



BOARD'S REPORT

Dear Members,

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

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

FINANCIAL PERFORMANCE

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

(₹ in Crores)

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

OPERATIONS AND BUSINESS PERFORMANCE

Consolidated Performance

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

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

Board's Report

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

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

Standalone Performance

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

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

DIVIDEND & RESERVES

Dividend Distribution Policy

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

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

Declaration and payment of dividend

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

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

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

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

Book closure

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

Unclaimed dividends

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

Transfer to reserve

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

SHARE CAPITAL

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



Board's Report

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

Performance Share Units

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

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

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

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

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

KEY DEVELOPMENTS

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

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

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

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

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

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

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

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

Board's Report

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

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

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

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION

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

IMPACT OF COVID-19 PANDEMIC ON THE PERFORMANCE

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

STRATEGIC INITIATIVES

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

Strengthen and accelerate core business

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

Drive digital and innovation

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

Unlock Synergies

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



Board's Report

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

Create Future-Ready Organisation

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

Explore new opportunities

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

Embed sustainability

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

SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATE COMPANIES

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

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

Tata SmartFoodz Limited, India ("TSFL")

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

TRIL Constructions Limited, India ("TRILC")

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

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

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

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

Material Subsidiaries

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

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

Board's Report

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

Consolidated Financial Statements

According to Section 129(3) of the Act, the consolidated financial statements of the Company and its subsidiaries, joint ventures, and associates are prepared in accordance with the relevant Indian Accounting Standard specified under the Act, and the rules thereunder form part of this Annual Report. A statement containing the salient features of the financial statements of the Company's subsidiaries, joint ventures, and associates in Form no. AOC-1 is given in this Annual Report.

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

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

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

SUBSIDIARIES

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

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

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

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

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

Tata Coffee Limited, India ("TCL"):

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

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

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



Board's Report

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

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

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

NourishCo Beverages Limited, India ("NourishCo"):

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

ASSOCIATES

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

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

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

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

JOINT VENTURE

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

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments & Cessation of Directors

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

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

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

Board's Report

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

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

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

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

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

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

Key Managerial Personnel

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

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

Pecuniary relationship or transactions with the Company

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

BOARD OF DIRECTORS AND MEETINGS

The Board of Directors

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

Committees of the Board

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

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



Board's Report

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

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

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

Board Meetings

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

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

The Board of Directors had held 7 (seven) meetings during FY 2021-22. For further details, please refer to the Corporate Governance Report, which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

INDEPENDENT DIRECTORS' DECLARATION

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

According to the provisions of Section 149 of the Act and Regulation 25 of the Listing Regulations, the Independent Directors of the Company have submitted declarations that each of them meets the criteria of

independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1) (b) of Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

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

SELECTION AND PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTORS

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

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

The NRC is also responsible for reviewing the profiles of potential candidates vis-à-vis the required competencies, undertaking reference, and due diligence, and meeting potential candidates before making recommendations of their nomination to the Board. The appointee is also briefed about the specific requirements for the position including expert knowledge expected at the time of appointment.

The Remuneration Policy and the Policy on Nomination, Appointment, and Removal of Directors of the Company are available at: <https://www.tataconsumer.com/investors/policies>.

Board's Report

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

The Company's governance guidelines cover aspects mainly relating to the composition and role of the Board, Chairman and Directors, Board diversity, and Committees of the Board. As per the Company's policy on the retirement of Directors, the retirement age for Managing/ Executive Directors is 65 years, Non-Executive (Non-Independent) Directors is 70 years, and Non-Executive, Independent Directors is 75 years.

Criteria for determining qualifications, positive attributes, and independence of a director

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

- **Qualifications** – The Board nomination process encourages diversity of thought, experience, knowledge, age, and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- **Positive Attributes** - Apart from the duties of Directors as prescribed in the Act, the Directors are expected to demonstrate high standards of ethical behavior, communication skills, and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.
- **Independence** - A Director will be considered independent if he/she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder, and Regulation 16(1)(b) of the Listing Regulations, as amended from time to time.

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

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

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

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

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

The Board and the NRC reviewed the performance of individual Directors based on criteria such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of Independent Directors, the performance of Non-Independent Directors and the Board as a whole, and the Chairman of the Company was evaluated taking into account the views of Executive Directors and Non-Executive Directors.

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

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



Board's Report

REMUNERATION POLICY

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

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

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

The Remuneration Policy of the Company is available at: <https://www.tataconsumer.com/investors/policies>

The key principles governing the Remuneration Policy are as follows:

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

In accordance with the Policy, the Managing Director & CEO, Executive Director, KMP, Senior Management, and other employees are paid a fixed salary which includes basic salary, allowances, perquisites, and other benefits and also annual incentive remuneration/performance-linked incentive subject to achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time, by the NRC

and the Board. The performance-linked incentive is driven by the outcome of the performance appraisal process and the performance of the Company.

Remuneration for Independent Directors and Non-Independent, Non-Executive Directors

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

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

Within the ceiling as prescribed under the Act, the Non-Executive Directors including Independent Directors are also paid a commission, the amount whereof is recommended by the NRC and approved by the Board. The basis of determining the specific amount of commission payable to a Non- Executive Director is related to his attendance at meetings, role, and responsibility as Chairman or Member of the Board / Committees, and overall contribution as well as time spent on operational matters other than at the meetings. The Members of the Company had approved payment of commission to the Non-Executive Directors at the Annual General Meeting held on July 5, 2018, for each financial year to be distributed among the Directors in such manner as the Board of Directors may, from time to time, determine within the overall maximum limit of 1% (one percent) per annum of net profit or such other percentage as may be specified by the Act, from time to time. No Stock option has been granted to any Non-Executive Director.

