50	175.84
Associates	2.62	2.05
Joint Ventures	25.78	30.19
Subsidiaries and Joint Ventures of Promoter	1.85	-
Other Operating Income		
Subsidiaries	32.66	46.97
Associates	3.03	2.75
Joint Ventures	17.30	13.73
Rent Paid		
Associates	2.13	2.25
Purchase of Goods & Services		
Subsidiaries	62.68	68.03
Associates	181.29	216.29
Joint Ventures	0.24	0.16
Other Expenses (Net)		
Subsidiaries	0.13	5.66
Joint Ventures	5.99	6.16
Associates	4.21	2.88
Promoter	16.53	10.62
Subsidiaries and Joint Ventures of Promoter	40.64	36.59
Reimbursement of Expenditure/(Income)		
Subsidiaries	(2.26)	(3.60)
Associates	(6.26)	(8.18)
Joint Ventures	(1.93)	(1.70)
Promoter	0.10	0.44
Dividend/Interest received		
Subsidiaries	43.89	77.64
Associates	1.98	2.47
Promoter	1.76	1.40
Subsidiaries and Joint Ventures of Promoter	0.29	1.34
Dividend Paid		
Promoter	46.51	46.50
Subsidiaries and Joint Ventures of Promoter	7.85	7.85

Rs in Crores

Particulars	2020	2019
Sale of Investment		
Promoter	53.20	-
Subsidiaries/Joint Ventures of Promoter	-	1.16
Intercorporate Loan/ Deposits Given		
Subsidiaries and Joint Ventures of Promoter	-	50.00
Intercorporate Loan/ Deposits Redeemed		
Associates	1.75	3.50
Subsidiaries and Joint Ventures of Promoter	1.23	50.00
Investment made		
Joint Ventures	53.00	35.80
Directors Remuneration*		
Key Managerial Personnel	9.03	8.05
Contribution to Funds		
Post Employment Benefit Plans	24.30	15.04

Outstanding at the year end:

Rs in Crores

	2020		2019	
	Debit	**Credit**	**Debit**	**Credit**
Subsidiary	37.42	1.68	53.19	14.07
Associates	25.77	2.78	18.89	6.46
Joint Ventures	11.27	-	5.92	-
Promoter	-	10.10	-	9.09
Joint Venture of Subsidiaries	-	-	0.01	-
Subsidiaries and Joint Ventures of Promoter	1.08	3.29	1.24	7.38
Employment Benefit Plans	10.39	-	1.06	-

*Provision for employee benefits, which are based on actuarial valuation done on an overall company basis, is excluded.

Notes to Financial Statements (continued)

36. c) Details of material transactions (i.e exceeding 10% of total transaction values in respective category) entered into with Related Parties for the year ended March 31, 2020:

Rs in Crores

Particulars	2020	2019
Sales of Goods and Services		
Subsidiaries		
Tata Consumer Products GB Limited (Formely known as Tata Global Beverages GB Limited)	79.58	93.07
Tata Tea Extractions Inc	57.28	53.85
Joint Ventures		
NourishCo Beverages Limited	25.56	30.00
Other Operating Income		
Subsidiaries		
Tata Global Beverages Services Limited	-	30.55
Tata Consumer Products GB Limited (Formely known as Tata Global Beverages GB Limited)	31.70	13.84
Joint Ventures		
Tata Starbucks Private Limited	16.70	13.20
Rent Paid		
Associates		
Kanan Devan Hills Plantation Company Private Limited	0.74	0.66
Amalgamated Plantations Pvt Limited.	1.39	1.59
Purchase of Goods & Services		
Subsidiaries		
Tata Coffee Limited	27.27	28.97
Associates		
Kanan Devan Hills Plantation Company Private Limited	77.70	75.78
Amalgamated Plantations Pvt Limited.	103.59	140.52
Other Expenses (Net)		
Joint Ventures		
NourishCo Beverages Limited	5.99	6.16
Promoter		
Tata Sons Private Limited	16.53	10.62
Subsidiaries and Joint Ventures of Promoter		
Tata AIG General Insurance Limited	14.57	12.29
Tata Consultancy Services Limited	17.11	17.36
Tata Communications Limited	6.75	-
Reimbursement of Expenditure/(Income)		
Subsidiaries		
Tata Global Beverages Services Limited	-	(1.00)
Tata Consumer Products GB Limited (Formely known as Tata Global Beverages GB Limited)	(1.85)	(2.01)
Tata Coffee Limited	(0.03)	(0.47)
Associates		
Kanan Devan Hills Plantation Company Private Limited	(1.81)	(1.70)
Amalgamated Plantations Pvt Limited.	(2.08)	(2.33)
TRIL Constructions Limited	(2.37)	(4.15)
Joint Ventures		
NourishCo Beverages Limited	(1.76)	(1.51)
Tata Starbucks Private Limited	(0.17)	(0.19)
Dividend/Interest received		
Subsidiaries		
Tata Coffee Limited	16.10	16.10
Consolidated Coffee Inc.	23.67	23.49
Tata Consumer Products UK Group Limited (Formerly known as Tata Global Beverages Group Limited)	-	16.36
Tata Consumer Products Capital Limited (Formely known as Tata Global Beverages Capital Limited)	-	15.93

Rs in Crores

Particulars	2020	2019
Dividend Paid		
Promoter		
Tata Sons Private Limited	46.51	46.50
Subsidiaries and Joint Ventures of Promoter		
Tata Investment Corporation Limited	6.74	6.73
Sale of Investment		
Promoter		
Tata Sons Private Limited	53.20	-
Subsidiaries/Joint Ventures of Promoter		
Tata Investment Corporation Limited	-	1.16
Intercorporate Loan/ Deposits Given		
Subsidiaries and Joint Ventures of Promoter		
Tata Housing Development Company Limited	-	50.00
Intercorporate Loan/ Deposits Redeemed		
Associates		
Kanan Devan Hills Plantation Company Private Limited	1.75	3.50
Subsidiaries and Joint Ventures of Promoter		
Taj Air Ltd.	1.23	-
Tata Housing Development Company Limited	-	50.00
Investment made		
Joint Ventures		
Tata Starbucks Private Limited	53.00	35.80
Contribution to Funds		
Post Employment Benefit Plans		
Tata Tea Limited Management Staff Gratuity Fund	3.31	-
Tata Tea Limited Management Staff Superannuation Fund	2.88	1.69
Tata Tea Limited Calcutta Provident Fund	15.81	13.32

36. d) Disclosure under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Amount of Loans and Advances in nature of loans outstanding from subsidiaries and associates as at March 31, 2020:

Rs in Crores

	Outstanding 31 March, 2020	Maximum during the year
Associate Company		
Kanan Devan Hills Plantation Company Private Limited	17.00	18.75
	(18.75)	(22.25)

36. e) Pursuant to the Scheme of Arrangement [Refer Note 40(A)], promoter and its subsidiaries were issued 82241927 and 17416518 equity shares respectively and 228 equity shares were issued to Key Managerial personnel, as a part of the shares issued to the shareholders of Tata Chemicals Limited.

Notes to Financial Statements (continued)

37. A Interests in other entities

i) Subsidiaries

The Company's direct Subsidiaries are given below.

Sl No.	Name of entity	Country of incorporation	Principal Activities	% holding 2020	% holding 2019
1	Tata Consumer Products Capital Limited (Formerly Tata Global Beverages Capital Limited)	UK	Holding company	100.00	100.00
2	Tata Consumer Products UK Group Limited (Formerly Tata Global Beverages Group Limited) *	UK	Holding company	89.10	89.10
3	Tata Coffee Ltd.	India	Manufacturing, marketing and distribution of coffee & tea	57.48	57.48
4	Tata Tea Extractions Inc.	USA	Manufacturing, marketing and distribution of tea	100.00	100.00
5	Tata Tea Holdings Private Ltd.	India	Investment Company	100.00	100.00

* Through Tata Consumer Products Capital Ltd. and Tata Tea Extractions Inc.

ii) Joint Ventures

A list of Company's Joint Ventures as at March 31, 2020 is given below.