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

Further, in line with the internal guidelines of the Company, no payment is made towards commission to

Board's Report

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

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

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

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

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

BOARD DIVERSITY

The Company recognizes and embraces the importance of a diverse board in its success. The Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race, and gender, which will help the Company to retain its competitive advantage. The Board has adopted the Board Diversity Policy (as a part of the Policy on Nomination, Appointment & Removal

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

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The Company has a strong and independent in-house Internal Audit ("IA") department that functionally reports to the Chairman of the Audit Committee, thereby maintaining its objectivity. The remediation of deficiencies by the IA department has resulted in a robust framework for internal controls and details of which are provided in the Management Discussion and Analysis Report. Further, Statutory Auditors in its report expressed an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial.

AUDIT COMMITTEE

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

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

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



Board's Report

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

INTEGRATED REPORT

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

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

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

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

BUSINESS RESPONSIBILITY REPORT

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

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost, and secretarial auditors including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the financial year 2021-22.

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

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

- (ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared the annual accounts on a 'going concern basis';
- (v) They have laid down internal financial controls for the Company which are adequate and are operating effectively;
- (vi) They have devised a proper system to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

CORPORATE SOCIAL RESPONSIBILITY ("CSR") AND SUSTAINABILITY INITIATIVES

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

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

Board's Report

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

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

STATUTORY AUDITORS AND AUDITORS' REPORT

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

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

Deloitte has provided their consent and a certificate of their eligibility under sections 139 and 141 of the Act and the Companies (Audit and Auditors) Rules 2014 for their continuance as the Statutory Auditors of the Company for the second term of 5 (five) years. In terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI. Accordingly, Deloitte is eligible for re-appointment as Statutory Auditors of the Company.

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

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

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

SECRETARIAL AUDITORS AND AUDITORS' REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Dr. Asim Kumar Chattopadhyay, Company Secretary in Practice (FCS No. 2303, Certificate of Practice No. 880), to carry out the Secretarial Audit of the Company. The Report of the Secretarial Auditor for FY 2021-22 is attached herewith as **Annexure 3**. There are no qualifications, observations or adverse remarks, or disclaimer in the said report.

COST RECORDS AND COST AUDITORS

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

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

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

RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement, and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Committee considers the risks that impact the mid-term to the long-term objectives of the business, including those reputational in nature.



Board's Report

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

Additionally, a third-party organization has benchmarked the Company's risk management practice with various companies in India and globally and pronounced it as a leader the FMCG category. The Company was consecutively for the third time declared as the winner in the category in "Master of Risk in FMCG category", at the eighth edition of The India Risk Management Awards 2022 by CNBC TV-18 and ICICI Lombard. These awards recognize those organizations and teams that have significantly added to the understanding and practice of risk management.

VIGIL MECHANISM / WHISTLE-BLOWER POLICY

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

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

PARTICULARS OF LOANS, GUARANTEES, AND INVESTMENTS BY THE COMPANY

The particulars of loans, guarantees, and investments covered under the provisions of Section 186 of the Act have been disclosed in the financial statements.

RELATED PARTY TRANSACTIONS

During the year under review, all Related Party Transactions (RPTs) entered into by the Company were on an arms' length basis and in the ordinary course of business. These RPTs did not attract provisions of Section 188 of the Companies Act, 2013 and were also not material RPTs under Regulation 23 of the Listing Regulations. All related party transactions were approved by the Audit Committee and are periodically reported

to the Audit Committee. Prior approval of the Audit Committee was obtained periodically for the transactions which were planned and/or repetitive in nature and omnibus approvals were also taken as per the policy laid down for unforeseen transactions.

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 does not apply to the Company for the FY 2021-22 and hence the same is not provided. The details of the transactions with related parties during FY 2021-22 are provided in the accompanying financial statements.

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

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

During the year under review, the Policy was reviewed and amended by the Audit Committee and the Board of Directors to encompass *inter-alia* the regulatory changes brought as per amendment in Regulation 23 of the Listing Regulations (effective from January 1, 2022) as well to bring more clarity on certain other operational aspects as per industry benchmark.

The said Policy was further amended by the Audit Committee and the Board of Directors on May 3 & 4, 2022 respectively, to encompass *inter-alia* the regulatory changes brought as per amendment in Regulation 23 of Listing Regulations (effective from April 1, 2022) and criteria for material modification of related party transactions.

ANNUAL RETURN

As provided under Section 92(3) & 134(3)(a) of the Act, the Annual Return for FY 2021-22 is uploaded on the website of the Company and can be accessed at <https://www.tataconsumer.com/investors/investor-information/annual-returns>.

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and

Board's Report

Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure 4** attached to this report.

Pursuant to Section 197(14) of the Act, the details of remuneration received by the Executive Director from the Company's subsidiary company during FY 2021-22 are also given in **Annexure 4** attached to this report.

The statements required under Section 197(12) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Rules'), as amended, form part of this report and will be made available to any Member on request, as prescribed therein.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

INDUSTRIAL RELATIONS

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

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

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

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

There were no complaints relating to sexual harassment pending at the beginning of the financial year. During the year under review, ICC received two complaints of which one was resolved and the other was under investigation at the end of the financial year. Accordingly, one complaint remained pending as on the end of the Financial Year 2021-22.

SECRETARIAL STANDARDS

The Institute of Company Secretaries of India has currently mandated compliance with the Secretarial Standards on board meetings and general meetings. During the year under review, the Company has complied with the applicable Secretarial Standards.

DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from the public during the year under review. No amount on account of principal or interest on deposits from the public was outstanding as on March 31, 2022.

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

The information on conservation of energy, technology absorption, and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in **Annexure 5** attached to this report.

ACKNOWLEDGEMENT

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

The Directors thank the Government of India, Governments of various States in India, Governments of various Countries, and concerned Government departments for their co-operation.

The Directors regret the loss of life due to the COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors appreciate and value the contribution made by every member, employee, and their families of the Tata Consumer Products Group.