Sl No.	Name of entity	Country of incorporation	Principal Activities	% holding 2020	% holding 2019
1	NourishCo Beverages Ltd.	India	Marketing and distribution of water	50.00	50.00
2	Tata Starbucks Private Ltd.	India	Operating Starbucks Café in India	50.00	50.00

(iii) Associates

A list of Company's Associates as at March 31, 2020 is given below.

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

37. B Segment disclosure

The Company has disclosed segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

38. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

Rs. in Crores

March 31, 2020	Carrying amount				Fair value			
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Non-Current Financial assets								
Investments								
Quoted Equity Instruments	-	-	9.73	9.73	9.73	-	-	9.73
Unquoted Equity Instruments *	-	-	134.39	134.39	-	7.78	126.61	134.39
Unquoted Preference Shares	-	45.11	-	45.11	-	-	45.11	45.11
Loans	22.35	-	-	22.35	-	-	-	-
Other Financial Assets	24.68	-	-	24.68	-	-	-	-
Current Financial assets								
Current Investments	-	724.51	-	724.51	724.51	-	-	724.51
Trade Receivables	314.17	-	-	314.17	-	-	-	-
Cash and Cash Equivalents	243.24	-	-	243.24	-	-	-	-
Other Bank Balances	494.53	-	-	494.53	-	-	-	-
Loans	0.66	-	-	0.66	-	-	-	-
Other Financial assets	75.20	-	-	75.20	-	-	-	-
	1,174.83	**769.62**	**144.12**	**2,088.57**	**734.24**	**7.78**	**171.72**	**913.74**
Non - Current Financial liabilities								
Lease Liability	121.82			121.82				
Current Financial liabilities								
Borrowings	35.00	-	-	35.00	-	-	-	-
Lease Liability	23.69			23.69				
Trade Payables	447.04	-	-	447.04	-	-	-	-
Other Financial Liabilities	118.60	-	1.51	120.11	-	1.51	-	1.51
	746.15	**-**	**1.51**	**747.66**	**-**	**1.51**	**-**	**1.51**

Rs. in Crores

March 31, 2019	Carrying amount				Fair value			
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Non-Current Financial assets								
Investments								
Quoted Equity Instruments	-	-	53.75	53.75	53.75	-	-	53.75
Unquoted Equity Instruments *	-	-	133.74	133.74	-	7.13	126.61	133.74
Unquoted Preference Shares	-	48.42	-	48.42	-	-	48.42	48.42
Loans	16.77	-	-	16.77	-	-	-	-
Other Financial assets	20.41	-	-	20.41	-	-	-	-
Current Financial assets								
Current Investment	-	497.74	-	497.74	497.74	-	-	497.74
Trade Receivables	181.92	-	-	181.92	-	-	-	-
Cash and Cash Equivalents	408.96	-	-	408.96	-	-	-	-
Other Bank Balances	63.99	-	-	63.99	-	-	-	-
Loans	8.13	-	-	8.13	-	-	-	-
Other Financial Assets	32.41	-	5.01	37.42	-	5.01	-	5.01
	732.59	**546.16**	**192.50**	**1,471.25**	**551.49**	**12.14**	**175.03**	**738.66**
Current Financial liabilities								
Borrowings	4.53	-	-	4.53	-	-	-	-
Trade Payables	239.42	-	-	239.42	-	-	-	-
Other Financial Liabilities	99.17	-	-	99.17	-	-	-	-
	343.12	**-**	**-**	**343.12**	**-**	**-**	**-**	**-**

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

Notes to Financial Statements (continued)

B. Measurement of fair values

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

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

C. Financial risk management

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

- Credit risk ;
- Liquidity risk ; and
- Market risk

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

i. Risk management framework

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

ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from its operating (primarily trade receivables) and investing activities including deposits placed with banks, financial institutions and other corporate deposits. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non-performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

a. Trade Receivables

The Company has an established credit policy and a credit review mechanism. The Company also covers certain category of its debtors through a credit insurance policy. In such case the insurance provider sets an individual credit limit and also monitors the credit risk. The concentration of credit risk arising from trade receivables is limited due to large customer base.