On behalf of the Board of Directors

N. Chandrasekaran
Chairman
(DIN 00121863)

Mumbai
May 4, 2022



ANNEXURE 1 OF BOARD'S REPORT

DIVIDEND DISTRIBUTION POLICY

1. Introduction

The Company has in place a Dividend Policy since 2017. After incorporation of Regulation 43A in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations') the existing Dividend Distribution Policy has been revised and framed according to the SEBI Listing Regulations and the Companies Act, 2013 read with rules framed thereunder (hereinafter referred to as 'Act').

The Company aims at rewarding its shareholders by sharing a part of its profits after retaining sufficient funds for the growth of the Company. The Company has been able to pursue its aim over years and has been able to maintain fairness, consistency and sustainability while distributing profits to its shareholders.

This policy has been framed with an objective to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, this Policy lays down various guidelines, factors and parameters to be considered by the Board of Directors of the Company while recommending/ declaring Dividend from time to time.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board.

2. Statutory Requirements

The declaration and distribution of dividend shall, at all times, be in accordance with the provisions of the Act, read with applicable rules framed thereunder, as may be in force for the time being and SEBI Listing Regulations, such other applicable provisions of law and the Articles of Association of the Company as amended.

Regulation 43A of the SEBI Listing Regulations requires top 1,000 listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy. The Company is thus required to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its website.

3. Policy on Dividend declaration

Declaration of dividend only out of profits	Dividend shall be declared or paid only out of: i) Current Year's profit a) After providing for depreciation in accordance with law, b) After transferring to the reserves of the Company such percentage of profits as may be considered appropriate or as may be prescribed, or ii) The Profits for any previous financial year or years a) after providing for depreciation in accordance with law, and b) remaining undistributed, or out of i) & ii) both
Set off of Losses and depreciation of previous years	Before declaring any dividend, the carried over previous losses and depreciation not provided in previous year or years must be set off against the profits of the Company for the current year.
Declaration of dividend out of reserves	The Board of Directors should avoid the practice of Declaration of Dividend out of Reserves.
Frequency	The Dividends will generally be declared once a year after the announcement of full year results but before the Annual General Meeting. In years of exceptional gains or other events a special dividend may be declared. The Board of Directors may also declare interim dividend during the financial year, between two Annual General Meetings as and when they consider it fit.
Parameters that shall be adopted with regard to various classes of shares	Presently, the Company has one class of equity share of the face value of ₹ 1/- per share and no preference share capital. As and when the Company shall issue other class of equity shares or other kind of shares, the Policy may be suitably amended.

4. Parameters / factors to be considered before declaring dividend

a) Financial parameters

- Current year profits
- Operating cash flow
- Outstanding borrowings, including debt to equity ratio.
- Cost of borrowings
- Past dividend trends

Annexure 1 of Board's Report

b) Internal Factors that shall be considered for declaration of dividend:

- Outlook of the company in line with its business plan
- Future capital expenditure program including
 - New project
 - Expansion of capacities of existing units
 - Renovation/ Modernization
 - Major Repairs & Maintenance
- Working capital requirements
- Likelihood of crystalization of contingent liabilities, if any
- Contingency Fund
- Acquisition of brands / businesses
- Sale of brands/ businesses
- Restrictions in any agreements executed by the Company.

c) External factors

- Prevailing regulatory and legal requirements, including tax regulations
- Industry trends
- State of economy in the country and worldwide

5. Circumstances under which shareholders may or may not expect dividend

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Hence, the shareholders of the Company *may expect dividend* only if the Company is having surplus funds after providing for all the expenses, depreciation, etc., and after complying with the statutory requirements under the Applicable Laws.

The shareholders of the Company *may not expect dividend* in the following circumstances, subject to the discretion of the Board of Directors:

- the Company has inadequacy of profits or incurs losses for the Financial Year;
- the Company undertakes/proposes to undertake a significant expansion project requiring higher allocation of capital;
- the Company undertakes/proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital;
- the Company has significantly higher working capital requirement affecting free cash flow;
- the Company proposes to utilize surplus cash for buy- back of securities;
- the Company is prohibited to recommend/ declare dividend by any regulatory body.

The Board may also not recommend a dividend on considering any compelling factors/parameters mentioned in point 4 above.

6. How the retained earnings will be utilized

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Acquisition of brands or businesses;
- Market Expansion Plans;
- Product Expansion Plans;
- Modernization Plan;
- Enhancement of production capacity;
- Diversification of business;
- Replacement of capital assets;
- Long-term strategic plans;
- Payment of Dividend or issue of Bonus Shares;
- Other such criteria as the Board may be deemed fit from time to time.



Annexure 1 of Board's Report

7. Quantum of Dividend Pay-out

The Board of Directors would determine the Dividend pay-out based on the profitability under the Standalone and Consolidated Financial Statements of the Company for the financial year/ period under consideration.

Subject to the circumstances and scenarios mentioned above, the Company shall endeavor to maintain a total dividend pay-out ratio (Dividend/ Net Profit after tax for the year) in the range of 50% to 75% of the Annual Consolidated Profit after Tax (PAT) of the Company.

8. Disclosures

The Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at www.tataconsumer.com

If the Company proposes to declare dividend on the basis of parameters in addition to the parameters/ factors mentioned in this policy or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its Annual Report and on its website.

9. Policy review and amendments

The Policy will be reviewed periodically by the Board. The Policy may be amended, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

10. Disclaimer

The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.

ANNEXURE 2 OF BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

1. A brief outline of the Corporate Social Responsibility (CSR) Policy of the Company:

The Natural Food and Beverages Policy of the Company is the apex policy that incorporates all relevant elements of Sustainability, Corporate Social Responsibility ("CSR"), Affirmative Action, Community Initiatives and volunteering

The CSR Policy set outs the Company's commitment & approach towards CSR under Section 135 of the Companies Act, 2013 ("the Act") based on its legacy of 'Giving Back to Society'. The Company endeavors to facilitate livelihood opportunities & socio-cultural development in areas of its operations.