Management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behaviour and analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Rs in Crores

Balance as at March 31, 2018	**3.63**
Impairment loss recognised	0.51
Amounts written back	-
Balance as at March 31, 2019	**4.14**
Acquired through Business Combination	11.43
Impairment loss recognised	(1.11)
Amounts written off	-
Balance as at March 31, 2020	**14.46**

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

(b) Financial instruments and cash deposits

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

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

iii. Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company monitors rolling forecast of its liquidity position on the basis of expected cash flows. The Company's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time. The Company has sufficient short term fund based lines, which provides healthy liquidity and these carry highest credit quality rating from reputed credit rating agency.

Notes to Financial Statements (continued)

Exposure to liquidity risk

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

		Contractual cash flows			Rs in Crores
2020	**Carrying amount**	**Less than 1 year**	**1- 2 year**	**2- 5 years**	**More than 5 years**
Current Financial Liabilities					
Borrowings	35.00	35.00	-	-	-
Trade Payables	447.04	447.04	-	-	-
Other Financial Liabilities	120.11	120.11	-	-	-

		Contractual cash flows			Rs in Crores
2019	**Carrying amount**	**Less than 1 year**	**1- 2 year**	**2- 5 years**	**More than 5 years**
Current Financial Liabilities					
Borrowings	4.53	4.53	-	-	-
Trade Payables	239.42	239.42	-	-	-
Other Financial Liabilities	99.17	99.17	-	-	-

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

iv. Market risk

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

a) Currency risk

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

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

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

Exposure to currency risk

The currency profile of financial assets and liabilities as at March 31, 2020 and March 31, 2019 are as below:

Rs in Crores

2020	INR	USD	GBP	Others	Total
Financial assets					
Trade receivables	269.92	29.97	-	14.28	314.17
Other Financial Asset	99.88	-	-	-	99.88
	369.80	**29.97**	**-**	**14.28**	**414.05**
Financial liabilities					
Trade payables	442.09	2.39	2.41	0.15	447.04
Other Current financial liabilities	120.11	-	-	-	120.11
	562.20	**2.39**	**2.41**	**0.15**	**567.15**

Rs in Crores

2019	INR	USD	GBP	Others	Total
Financial assets					
Trade receivables	132.13	30.56	-	19.23	181.92
Other Financial Asset	57.83	-	-	-	57.83
	189.96	**30.56**	**-**	**19.23**	**239.75**
Financial liabilities					
Trade payables	229.67	5.55	4.10	0.10	239.42
Other financial liabilities	99.17	-	-	-	99.17
	328.84	**5.55**	**4.10**	**0.10**	**338.59**

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

Rs in Crores

Details	2020		2019	
	Effect on Profit before tax	Effect on Pre-tax Equity	Effect on Profit before tax	Effect on Pre-tax Equity
5% appreciation of the underlying foreign currencies	1.97	(3.03)	2.00	(3.48)
5% depreciation of the underlying foreign currencies	(1.97)	3.03	(2.00)	3.48

The following table gives details in respect of outstanding foreign currency forward contracts –

Category	Instrument	Currency pair	2020			2019		
			FCY Amount (million)	Equivalent Amount (Rs. in Crores)	Fair Value Amount (Rs. in Crores)*	FCY Amount (millon)	Equivalent Amount (Rs. in Crores)	Fair Value Amount (Rs. in Crores)*
Hedges of highly probable forecasted transactions	Forward contract	USD/INR	10.23	75.44	(3.24)	10.35	75.86	2.85
Hedges of highly probable forecasted transactions	Forward contract	AUD/INR	4.85	24.49	1.73	6.21	33.25	2.16

* Represents impact of mark to market value as at year end.