Sustainability & Corporate Social Responsibility Policy:

The Company is committed to being the most admired natural food & beverage company in the world by making a big and lasting difference through Sustainability and Corporate Social Responsibility. The Company shall achieve this by being the consumer's first choice in sustainable foods & beverage production and consumption.

The Company focuses on Climate Change, Water Management, Sustainable Sourcing, Waste Management, and Community Development.

Towards community development, the Company undertakes programs focused on education and skills, healthcare, and women empowerment. The Company also actively participates in Tata Group activities and programs for volunteering and affirmative action.

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

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

Defined locations and target beneficiaries: The CSR projects of the Company are focused on the Tea Communities of Assam and Munnar (Kerala),

Coffee Communities of Kodagu (Karnataka), and Communities of Mithapur (Gujarat) and Paonta Sahib (HP).

Weblink of CSR Policy:

The CSR policy of the company can be accessed at <https://www.tataconsumer.com/investors/policies>

2. Composition of Corporate Social Responsibility & Sustainability Committee

The Company has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Act. The CSR governance structure will be headed by the **Corporate Social Responsibility & Sustainability Committee** ("CSR&S Committee"). The CSR&S Committee grants auxiliary power to the Working Committee of the Company to act on their behalf. The members of the CSR&S Committee during the year ended March 31, 2022, were as under:

Sl. No.	Name of Director	Designation (Nature of Directorship)	Number of meetings of CSR Committee during the year:	
			Held	attended
1	Mr. Siraj Chaudhry	Chairman of the Committee (Independent Director)	2	2
2	Ms. Shikha Sharma	Member (Independent Director)	2	2
3	Dr. K. P. Krishnan*	Member (Independent Director)	1	1
4	Mr. S. Santhanakrishnan**	Member (Independent Director)	-	-

*Dr. K. P. Krishnan was inducted as a member of the Committee w.e.f. October 22, 2021

**Mr. S Santhanakrishnan ceased as Member & Chairman of the Committee w.e.f. October 12, 2021, on account of his resignation as Independent Director and during his tenure in FY2021-22, no meeting of the Committee was held.

Weblink Composition of CSR&S Committee :

The Composition of the CSR&S Committee of the Company can be accessed at <https://www.tataconsumer.com/about/leadership>.



Annexure 2 of Board's Report

3. Overview of CSR projects approved by the Board implemented during 2021-22:

Details of CSR projects approved by the Board and undertaken by the Company during FY 2021-22 are as under:

- a) Promoting special vocational skills for differently-abled at Munnar and Kerala
- b) Rural Development
- c) Affordable Healthcare for all
- d) Project Jalodari – Water and Sanitation
- e) Supporting Cancer-affected children
- f) Supporting vulnerable communities during the COVID-19 pandemic
- g) Welfare for people of Coorg
- h) Promoting healthcare activities

Weblink of details CSR projects approved by the board:

Details of such projects are annexed to the CSR Policy of the Company which can be accessed at the website of the Company at <https://www.tataconsumer.com/investors/policies>.

4. Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

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

Summary of the impact assessment reports: Social projects undertaken by the Company have impacted more than 8 lakhs lives, with more than 4500 volunteer hours. The CSR activities undertaken are directly linked to the 17 Sustainability Development Goals (SDGs), and as a responsible business, the

Company is committed to sustainable production and consumption. The Company has successfully scaled 8 projects across 5 thematic areas: rural development, WASH, Education, Healthcare, and Gender Equality. As tea communities are the backbone of the Company, programmes in Munnar and Assam were executed towards healthcare, education and vocational training. Striving for water security, under the Jalodari Project, 150 million liters of groundwater have been recharged in the Poanta Valley Aquifer System. In addition, 3354 women and adolescent girls have been a part of Menstrual Hygiene Management (MHM); Impacted the lives of 2710 beneficiaries through all 4 MHM modules. Three Iron Removal Plants (IRPs) have been operational, and 1137 households have been provided jars and cards for water collection. On average, 295-330 households are fetching water daily considering the consumption of water was less in winters. Community engagement in Mithapur, Gujarat has helped in uplifting the lives of farmers in 11 villages with alternative livelihoods opportunities.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
1	2020-21	₹ 0.30 Crores	Nil
	TOTAL	₹ 0.30 Crores	Nil

6. Average net profit of the Company as per section 135(5): ₹ 665.95 Crores

7.	a) Two percent of the average net profit of the company as per section 135(5)	₹ 13.32 Crores
	b) Surplus arising out of the CSR projects or programs or activities of the previous financial years.	Nil
	c) Amount required to be set off for the financial year, if any	Nil
	d) Total CSR obligation for the financial year (7a+7b- 7c).	₹ 13.32 Crores

8. (a) CSR amount spent or unspent for the financial year 2021-22:

Total Amount Spent for the Financial Year	Amount Unspent (in ₹) – NIL			
	Total Amount transferred to Unspent CSR Account as per section 135(6).	Amount transferred to any fund specified under Schedule VII as per the second proviso to section 135(5).		
Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 13.54 Crores	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year 2021-22:

Sl. No	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Project duration.	Amount allocated for the project (in ₹ lakhs)	Amount spent in the current Financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementing Agency Through Implementing Agency Name CSR registration number
1	NIL						NIL			
TOTAL							TOTAL			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Amount spent for the project (in ₹ crs)	Mode of implementation Direct (Yes/No)	Mode of Implementing Agency Through Implementing Agency Name. CSR registration number
1	Supporting communities during Covid19	(i)	Yes	Maharashtra Mumbai	0.10	No	Taj Public Welfare Trust CSR00000540
2	Promoting healthcare activities	(i)	Yes	Kerala Kerala	0.50	No	Citizens India Foundation CSR000012261
3	Promoting vocational skills for differently-abled	(ii)	Yes	Kerala Munnar, Idukki District,	4.38	No	TGBL Foundation CSR000007356
4	Rural Development	(i)(iii)(iv)	Yes	Gujarat Mithapur	3.00	No	Tata Chemical Society CSR000002564
5	Affordable Healthcare for all	(i)	Yes	Assam Chubwa, Dibrugarh	3.50	No	APPL Foundation CSR000006630
6	Supporting Cancer-affected Children	(i)	Yes	West Bengal Kolkata	0.20	No	St. Jude's Child Care CSR000001026
7	Welfare for people of Coorg.	(i)(ii)	Yes	Karnataka Kodagu	0.30	No	Coorg Foundation CSR000005504
8	Supporting vulnerable communities during Covid19	(i)	Yes	All India All India	1.00	No	Tata Community Initiatives Trust CSR000002739
9	Project Jalodari – Water and Sanitation	(iv)	Yes	Assam Jorhat & Golaghat,	0.20	No	Centre for Microfinance and Livelihood CSR000004635
TOTAL					13.18		



Annexure 2 of Board's Report

- (d) Amount spent on Administrative Overheads: 0.28 Crores
 (e) Amount spent on Impact Assessment, if applicable: ₹ 0.08 Crores
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 13.54 Crores
 (g) Excess amount for set-off, if any

Sl. No.	Particulars	Amount
(i)	Two percent of the average net profit of the company as per section 135(5)	₹ 13.32 Crores
(ii)	Total amount spent for the Financial Year	₹ 13.54 Crores
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 0.22 Crores
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 0.22 Crores

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2020-21	NA	NA	NA	NA	NA	NA
2	2019-20	NA	NA	NA	NA	NA	NA
3	2018-19	NA	NA	NA	NA	NA	NA

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

10. In case of creation or acquisition of the capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).
 (a) Date of creation or acquisition of the capital asset(s). NIL
 (b) Amount of CSR spent for the creation or acquisition of the capital asset. NIL
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc. NIL
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NIL
11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5). Not applicable

Siraj Chaudhry
 Chairman of the Committee and Independent Director
 (DIN 00161853)

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

ANNEXURE 3 OF BOARD'S REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Regulation 24A of SEBI (LODR) 2015]

To,
The Members,
TATA CONSUMER PRODUCTS LIMITED
1, Bishop Lefroy Road
Kolkata – 700020

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TATA CONSUMER PRODUCTS LIMITED (CIN: L15491WB1962PLC031425)**, (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **TATA CONSUMER PRODUCTS LIMITED** for the financial year ended on 31st March 2022 according to the provisions **as may be applicable** to the Company of:

- i. The Companies Act, 2013 and any Amendments thereof (hereinafter collectively referred to as the "ACT") and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018 and other amendments thereof (hereinafter collectively referred to as "Listing Regulations") ;
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - f. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity), Regulations, 2021;
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; **Not applicable during the period under review as the Company is not acting as a Registrar and Share Transfer Agent.**
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable during the period under review** and
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and Amendment thereof. **Not applicable during the period under review.**



Annexure 3 of Board's Report

- j. The Securities and Exchange Board of India (Depositories and Participant(s) Regulations, 2018
- k. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preferences Shares) Regulation, 2013. – **Not applicable during the period under review**, AND
- l. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Amendment thereof.
- vi. The Food Safety and Standards Act, 2006 along with Food Safety and Standards Rules 2011;
- vii. The Tea Board Guidelines and Orders;
- viii. Pollution Control Act, Rules and Notification issued thereof;
- ix. Legal Metrology Act, 2009 and Rules made thereunder;
- x. The Tea Act, 1953 and Tea Warehouse (Licensing) Order, 1989;
- xi. The Factories Act, 1948 and Rules made thereunder;
- xii. Shops and Establishment Act, 1953;
- xiii. The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Rules made thereunder;
- xiv. The Maternity Benefits Act, 1961;
- xv. The Minimum Wages Act, 1948;
- xvi. The Payment of Bonus Act, 1965;
- xvii. The Payment of Gratuity Act, 1972;
- xviii. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959;
- xix. The Payment of wages Act, 1936 and Amendments thereof and Other applicable Industrial and Labour Laws.

I have also examined compliance of Secretarial Standards on Board of Directors (SS-1), General Meetings (SS-2) made effective 1st July 2015 and Dividend (SS-3) made effective 1st January, 2018 ICSI Auditing Standards (CSAS-1 to CSAS-4) made effective 1st April, 2021 issued by the Institute of Company Secretaries of India.

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

I further report that:

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

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

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

I also Report that the strategic corporate actions during the period under the review are highlighted below and the supporting documents & / Laws were duly verified by me.

Share based Long-Term Incentive Scheme 2021 ("LTIS") for Employees of the Company and its subsidiary companies:

The Company has launched an LTIS for the employees of the Company and its subsidiary companies, which was duly approved by the Nomination and Remuneration Committee and by the Board of Directors at its respective meetings held on October 22, 2021 and was approved by

Annexure 3 of Board's Report

the shareholders through postal ballot process (Remote E-Voting) on December 28, 2021. I have verified the minutes of the above meetings along with all relevant documents and confirm that the LTIS was in compliance with the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 and other applicable laws.

Acquisition of Tata Smartfoodz Limited

The Company has acquired 100% stake in Tata Smartfoodz Limited from Tata Industries Limited for a consideration of ₹ 395 crores in November 2021. The transaction was approved by the Audit Committee and the Board of Directors at its respective meetings held on November 11, 2021. I have verified the minutes of the meetings, share purchase agreement and other related documents and found the same in compliance with provisions of the Companies Act, 2013, SEBI LODR Regulations, 2015 and other applicable laws.