Notes to Financial Statements (continued)

Movement in cash flow hedging reserve for derivatives designated as cash flow hedges is given below –

Rs in Crores

Details	2020	2019
Balance at the beginning of the period	3.27	0.52
Movement during the year	(6.53)	4.23
Tax impact on above	2.13	(1.48)
Balance at the end of the period	**(1.13)**	**3.27**

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk can also impact the provision for retiral benefits. The Company generally utilises fixed rate borrowings and therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of change in the market interest rates.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

c) Price Risk

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

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

d) Commodity Risk

The Company is exposed to the fluctuations in commodity prices mainly for tea, salt and pulses. Mismatch in demand and supply, adverse weather conditions, market expectations etc., can lead to price fluctuations. For tea, the Company manages these price fluctuations by actively managing the sourcing of tea, private purchases and alternate blending strategies without impacting the quality of the blend. For Salt and Pulses, these fluctuations are managed through active sourcing and commercial negotiation with customers and suppliers.

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

Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through optimum mix of borrowed and own funds.

The Company's adjusted net debt to equity position was as follows:

Rs in Crores

	2020	2019
Total Borrowings	35.00	4.53
Less: Cash and Cash Equivalents including Deposits	728.89	463.96
Less: Current Investments	724.51	497.74
Less: Inter Corporate Deposits/Loan	21.25	23.00
Adjusted net (cash)/debt	**(1439.65)**	**(980.17)**
Total Equity	**10850.01**	**4443.68**

39. Post Retirement Employee Benefits

i) Defined Contributions

Amount of Rs. 13.29 Crores (Rs. 11.51 Crores) is recognised as an expense and included in employee benefit expense to the following defined contribution plans:

Rs in Crores

	2020	2019
Provident Fund	7.63	6.52
Superannuation Fund	3.83	3.69
Employee state insurance schemes	1.83	1.30
	13.29	**11.51**

ii) Defined Benefits:

Gratuity, Pension and Post Retiral Medical Benefits:

The Company operates defined benefit schemes like retirement gratuity, defined pension benefits and postretirement medical benefits. There are other superannuation benefits and medical benefits restricted to certain categories of employees/directors in the form of pension, medical and other benefits in terms of a specific policy related to the same. The defined benefit schemes offer specified benefits to the employees on retirement. The gratuity benefit provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' last drawn salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service.

Changes in the Defined Benefit Obligation:

Rs. in Crores

	Pension		Gratuity		Medical		Others	
	2020	2019	2020	2019	2020	2019	2020	2019
Opening Defined Benefit Obligation	6.72	8.66	59.08	54.75	40.12	41.00	68.05	66.64
Acquired on Business Combination	-	-	5.42	-	-	-	-	-
Current Service cost	-	-	3.50	3.33	1.18	1.05	2.59	2.66
Past Service Cost	-	-	-	-	-	-	-	-
Interest on Defined Benefit Obligation	0.48	0.57	4.21	3.88	3.05	3.41	5.11	4.96
Actuarial changes arising from change in experience	0.28	(1.29)	(0.19)	3.35	(0.62)	(4.50)	2.81	(2.45)
Actuarial changes arising from change in demographic assumption	0.01	0.01	0.64	0.00	-	(0.28)	-	(0.37)
Actuarial changes arising from changes in financial assumption	0.29	0.01	6.59	0.22	8.79	0.28	9.09	0.30
Benefits Paid	(1.01)	(1.24)	(3.23)	(6.45)	(0.97)	(0.84)	(3.81)	(3.69)
Liability assumed/settled	-	-	0.37	-	-	-	-	-
Closing Defined Benefit Obligation	**6.77**	**6.72**	**76.39**	**59.08**	**51.55**	**40.12**	**83.84**	**68.05**