Increase in stake in TRIL Constructions Limited (TRIL C)

The Company has increased its stake in TRIL Constructions Limited (TRIL C) wherein the Company had infused ₹ 47 crores for purchasing the Compulsorily Convertible Preference Shares (CCPS) held by Tata Realty and Infrastructure Limited in TRIL C and further infusion of ₹ 25 crores in the form of CCPS in TRIL C. Post the above transactions, the effective holding of the Company in TRIL C has increased from 48.40% to 80.46%. I have verified the minutes of the Board meeting held on August 3, 2021 approving the above investments and the related documents and found the same in compliance with provisions of the Companies Act, 2013, SEBI LODR Regulations, 2015 and other applicable laws.

Preferential issue of shares for acquiring minority stake held by Tata Enterprises Overseas AG, Zug ("TEO") in Tata Consumer Products UK Group Limited ("TCP UK")

The Board, subject to approval of the shareholders, has approved on March 29, 2022, the acquisition of 2,38,71,793 (Two crores, thirty-eight lacs, seventy-one thousand, seven hundred ninety-three) ordinary shares of £1 each representing 10.15% paid-up share capital of TCP UK from TEO, a minority shareholder of TCP UK, for a total purchase consideration of ₹ 570.80 Crores. The consideration payable shall be discharged by way of issue and allotment of 74,59,935 equity shares of the Company having face value of ₹ 1 each, at a price

of ₹ 765.16 per equity share, on a preferential basis, this being derived based on independent valuation report by a Registered valuer. Consequent to this transaction, TCP UK will become a wholly-owned subsidiary of the Company. I have verified the minutes of the above meeting, the postal ballot notice sent to the shareholders seeking the approval for issuance of the shares on preferential basis on March 30, 2022, Valuation Report by the Registered valuer and other related documents and found the same in compliance with provisions of the Companies Act, 2013, SEBI ICDR Regulations 2018, SEBI LODR Regulations, 2015 and other applicable laws. The E-Postal Ballot result dated 30/04/2022 revealed that the Special Resolution was duly passed by the shareholders with requisite majority.

Composite Scheme of Arrangement amongst the Company and Tata Coffee Limited ("TCL") and TCPL Beverages & Foods Limited ("TBFL") and their respective shareholders and creditors

The Board of Directors of the Company, based on the recommendations of the Audit Committee and of the Independent Directors, at its meeting held on March 29, 2022, has approved the Composite Scheme of Arrangement amongst the Company, TCL and TBFL and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the rules and/ or regulations made thereunder. I have verified the minutes of the above meetings, and other related documents including the Scheme of Arrangement, Valuation Report by the Registered valuers and the Fairness Opinion on the valuation by the Independent Merchant Banker, as was placed before the above meetings and found the same in compliance with provisions of the Companies Act, 2013, SEBI LODR Regulations, 2015 and other applicable laws. In the same meeting, the Board has also approved infusion of ₹ 7.50 crores in the form of equity or preference share capital in the newly formed wholly-owned subsidiary company named TCPL Beverages & Foods Limited.

Dr. Asim Kumar Chattopadhyay
Practising Company Secretary

FCS No. 2303

UDIN: F002303D000263608

Date: 04th May, 2022

Place: Kolkata

Certificate of Practice No. 880

Peer Review – 792/2020



ANNEXURE A

(TO THE SECRETARIAL AUDIT REPORT OF TATA CONSUMER PRODUCTS LIMITED
(CIN: 15491WB1962PLC031425) FOR THE FINANCIAL YEAR ENDED 31st MARCH 2022)

To,

The Members

TATA CONSUMER PRODUCTS LIMITED

1, Bishop Lefroy Road

Kolkata 700020

My Report for the financial year ended 31st March 2022 of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Dr. Asim Kumar Chattopadhyay

Practising Company Secretary

FCS No. 2303

Certificate of Practice No. 880

Peer Review – 792/2020

Date: 4th May, 2022

Place: Kolkata

ANNEXURE 4 OF BOARD'S REPORT

PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the (Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the financial year ended March 31, 2022 is given below:

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

Non-Executive Directors	Ratio to median remuneration*
Mr. N. Chandrasekaran, Chairman [@]	-
Mr. P. B. Balaji [#]	-
Mr. Siraj Chaudhry	17.11
Mr. Bharat Puri	18.21
Ms. Shikha Sharma	18.30
Mr. S. Santhanakrishnan [^]	6.00
Dr. K. P. Krishnan ^{^^}	8.48
Executive Directors	Ratio to the median remuneration
Mr. Sunil D'Souza	168.40
Mr. L. Krishnakumar	90.11

Notes:

*Median remuneration computation is based on a total employee headcount of 2932, of which approximately 1750 employees are within the collective bargaining process.

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

[#]In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in employment with any other Tata companies. Accordingly, no commission is paid to Mr. P. B. Balaji, Non-Executive (Non-Independent) Director.

[^]Mr. S. Santhanakrishnan ceased to be Director w.e.f. October 12, 2021.

^{^^}Dr. K. P. Krishnan was appointed as a Director w.e.f. October 22, 2021

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

Directors, Chief Executive Officer, Chief Financial Officer, and Company Secretary	% increase in remuneration in the financial year
Mr. N. Chandrasekaran, Chairman [@]	-
Mr. P. B. Balaji [#]	-
Mr. Siraj Chaudhry	25.51%
Mr. Bharat Puri	14.27%
Ms. Shikha Sharma	15.30%
Mr. S. Santhanakrishnan [^]	-
Dr. K. P. Krishnan ^{^^}	-
Mr. Sunil D'Souza ^{^^^}	(27.34%)
Mr. L. Krishnakumar [*]	(2.99%)
Mr. John Jacob, Chief Financial Officer ^{**}	3.71%
Mr. Neelabja Chakrabarty, Company Secretary ^{**}	(2.38%)

Notes:

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

[#]In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in employment with any other Tata companies. Accordingly, no commission is paid to Mr. P. B. Balaji, Non-Executive (Non-Independent) Director.