Notes to Financial Statements (continued)

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

Rs. in Crores

	Pension		Gratuity	
	2020	2019	2020	2019
Opening fair value of Plan assets	5.75	6.10	54.32	56.37
Acquired on Business Combination	-	-	5.42	-
Employers contribution	-	-	4.75	-
Interest on Plan Assets	0.41	0.40	3.93	4.17
Actual return on plan assets less interest on plan assets	0.53	(0.05)	0.42	0.20
Benefits Paid	(0.77)	(0.70)	(3.23)	(6.46)
Asset acquired/(settled)	-	-	0.37	0.04
Closing Fair value of plan assets	**5.92**	**5.75**	**65.98**	**54.32**

Net (Asset)/ Liability recognised in balance sheet

Rs. in Crores

	Pension		Gratuity		Medical		Others	
	2020	2019	2020	2019	2020	2019	2020	2019
Present Value of Funded defined benefit obligation at the year end	4.44	4.25	76.39	59.08	-	-	-	-
Fair value of plan assets at the end of the year	5.92	5.75	65.98	54.32	-	-	-	-
	(1.48)	**(1.50)**	**10.41**	**4.76**	**-**	**-**		**-**
Present Value of Unfunded defined benefit obligation at the year end	2.33	2.47	-	-	51.55	40.12	83.84	68.05
Asset ceiling	0.52	0.51	-	-	-	-		-
Amount recognised in Balance Sheet	**1.37**	**1.48**	**10.41**	**4.76**	**51.55**	**40.12**	**83.84**	**68.05**

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

Rs. in Crores

	Pension		Gratuity		Medical		Others	
	2020	2019	2020	2019	2020	2019	2020	2019
Current Service Cost	-	-	3.50	3.33	1.18	1.05	2.59	2.66
Interest cost on defined benefit obligation (net)	0.07	0.17	0.28	(0.30)	3.05	3.41	5.11	4.96
Past Service Cost	-	-	-	-	-	-	-	-
Total recognised in the statement of profit and loss	**0.07**	**0.17**	**3.78**	**3.03**	**4.23**	**4.46**	**7.70**	**7.62**

Amounts recognised in Other Comprehensive Income for the year:

Rs. in Crores

	Pension		Gratuity		Medical		Others	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Actuarial changes arising from changes in financial assumption	0.29	0.01	6.59	0.22	8.79	0.28	9.09	0.30
Actuarial changes arising from changes in demographic assumption	0.01	0.01	0.64	0.00	-	(0.28)	-	(0.37)
Actuarial changes arising from changes in experience assumption	0.28	(1.29)	(0.19)	3.35	(0.62)	(4.50)	2.81	(2.45)
Return on plan asset excluding interest Income	(0.53)	0.05	(0.42)	(0.20)	-	-	-	-
Adjustment to recognise the effect of asset ceiling	0.01	0.19	-	-	-	-	-	-
Total recognised in Other Comprehensive Income	**0.06**	**(1.03)**	**6.62**	**3.37**	**8.17**	**(4.50)**	**11.90**	**(2.52)**

Maturity Profile of defined benefit obligation:

Rs. in Crores

	Pension		Gratuity		Medical		Others	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Within next 12 months	2.66	1.54	11.73	11.71	1.64	1.44	5.21	4.86
Between 2 and 5 years	3.45	4.67	22.45	17.63	7.10	6.29	23.24	20.63
Between 6 and 9 years	2.19	2.51	26.73	24.69	7.91	7.05	25.92	23.54
10 years and above	2.28	2.78	91.74	70.74	45.32	39.66	131.18	121.98

Principal Actuarial assumptions used:

	2020	**2019**
Discount rates	6.50%	7.75%
Salary escalation rate	8% for management staff 7% for workers/staff	8% for management staff 7% for workers/staff
Annual increase in health care costs	8%	8%
Pension increase rate	18% after every three years	18% after every three years
Mortality rates	Indian Assured Lives mortality (2012-14) Ult Table	Indian Assured Lives mortality (2012-14) Ult Table