[^]Mr. S. Santhanakrishnan ceased to be Director w.e.f. October 12, 2021.

^{^^}Dr. K. P. Krishnan was appointed as a Director w.e.f. October 22, 2021, percentage increase in remuneration is not applicable and hence, not stated.

^{^^^}With effect from FY 2021-22, long term incentive relating to the year is compensated through performance share units (PSU) and accounted as remuneration over the vesting period of 3 years based on performance measures achieved.

^{*}For computations of increase, incentive remuneration has been considered based on accruals, and payments relating to earlier years have been excluded. Compensation paid from a subsidiary company in the UK has also been considered for computation of increase.



Annexure 4 of Board's Report

**For computations of increase, incentive remuneration has been considered based on accruals, and payments relating to earlier years have been excluded.

- c) The percentage increase in the median remuneration of employees in the financial year was 3.13% .
- d) The number of permanent employees on the rolls of the Company as on March 31, 2022, was 2932 employees.
- e) Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentage increase for other than managerial personnel (excluding unionized staff) works to around 8.50% and the percentage increase for all employees was 10.61%. The change in the managerial remuneration was (19.92%) on a like-to-like basis (including compensation paid from a subsidiary company in the UK, also refer note above). Percentage increases for various categories are granted based on market trends and performance criteria.

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

The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

- g) The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid Annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.
- h) Disclosure under Section 197(14) of the Companies Act, 2013:

Mr. L. Krishnakumar, Executive Director & Group CFO, received remuneration of ₹ 37.97 Lacs from the Company's overseas subsidiary, Tata Consumer Products GB Limited during the year 2021-22. (The remuneration drawn in GBP has been converted into INR at the average exchange rate).

On behalf of the Board of Directors

Mumbai
May 4, 2022

N. Chandrasekaran
Chairman
(DIN 00121863)

ANNEXURE 5 OF BOARD'S REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy

Energy conservation measures taken during the financial year 2021-22:

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

- Installation of VFD panel for borewell Submersible pump at Poanta site, resulted in annual energy saving of 4500 units.
- Installation of automatic lighting controller at Paonta site, Warehouse resulted in annual energy saving of 675 units.
- Automation of Warehouse conveyors, streetlights & Admin block lighting by sensors in Gopalpur plant resulted energy savings by 68806 units.
- Controlling lighting through LDR in Aurangabad plant resulted energy savings by 475 units.
- Compressed air optimization in Kellyden & Nonoi plant resulted energy savings of 154302 units.
- Implemented dust collection system at Coalberth/ Pullivasal/Sampla units with energy efficient motor's IE-3 standard.
- Installation of Energy Efficient IE3 Motor for High-capacity loads at Instant Tea Division resulting in savings of ₹ 3.25 lakhs per annum. This has been initiated and routed through the National Motor replacement Program conducted by Central Government Agencies.
- Derating of high loads motors based on the study leads to energy savings of ₹ 1.17 lakhs per annum, at Instant Tea Division.
- Level interlocks, PID controllers and VFDs for pumps with throttling operation resulting in 1 lakhs savings per annum, at Instant Tea Division.
- Upgrade ACSR for the township power distribution and load balancing for voltage improvisation in Pretreatment, AC plant and Evaporator resulted in savings of ₹ 0.50 lakhs, at Instant Tea Division.
- Replacement of 150 fluorescent tubes with LED light fixtures leads energy savings of ₹ 0.21 lakhs per annum, at Instant Tea Division.
- Transparent sheet provision implemented in Shop floor as Day light concept provided us good energy savings, at Instant Tea Division.

- Replacement of 30 HP Air compressor with Variable Frequency Drive, estimated saving of 10,200 KWh per year, at Tata Tetley Division.
- Replacement of 25 years old GI piping with new Aluminium piping to reduce the air losses, estimated saving of 5,600 KWh per year, at Tata Tetley Division.
- Replacement of 45 fluorescent tubes with LED light fixtures, estimated saving of 500 KWh per year, at Tata Tetley Division.
- Installation of Tuflite sheets (translucent fiberglass sheets) and replacement of 142 LED lights at Pullivasal and Periakanal Estate
- Improvement in manufacturing of per kg tea against per unit consumption of energy from 0.97 kgs/unit to 1.09 kgs/unit, resulted in a savings of electrical energy charges of Rs 7.10 lacs per annual, at Pullivasal and Periakanal Estate
- Appropriate monitoring of the Captive Power Usage during FY 2021-22 was at 3% of the total units consumed as compared to 6% during FY 2020-21, at Pullivasal and Periakanal Estate, resulted savings of approximately 20 kiloliters of HSD; valued at Rs 13.45 lacs.

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

Following Renewable energy projects (Solar plants) executed this year:

- Damdim Packeting Center: 150 KWP
- Kellyden Packeting Center: 177 KWP
- Hinganghat Concentrate plant: 175 KWP
- Sampla Packeting Center: 450 KWP
- Gopalpur Packeting Center: 350 KWP
- Indore CFA: 150 KWP
- Jaipur CFA: 200 KWP
- Vaishali CFA: 100 KWP(WIP)

3. Capital investment in Energy Conservation Equipment

- Implemented bucket elevator system for Blending lines at sampla unit, substitution by low motor load resulted in annual energy saving of 171000 units, capex investment of ₹ 50 lakhs.
- Total Investment to attain the Energy conservation projects for ITO division was ₹ 24 lakhs.



Annexure 5 of Board's Report

B. TECHNOLOGY ABSORPTION**(i) Efforts made towards technology absorption:**

The Company has been engaging with various Suppliers, Research Institutes, Analytical Service providers and Technology providers for technical collaborations for product & process development, new packaging development, research-oriented projects, and analytical service support. Technical discussions were held to identify the appropriate technologies, solutions and development and process improvement support. The Company has entered into Memorandum of Understanding with many external Companies and Institutes under Confidentiality agreements to work further on various collaborative projects and assignments. Focus of the company on science and technology-based projects has been augmented to create disruptive and niche products that cater to consumer needs.

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

a) During the year, the Company launched several new products:

- Packaged Beverages: Chakra Gold Care, Tata Tea Care, Tata Tea Agni Adrak, Tata Tea 1868 Range extension, Sonnets by Tata Coffee, Eight O clock Coffee, Tata Coffee Quick Filter, Tata Coffee Gold
- Packaged Foods: Tata Salt Immuno, Tata Shuddh, Tata Salt SuperLite, Shuddh by Tata Salt, Tata Sampann Dry Fruits, Tata Sampann Rice masala, Tata Sampann Dal Tadka Masala
- Ready-to-Drink Beverages: Tata Gluco Plus Jelly Energy Drink, Tata Nature Alive
- Soulfull: Tata Soulfull Ragi Bites- No Maida Chocos, Tata Soulfull 0% added sugar Millet Muesli, Tata Soulfull Millet Smoothix- 0% Added Sugar

This has been achieved through the successful initiatives undertaken in regards to technology and product & pack development and collaborations with different business partners.

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

During the year, we have sharpened our focus on ensuring disruptive innovation ideas and concepts through external collaboration, in a planned, strategic way. We have a clear demarcated approach to engage external partners via three pillars:

i) Knowledge Harvest – Connecting with ingredient, flavour, market insights partners for extending innovation pipeline as well as to bring in new platforms and ideas into the innovation funnel. Collaboration with major ingredient manufacturers and suppliers like Givaudan, IFF, Firmenich, Symrise, MANE, Kerry, Novozymes continued during the year for the development of newer formulations & products with scientific credentials and identifying new opportunities and ideas to feed into the Innovation funnel.

Collaborated with Mother Dairy, Doehler, Arihant Pure Chem, Hexagon nutrition, Ganshmuel, Orana for the development of water plus and fruit- based beverages.

ii) Open innovation – We have engaged with strategic technical partners and start-ups to enable co-development and testing of product concepts in the market, to establish technical feasibility and business viability.

iii) Community of Experts:

To strengthen TCPL play in grains and Millets, the company signed a MOU with Indian Institute of Millets Research (IIMR). The focus of this collaboration is to invest into research and development capabilities for company readiness towards 2023 international year of Millets.

Projects were taken up with CSIR (Council of Scientific & Industrial Research) Lab which include CFTRI (Central Food Technological Research Institute) Mysore, CSIO (Central Scientific Instruments Organization), Chandigarh, IITR (Indian Institute of Toxicology Research) on research and development-oriented projects to identify new opportunity on superior claims and new analytical method development for Food & Beverages products. Also collaborated with Eurofin Advinus (Contract Research Organization) Bengaluru for strategic initiatives related to product claims. Central Institute of

Annexure 5 to Board's Report

Petrochemicals Engineering & Technology (CIPET), Chennai was engaged for a project on recyclable laminates.

To augment our capabilities in existing platforms and categories, we have been liaising heavily with consultants, academia, functional area experts and specialized consultant groups (such as Thinking Forks). We will continue to strengthen our association with expert communities to ensure robust product delivery with agility, given our organization vision and ambitious plans.

Service agreements were entered/continued with NABL accredited Analytical labs – Eurofins Analytical lab Bangalore, TUV SUD Lab Bangalore, TUV NORD Lab Pune, SGS Lab, Gurugram, ALS Testing Services Bengaluru, Vimta Labs Hyderabad, Intertek lab Gurugram, Envirocare Labs Pvt Ltd, FICCI Research and Analysis Center Delhi, Fare Lab, Gurugram, NCML-Unjha, and Neogen-Cochin, for analytical support on product stability, nutrition & safety front.

The product lifecycle management and food safety risk are managed through a Specification Management System developed and optimized by Hamilton- Grant, UK.

- c) Active engagement with different companies was taken up during the year for packaging development to contribute towards cost savings, packaging sustainability and packaging innovation to support the NPD pipeline delivery.

A number of packaging specific initiatives were implemented in FY 2021-22 which has not only resulted in substantial cost savings but also contributed for roughly 500 MT reduction in annual packaging material consumption.

Engagement with Lucro has resulted in us introducing recycled content in our secondary packaging portfolio, which is a first for TCPL. We have also partnered with Dow Chemicals for continued focus on sustainable packaging in flexibles. We are in the process of initiating a partnership with Manjushree Extrusions for

development of recycled content in our rigid bottles. For the design and development of rigid packaging, we have engaged with Tata Elxsi and Sidel. New bottle design and mould was developed for Tata Nature Alive PET bottles and Tata Gluco Plus Jelly Drink.

Various new to TCPL post-print finishes were developed for our NPD pipeline projects (e.g. 1868 Tins, Sonnets, Tata Coffee Gold FDC and Quick-filter) by engaging with key vendors such as ITC, Uflex, Paharpur and Avery Dennison.

For design and development of pack graphics we have engaged with Icarus & Elephant Design. As an on-going process, online artwork approval system "ALIA" from SGS&CO, Mumbai is in use.

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

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

(iv) Expenditure incurred on Research & Development in FY 2021-22:

Capital Expenditure	₹ 1.78 Crores
Revenue Expenditure	₹ 17.15 Crores
Total R&D expenditure as a % of Net Sales is	0.24 %

(C) Foreign Exchange earnings and outgo in FY 2021-22:

Foreign Exchange earned	₹ 412.35 Crores
Outgo of foreign Exchange	₹ 108.46 Crores

On behalf of the Board of Directors

N. Chandrasekaran

Chairman

(DIN 00121863)

Mumbai
May 4, 2022