Quantitative sensitivity analysis for significant assumption is as below:

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

Notes to Financial Statements (continued)

Rs. in Crores

	Pension	Gratuity	Medical	Others
	2020	2020	2020	2020
Impact of increase in 50 basis point in discount rate on Defined Benefit Obligation	(0.12)	(3.14)	(3.83)	(3.86)
Impact of decrease in 50 basis point in discount rate on Defined Benefit Obligation	0.13	3.38	4.33	4.19
Impact of increase in 50 basis point in salary escalation on Defined Benefit Obligation	-	3.33	-	-
Impact of decrease in 50 basis point in salary escalation on Defined Benefit Obligation	-	(3.12)	-	-
Impact of increase in 100 basis point in health care cost on Defined Benefit Obligation	-	-	8.85	0.10
Impact of decrease in 100 basis point in health care cost on Defined Benefit Obligation	-	-	(7.06)	(0.09)
Impact of increase in 100 basis point in pension rate on Defined Benefit Obligation	0.09	-	-	2.46
Impact of decrease in 100 basis point in pension rate on Defined Benefit Obligation	(0.08)	-	-	(2.37)
Impact of increase in 1 year in Life Expectancy on Defined Benefit Obligation	0.13	-	-	2.45
Impact of decrease in 1 year in Life Expectancy on Defined Benefit Obligation	(0.13)	-	-	(2.46)

Major Categories of Plan Assets:

Rs. in Crores

	Pension		Gratuity	
	2020	2019	2020	2019
Govt of India Securities	0.11	0.88	-	-
PSU bonds	-	-	-	-
Insurance managed Funds	5.13	3.62	65.64	53.91
Others	0.68	1.25	0.34	0.41
Total	**5.92**	**5.75**	**65.98**	**54.32**

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

Expected Contribution over the next financial year:

The Company is expected to contribute Rs. 10.41 Crores to defined benefit obligation funds for the year ending March 31, 2021.

(iii) Provident Fund

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

The details of fund and plan asset position are given below:

Rs. in Crores

	2020	2019
Plan Assets as at year end	145.04	138.01
Present Value of Funded Obligations at year end	146.47	138.01
Amount Recognised in the Balance Sheet	(1.43)	-

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

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

40. Business Combination

A. Acquisition of Consumer Product Business of Tata Chemicals Limited through Scheme of Arrangement

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

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

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

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

Notes to Financial Statements (continued)

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

	Rs in Crores
Tangible Assets	3.69
Intangible Assets	2459.47
Inventories	154.00
Trade Receivables	81.33
Other Assets	27.53
Total Assets (A)	**2726.02**
Trade Payables	164.95
Other Liabilities	24.61
Total Liabilities (B)	**189.56**
Value of Identified Net Assets at fair value (A-B)	**2536.46**
Goodwill	**3562.41**
Fair value of Consideration	**6098.87**

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

Acquired Receivables

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

Impact of above acquisition on the results

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

B. Acquisition of branded tea business of Dhunseri Tea and Industries Limited

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

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

	Rs in Crores
Tangible Assets	0.01
Intangible Assets	84.90
Trade Receivables	5.99
Other Assets	0.69
Total Assets (A)	**91.59**
Other Liabilities	0.67
Total Liabilities (B)	**0.67**
Total Identifiable Net Assets at fair value (A-B)	**90.92**
Goodwill	**16.10**
Fair value of Consideration	**107.02**

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

Acquired Receivables

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

Impact of above acquisition on the results

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

41. Audit fees

Rs. in Crores

	2020	2019
Statutory Audit	1.60	0.65
Tax Audit	0.16	0.16
Arrears for previous year	0.24	0.05
Other Services	0.96	0.59
Reimbursement of Expenses	0.15	0.15
	3.11	**1.60**

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